POWER // 2014
igdIMPACT SECTOR FRAMEWORK
igdIMPACT

igdIMPACT is the Initiative for Global Development’s (IGD) practical, business-oriented approach to impact measurement. Designed with direct input from businesses, sector-specific measurement frameworks help companies map potential (or realized) impacts to key business drivers and performance metrics. Sector-specific frameworks are currently available for the agribusiness, financial services, fast moving consumer goods (FMCG), information and communications technology (ICT), and power sectors.

Businesses use the framework to guide impact assessment at any level – from the micro impact of a single product or service to the macro impact of regional operations or public-private partnerships.

Recent projects include the completion of an impact assessment with Visa Inc., evaluating the impact of their partnership with the Government of Rwanda, working with The Pearson Group in South Africa, and CountourGlobal in Togo. We have also utilized our impact measurement approach in our collaborations with the Rockefeller Foundation to identify opportunities to leverage the private sector to address post harvest loss.

We look forward to partnering with your company on impact measurement. Please contact us at impact@igdleaders.org to get started.

www.igdleaders.org/tools-initiatives/igd-impact/

ABOUT IGD

The Initiative for Global Development (IGD) is a nonprofit organization that drives poverty reduction by catalyzing business growth and investment in the developing world. We bring together an influential network of senior executives from sector-leading companies with the interest and capacity to make strategic investments in high-need, high-potential areas of Africa. Members of our Frontier Leader Network shape global connections and frontier market insights, and promote business-driven development to create economic growth and opportunity.

