



**International  
Finance Corporation**  
World Bank Group

# *Innovations in Evaluation for Development Assistance*

## **New Delhi**

December 11-12, 2007

*Benchmark Linked  
Evaluation System  
for Sector/Linkages*

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Corporation/SEDF**



# Major Issues in Managing Impact Monitoring System

- Many interventions are based on “Emotions” rather than on “Sound Business Principles”
- “Attribution” always an issue in Value Chains
- Sometimes difficult to show logical interventions
- Differences among stakeholders on Impact indicators
  - ✓ *semantics issues*
  - ✓ *Assumption that SME info is explicitly and readily available*

# Current M & E Practice

## M& E in its own orbit



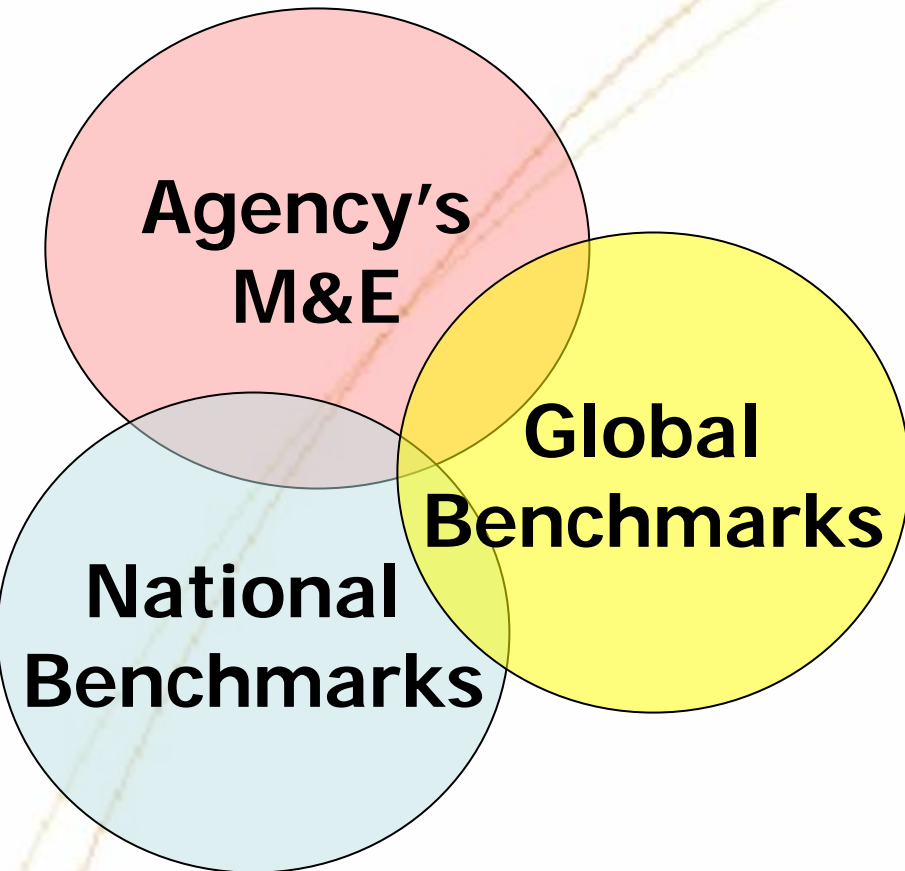
## Concerns/Issues

- M & E not attuned to industry's vocabulary and standards.
- Difficult to attribute changes to program interventions.
- Control group scope not sector-wide
- Does not provide enough insights into better business practices that:
  - *drive the industry forward*

# M & E (a way ahead?)

M & E anchored to national and global benchmarks

Problems addressed



- **Benchmark linked M&E system:**
  - *Gives a view for market drivers to make the firm competitive.*
- **Specific changes in the industry that can be attributed to higher degree of certainty.**
- **Ownership of the private sector.**

