1. WHAT IS DEVELOPMENT IMPACT FOR IFC?

- IFC’s development impact is the long-term sustained effect of our interventions on people’s lives. In the context of the new WBG goals, this means ending extreme poverty and boosting shared prosperity.
- Underlying these two goals is a narrative on the fiscal, social and environmental sustainability of development.
- Sustained economic growth, which helps reduce poverty and lift the living conditions of the poor, is needed to achieve the goals, and it needs to be broad-based.
- Jobs, most of which are provided by the private sector in developing countries, offer the surest way out of poverty.
- IFC promotes private enterprise with the objective of creating more and better jobs and sustaining economic growth.
- In this context job creation and economic growth are good proxies for IFC’s development impact.

How IFC Measures Results

- IFC’s results-measurement system currently features three components: the IFC Development Goals (IDGs); a monitoring and tracking system to measure development results (DOTS); and a system to evaluate outcomes and impact of activities. We also carry out research to deepen our understanding of the impact our work has on economic growth and job creation, and how these effects might be strengthened.
- This deliberate, systematic approach to results measurement allows IFC to track the progress of projects throughout their life cycle, and feed lessons learned back into operations to improve goal setting and future project design.

1. IDGs: The IFC Development Goals are corporate-level development goals which IFC began testing in fiscal year 2011. They were inspired by the Millennium Development Goals as a way to better integrate IFC’s results measurement with strategy. The IDGs are targets for reach, access, or other tangible development outcomes that projects signed or committed by IFC are expected to deliver during their lifetime.

2. Results Monitoring and Tracking: Results tracking is fully integrated into IFC’s project work. We use the Development Outcome Tracking System (DOTS) to articulate expectations, identify indicators and benchmarks, monitor progress, and rate development results of both investment and advisory projects.

3. Evaluation: In addition to tracking project-level results, IFC has conducted over 80 in-depth evaluations for advisory and investment services since 2006. Our evaluation strategy is designed to (i) help us learn about impact, and (ii) provide real-time feedback loops on progress, for both clients and operational staff.

Improving How We Measure Results: Value for IFC and its Clients

- We are refining our results measurement system to help us better understand our development impact, which we define in terms of job creation and economic growth.
- IFC’s results measurement frameworks were initially designed to meet reporting and accountability purposes; we are now moving towards results systems that will also add value to our clients by helping them understand their broader impact, in ways that can add value to their business.
- As we work to rationalize our development impact measures, we will continue to use DOTS, as well as the IDGs, which have been useful to support implementation of strategy in many parts of our business.

Development Impact and the World Bank Group

- With the World Bank Group (WBG) now aligned towards two clear development goals, efforts to create a unified results measurement system for the Group are advancing.
- We are developing a unified results measurement framework across the Group aligned to support attainment of the WBG goals and strategy.

IFC Results FY 13

Our new investments climbed to an all-time high of nearly $25 billion in FY13, including funds mobilized from other investors, providing capital to more than 600 projects and companies across the world. We invested $18.3 billion for our own account and mobilized $6.5 billion from other investors. In a time of declining official aid flows to developing countries, these investments had an impact in every region of the world.
Investments
At the end of 2012:

<table>
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<tr>
<th>Our investments provided jobs for 2.7 million people in developing countries. However, the IFC Jobs Study published in FY13 revealed that the number of indirect jobs created by IFC clients, is many times the number of direct jobs they provide.</th>
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<tbody>
<tr>
<td>Our clients treated 17.2 million patients</td>
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<tr>
<td>Our clients educated 1 million students</td>
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<tr>
<td>Our clients improved opportunities for 3.1 million farmers</td>
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<td>Our clients generated power for 52.2 million customers</td>
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<td>Our clients distributed water to 42 million people</td>
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<td>Our clients made 27.8 million loans worth $265.3 billion to micro, small, and medium enterprises</td>
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### In FY13
- Some gender-specific results of clients, which IFC began tracking in 2008, include:
  - 803,041 female jobs provided in 2012, up from 366,000 in 2008
  - 526,874 female students educated in 2012, up from 140,000 in 2008
- The overall development outcome score for investment services was 66 percent, exceeding IFC’s long-term target of 65 percent

**Advisory Services**

Our Advisory Services achieved significant results for our clients—businesses and governments alike. Development effectiveness ratings for Advisory Services reached a record of 75 percent, while client-satisfaction ratings climbed to an all-time high of 90 percent. The advice we provide is a crucial element of the value we bring to our clients, and in FY13 we achieved notable progress in providing client solutions that integrate investment and advice—we had active advisory projects with 250 investment clients.

**In FY13**

- Our advice helped mobilize almost $1 billion in private investment through public-private partnerships, which are expected to improve infrastructure and health services for millions of people.
- We helped more than 40,000 small and medium enterprises obtain $4.5 billion in financing secured with movable property through our work with collateral registries.
- We also provided training and capacity-building to about 350,000 people—including farmers, entrepreneurs, and managers of small and medium enterprises.
- We helped governments in 43 countries adopt 76 investment climate reforms

**ABOUT THE DEVELOPMENT IMPACT DEPARTMENT**

The Development Impact Department (CDI) was created in 2010 to help IFC achieve its vision of creating opportunity and improving lives by fostering a culture in which IFC’s strategy and operations would be driven by development results. The department oversees IFC’s results measurement system for both Investment and Advisory business. The system features three mutually reinforcing components: the IFC Development Goals (IDGs); a monitoring and tracking system to measure development results; and a system to evaluate outcomes and impact of activities with a focus on the poverty reduction effects of our work.

- Oversees research designed to deepen IFC’s understanding of the development results that its activities are likely to achieve.
- Tests and implements additional monitoring instruments (such as the poverty scorecard) and additional evaluative approaches as part of on-going efforts to improve the system and respond to IFC client needs.
- Alongside development results, IFC tracks its ‘additionality’—the benefit or value-add that would otherwise not be available without IFC’s involvement.

In addition, the department manages and coordinates the activities of IFC’s Results Measurement Network which has over a 100 professional results measurement specialists working around the globe and across all of IFC’s industries, sectors and Advisory Services business lines. A key objective of this network, alongside accountability, is to extract and feed lessons learned from measuring results back into strategy and operational decision-making.

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