



# Developing DFC's New Development Performance Measurement System

*Impact Quotient (IQ) Indicators  
and Metrics*

## Pillar 1: Economic Growth

**Factors of Production** Projects that increase access to physical infrastructure and critical inputs to economic growth, such as energy, roads, ports, ICT, oil and gas, critical minerals. Scoring is based on the scale of impacts, in context of the host country's level of development in the sector.

**Human Capacity Development** Projects that increase access to basic human needs, such as healthcare, education, food security, housing. Scoring is based on the scale of impacts, in context of the host country's level of development in the sector.

**Local Income** Projects that increase income through local profits, taxes, salaries, and purchases of goods/services. Scoring is based on scale and benchmarked against DFC's active portfolio, in context of the host country's income level.

**Jobs** Projects that create formal jobs. Scoring is based on the scale of impacts and benchmarked against DFC's active portfolio, in context of the host country's employment challenges.

**Financial Intermediaries** Financial Intermediary projects that invest in local companies through debt or equity. Scoring is based on the amount of investment as a proxy for economic growth of downstream investees, in context of the host country's financial sector development.

**Net Balance of Trade** Projects that generate hard currency through export earnings based on the scale and benchmarked against DFC's active portfolio, in context of the host country's trade balance situation.

**Bonus Points for High-Quality Jobs** Voluntary initiatives that provide exemplary employee benefits, such as family-friendly and/or human capacity building benefits, and policies that advance women in the workplace.



# Measuring Economic Growth

## Factors of Production

Sample Metrics	Metric Alignment*
<b>Energy:</b> Energy delivered to the offtaker (#GWh)	HIPSO/IRIS
<b>ICT:</b> Number of fixed data, voice, mobile subscriptions	HIPSO
<b>Ports:</b> Tonnes of bulk cargo transported through port	HIPSO
<b>Transportation:</b> Number of passengers using transportation service	HIPSO
<b>Water:</b> Volume of potable water produced (#m <sup>3</sup> )	HIPSO/IRIS
<b>Oil and gas:</b> Value of domestic sales of oil and gas	HIPSO

## Human Capacity Development

Sample Metrics	Metric Alignment*
<b>Education:</b> Number of students enrolled (disaggregated by sex)	HIPSO/IRIS
<b>Healthcare:</b> Number of patient consultations	HIPSO/IRIS
<b>Housing:</b> Number of new dwellings	HIPSO/IRIS
<b>Agriculture:</b> Value of domestic sales of agricultural products	HIPSO/IRIS
<b>Microfinance:</b> Number of clients	HIPSO/IRIS

\*HIPSO: Harmonized Indicators for Private Sector Operations ([www.ifc.hipso.org](http://www.ifc.hipso.org))

In process: GIIN's IRIS+ Catalogue (<https://iris.thegiin.org/metrics>)

# Measuring Economic Growth

## Local Income and Exports

Sample Metrics	Metric Alignment*
Net sales	IRIS
Domestic purchases of goods and services	HIPSO/IRIS
Payments to the local government	HIPSO/IRIS
Value of Exports	IRIS

## Jobs

Sample Metrics	Metric Alignment*
Direct job creation (disaggregated by skill level, sex, age, and other)	HIPSO/IRIS
Construction jobs	HIPSO/IRIS
Employee benefits	HIPSO/IRIS
Initiatives to advance women in the workplace	IRIS

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## Pillar 2: Innovation

**Economic & Energy Diversification** Projects that introduce new or uncommon products/services (including renewable energy) to the market or introduces new or uncommon operational techniques that will result in improved costs or product/service quality for end-beneficiaries. Scoring is based on the potential for sector-wide impacts, in the context of the host country's level of development in the sector.



**Innovative Financial or Business Structures** Projects that utilize new or uncommon financial or business models that aim to increase competition in the market (including projects that support government market reforms) and/or mobilize private capital through blended finance or other risk-sharing structures. Scoring is based on the potential for sector-wide impacts, in the context of the host country's level of development in the sector.

**Knowledge or Technology Transfer** Projects that provide meaningful technical assistance or knowledge transfer to customers, investees, suppliers, or the community. This includes the value-add that equity fund managers provide to their investees and environmental and social requirements in a company's supply chain. Scoring is based on the potential for sector-wide impacts.

**Bonus Points for Environmental Sustainability** Voluntary initiatives that aim to reduce the environmental impact of its operations, such as through sustainable building practices.

## Market and Energy Diversification

Sample Metrics	Metric Alignment*
New and uncommon products and/or services	HIPSO/IRIS
New operational techniques	HIPSO/IRIS
Renewable energy delivered to the offtaker (# GWh)	HIPSO/IRIS

## Innovative Financial Structures

Sample Metrics	Metric Alignment*
Value and private capital mobilized	N/A
Number of competitors in the market	N/A
Local government market reform	N/A

## Knowledge Transfer

Sample Metrics	Metric Alignment*
Value of technical assistance	N/A
Number of technical assistance beneficiaries	IRIS
Number of suppliers receiving voluntary environmental/social certification	IRIS

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## Pillar 3: Inclusion

**Serves Underrepresented Populations** Projects that serve underrepresented populations through the provision of goods and/or services. Underrepresented populations may include the poor, low-income, women and women-owned enterprises, smallholder farmers, youth, people with disabilities, indigenous peoples, refugees, and ethnic and religious minorities. Scoring is based on the proportion of new beneficiaries that are considered underrepresented in the context of the host country.



**Inclusive Workforce** Projects that provide formal employment for underrepresented populations, as described above. Scoring is based on the proportion of new employees that are considered underrepresented in the context of the host country.

**Inclusive Supply Chains** Projects that procure goods and services from underrepresented populations, as described above. Scoring is based on the proportion of suppliers that are considered underrepresented in the context of the host country.

**Investment in SMEs** Projects that invest in or otherwise serve locally-defined small- and medium-sized enterprises. Scoring is based on the proportion of new SME investees.

**Investment in LICs/LMICs/Fragile States/Underdeveloped regions of UMICs** Projects that are in countries that suffer from the lack of investment and are considered low-income, low-middle income, or fragile by the World Bank. This also includes projects that are in underdeveloped regions within an upper middle-income country that has a level of development similar to low-income or low-middle income country.

**Bonus Points for Inclusive Governance** Projects that have gender-diverse leadership and/or have voluntary initiatives that aim to engage the local community, employees, and/or other stakeholders in relevant decision-making.

# Measuring Inclusion

## Inclusive Customer Base

Sample Metrics	Metric Alignment*
Number of low-income customers	IRIS
Number of women customers	IRIS
Number of customers from other underrepresented populations	IRIS

## Inclusive Employment

Sample Metrics	Metric Alignment*
Number of female direct employees	IRIS
Number of young adults	IRIS
Number of employees from other underrepresented populations	IRIS

## Inclusive Supply Chains

Sample Metrics	Metric Alignment*
Number of smallholder farmer suppliers	IRIS
Number of women-owned or led suppliers	IRIS
Number of SME suppliers	IRIS

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## Investment in SMEs

Sample Metrics	Metric Alignment*
Number of SMEs invested in or served	IRIS
Number of women-owned SMEs served	IRIS

## Investment in Low-Income Geographies

Sample Metrics	Metric Alignment*
Value of investment in low-income countries	N/A
Value of investment in low-middle-income countries	N/A
Value of investment in fragile states	N/A
Value of investment in underserved area in upper-middle-income country (GNIPC compatible with low-income or low-middle-income country)	N/A

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