# M&E and Benchmarking

**Focus**

**Target Audience**

**Orientation**

**Traditional  
M&E**

**Results, Bang  
For the Bucks**

**Donors,  
Implementers,  
Researchers**

**Donors  
Agencies, Tax  
Payers**

**M&E with  
Benchmarking**

**Competitiveness**

**Industry,  
Firms**

**Private Sector**

# Key Performance Indicators (KPIs) for Benchmarking

## Core Financial Indicators +

**Driver 1**

• **Cost Control**

**Driver 2**

• **External & Internal Quality**

**Driver 3**

• **Value Chain Flexibility**

**Driver 4**

• **Value Chain Reliability**

**Driver 5**

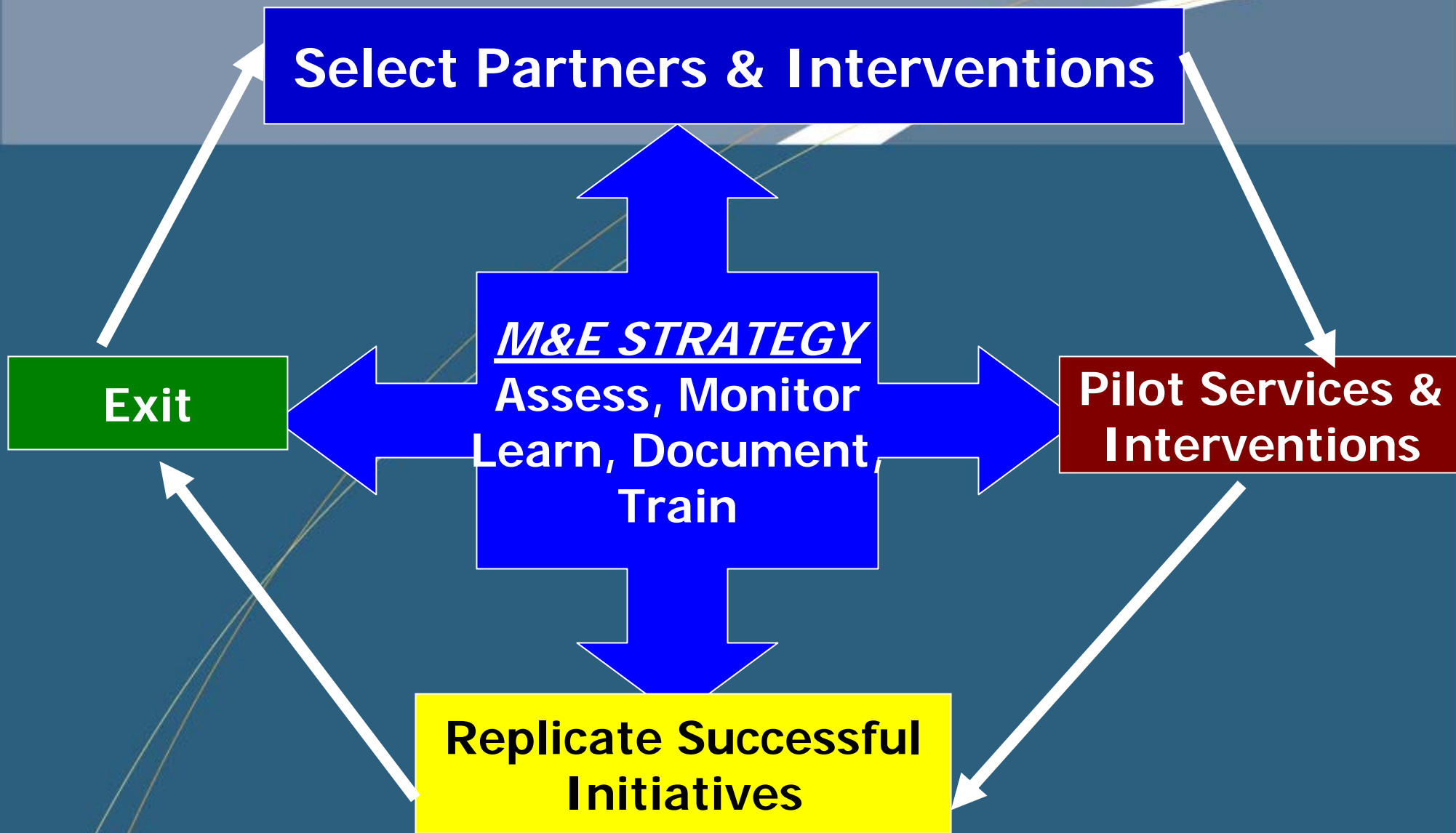
• **Staff Skills Development**

**Driver 6**

• **Product/Market Development**

# Readymade Garments: Benchmarks

	SEDF Assisted	B'desh Baseline	'Reference' Country Benchmark			Global B'mark	
			Sri Lanka	China	Vietn		Camb
<b><u>Process Benchmarks</u></b>							
