



## Development impact is everyone's business

The private sector plays a critical role in stimulating economic growth and creating opportunities for people in emerging economies. Its contribution to ending poverty and boosting shared prosperity is therefore vitally important to IFC and its clients.

For more information, visit [ifc.org/developmentimpact](http://ifc.org/developmentimpact) or contact Gloria Orraca-Atayi at [GOrracaatayi@ifc.org](mailto:GOrracaatayi@ifc.org)

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## About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with 2,000 businesses worldwide, we use our six decades of experience to create opportunity where it's needed most. In FY16, our long-term investments in developing countries rose to nearly \$19 billion, leveraging our capital, expertise, and influence to help the private sector end extreme poverty and boost shared prosperity. For more information, visit [www.ifc.org](http://www.ifc.org).

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## IFC's Development Evaluations



## Evaluations: Why are they important?

Development impact is intrinsic to IFC's mission and embedded in our work. IFC's evaluations aim to articulate credible and comprehensive development impact results of our activities, ensure accountability to our many stakeholders, add value to our clients, and inform strategy and operations within IFC and beyond.

IFC's evaluations are closely linked to both our monitoring and knowledge systems, allowing us to demonstrate how our work contributes to economic growth. For example, we look at the impact our projects have on creating jobs and providing services, both of which are critical pathways for achieving the World Bank Group's twin goals of eradicating extreme poverty and boosting shared prosperity.

IFC evaluative thought leadership adds a wider value to the community of Development Finance Institutions on the impact of private sector investments. It also contributes to potential ex-ante impact consideration for new investments in developing, fragile, and conflict-affected contexts.

## Evaluations: What do we do?

IFC evaluations efforts are structured into four archetypes each addressing specific evidence:

### Performance Evaluations

Assess whether an advisory program/project has delivered according to specific performance criteria (relevance, effectiveness, impact, efficiency and sustainability) and achieved results in accordance with stated objectives.

### Rapid Assessments

Analyze the specific outcomes and impacts produced by an investment or advisory service for a client, project, product or sector applying a non-experimental design. These include e.g. client business analytics, case studies, expanded appraisals, end-beneficiary surveys and tracer studies.

### Economic Impact Assessments

Analyze the country economic benefits (e.g. gross value added, tax revenue generated, direct, indirect, induced jobs created, etc.) of an investment or set of related investments within a sector.

### Impact Evaluations

Document the long-term effects, produced by an investment or advisory service, on the IFC client and/or the end-beneficiaries. It requires counterfactual considerations through experimental or quasi experimental design.

### Immediate Goals

- Understand IFC's development impact
- Add value to clients' business development
- Facilitate IFC's strategic and operational learning
- Ensure IFC's accountability to stakeholders

### Ultimate Goal

Articulate IFC's and the client's effect on economic growth, jobs and access to services, contributing to achieving the WBG twin goals:

- End extreme poverty
- Shared prosperity

## Evaluations: How we do them?

Our impact evaluations and assessments are led by the staff of the Development Impact Unit in close collaboration and partnership with our operational colleagues in line with the relevant strategy. Typically we work with external experts to ensure we adopt best practices. Furthermore, we conduct systematic reviews of specific portfolios and also develop methodology notes to support the quality of our evaluation and to strengthen our evidence base. Our evaluative efforts are highly client-centric because we add value to the client as part of the design.

The focus on strategic/operational learning complements the evaluations conducted by the Independent Evaluation Group, which reports directly to the World Bank Group's Board of Directors. We are part of a global professional community working to improve the way we evaluate development impact of the private sector.

In fiscal years 2015–16, we worked on and completed important evaluations in the power, transport, SME banking, education, chemicals, and capital markets sectors. These evaluations were based on an Economic Impact Assessment methodology that shows how investing in these key sectors contributes to the twin goals by generating direct, indirect and induced impacts on economic growth and jobs.