Labor Turnover/ Year (%)	<b>11</b>	15	6-8	6	7	7	5-6
Rejection Rate	<b>8</b>	10	3	0.5	3	5	1
Plant Efficiency (%)	<b>44</b>	30	65	80	70	60	75
<b><u>Financial Benchmarks</u></b>							
Labor Cost (US\$/ Operator Hour)	<b>.37</b>	.30	.46	.50	.30	.40	-
<b><u>Sector Performance Benchmarks</u></b>							
Return on Invested Capital (Knit) (%)	<b>18</b>	15	18	25	20	18	-
<b><u>Social/Environmental Benchmarks</u></b>							
Women in Supervisor Positions (%)	<b>+1</b>	0.5	40	70	60	65	40

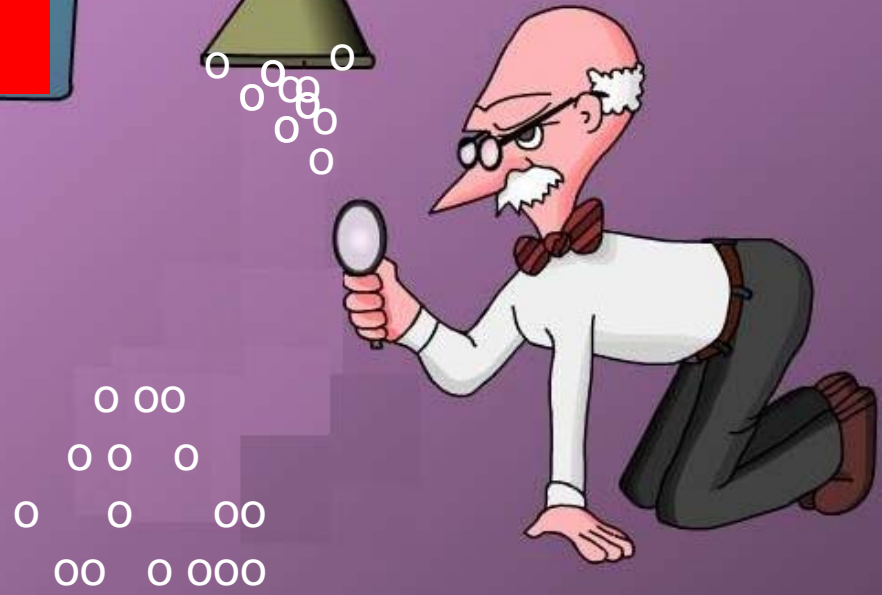


# Donors/Stakeholder

# Program



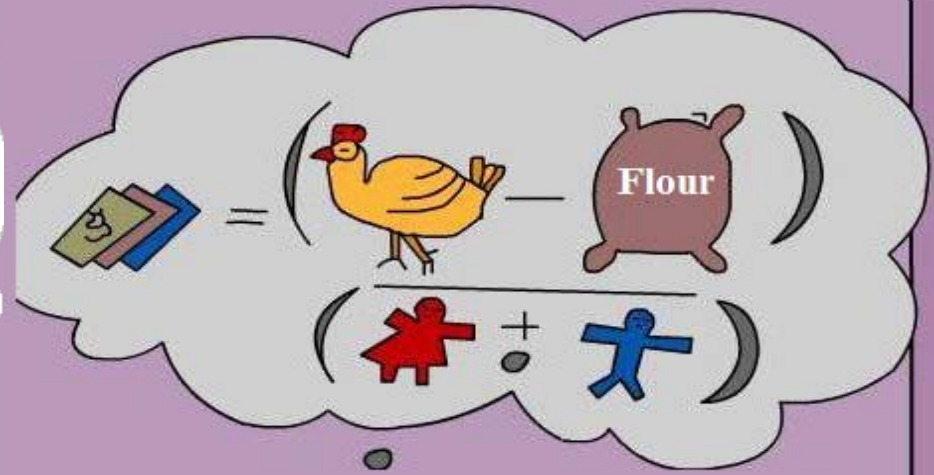
**This demonstrates marginal disutility of the social return on equity by tranverse log of normalized hypothesis variable.**



Return  
on  
Equity =

$$\sum_{i=0}^c \frac{\sum P F}{(1+n)} - \frac{\sum \Pi_j}{(1-n)^n}$$

where n is subject to  
this and that and other



**Program**



**Client**