www.igdleaders.org
## Power Sector

### Impact Framework // 2014 version

**www.igdleaders.org**

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<th>POTENTIAL IMPACT</th>
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<td><strong>Achieving Growth</strong></td>
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| **Expand products and services** | Generates more reliable, cost-effective power using fewer resources. Enables gains in efficiency and productivity for the local economy. Creates new markets through innovation. Enhances the productivity of limited resources. | • % increase in MW capacity (online)  
• % share of increased capacity available for households vs. businesses  
• Reliability of energy; # or frequency of power outages  
• #/% MW generated from alternative/local sources (e.g., tri/quad-gen, hydro, biofuel)  
• % reduction in CO2 per MWh generated and total carbon footprint  
• $/% decrease (GDP equivalent) spent on foreign fuel supplies |
| • Build incremental generation capacity in underserved areas  
• Diversify generation facilities to increase capacity from varied sources (e.g., advance next generation renewable technology)  
• Deploy innovative methods for efficient local production | | |
| **Serve more customers** | Supplies energy for income-generating and commercial activities which facilitate private sector growth. Enhances livelihoods by making modern energy services more accessible to low-income and rural populations. Delivers greater awareness of the life-enhancing benefits that responsible power use can provide. | • Effective implementation of a low-income/rural focused distribution/transmission strategy  
• % increase in km of distribution/transmission lines  
• #/ % of population with (new) access to affordable energy  
• # of new connections; % held by low-income  
• $ invested in/% target population reached through educational marketing campaigns (e.g., around product usage and benefits) |
| • Develop innovative transmission models to expand power access to low-income/rural/last-mile consumers  
• Diversify customer base by offering more affordable products and innovative methods for payment (e.g., pay-per-use, online bill pay, special credit facilities for low-income)  
• Promote the benefits of power use and safety through educational marketing campaigns targeted at the low-income/rural consumer | | |
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| **Local workforce development** | Supports job creation. Builds capacity within local power industry for safe and highly skilled workforce. Addresses skills gaps. Helps to attract the best talent in the marketplace. | • # skilled/unskilled jobs created (local vs. expat)  
• $ per employee; wage/benefit cost per employee; employee retention rate  
• #/% workforce trained in Health Safety and Environment; $ spent on training; Lost Time Incident Rate; # Lost Days  
• $ invested in management skills training/leadership development  
• $ invested in broader health management (e.g., for HIV/AIDS, TB, malaria) |
| • Provide employees with technical, health and safety training  
• Hire local staff and talent  
• Build capacity to develop localized management and leadership  
• Provide health management services | | |
| **Cost-effective, responsible local sourcing** | Reduces contract risks. Integrates local suppliers into the supply chain. Builds local capacity by providing opportunities to expand technical and business skills. Fosters job creation. Safeguards basic human and labor rights within the supply chain. | • #/$ value of contracts with local suppliers  
• # jobs created (skilled/unskilled)  
• % materials sourced locally (vs. % imported)  
• $/ # hours invested in supplier training and development  
• Applied Supplier Guidance/Code of Conduct e.g. contractors adopting highest HSE standards)  
• # low-income people in supply chain (direct/indirect) |
| • Develop linkages with local suppliers and subcontractors for asset/operational support functions  
• Align operational infrastructure with local authority plans and budgets  
• Procure raw materials for operational infrastructure locally  
• Promote safety for all workers within the supply chain (sub/contractors) | | |
| **Operate reliably and achieve performance targets** | Provides consistent, reliable energy to consumers. Reduces environmental impact | • $/% total revenue invested in clean technology #/length of downtime /outages; % decrease from prior years  
• % actual reduction in carbon footprint; (NOx / SOx) emissions year on year  
• %/actual reduction in waste (through recycling, use of better technology)  
• # non-compliance incidences/ $ fines issued for non-compliance  
• Process for identifying and addressing non-compliance issues  
• Average # of hours spent training employees on environmental standards |
| • Reduce outages/downtime & improve availability of power  
• Comply with all environmental regulations, global best practices and reduce pollution | | |
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<th>Responsible business</th>
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<th>Suggested metrics/measures</th>
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| **High standards of governance** | Helps companies acquire and maintain a valid social license to operate. Prevents human rights abuses (unfair displacement of communities). Establishes a safe work environment conducive to productivity, innovation and employee satisfaction. Supports an enabling operating environment. Promotes resource stewardship and efficiency. | • Compliance with international standards/principles (e.g., UN Global Compact; ILO’s Declaration on Fundamental Principles and Rights at Work; UN Declaration of Human Rights; IFC Performance standards)  
• Health, Safety, Environment policies effectively implemented with robust auditing systems  
• # hours spent interacting with the local community/stakeholders  
• Implemented system/mechanism for employees/community to report grievances  
• Applied company-specific local community engagement strategy and environmental management policy  
• Full disclosure of energy and water used, emissions released |
| **Macroeconomic impact** | Stimulates local economic growth by increasing the capital flows needed to purchase local goods and services. Ensures company’s inclusive economic growth benefits reach all segments of society. | • $ paid in corporate and other government taxes (including concession)  
• $ employee compensation; % earned and retained locally  
• $ operating expenses; % earned by local contractors  
• $ paid to shareholders; %/$ shares held locally |
| **Effective corporate philanthropy** | Creates shared value for the local community and the company by addressing key social challenges while simultaneously enhancing the company’s reputation and operational value. | • Effectiveness of initiatives, assessed against defined goals/metrics  
• # local beneficiaries; # stating improvements to livelihood  
• % of pre-tax profit invested in philanthropy/sponsorships  
• Perceived success of initiative (via stakeholder surveys)  
• Effective CSR governance and implementation of philanthropic activities  
• #/$ corporate sponsorships; # beneficiaries of sponsorships |
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| **Improve the policy and regulatory environment** | Creates efficient market structures that encourage market competition and private investment. Creates a more equitable marketplace to support socio-economic development. | • Development of an independent power regulatory agency  
• Implementation of a fair tariff policy  
• # regulatory/policy reforms achieved  
• % reduction in regulatory business processing costs and lead time required for leases, management contracts  
• %#/ Independent Power Producers (IPPs) |
| • Engage local governments, relevant ministries and regional power associations to promote sector development and reform related to policy, regulation, planning, and procurement  
• Raise awareness about relevant development issues with governments and regulators (e.g., power infrastructure, access/reliability of power) | | |
| **Strengthen institutional capacity** | Reduces barriers to investment. Fast-tracks development of power generation to meet demand. Supports local capacity-building efforts. | • % reduction in lead-time for future IPPs  
• # MOUs developed  
• # local education institutes offering technical skills development programs  
• $ spent; # officials trained |
| • Train government officials to increase effectiveness of power services; engage in knowledge and technology sharing  
• Build capacity of higher education institutes to provide specialized technical training (e.g., engineering) | | |
| **Partner to achieve common objectives** | Provides a platform for resource-leveraging and knowledge-sharing, which catalyzes investment and expands capacity to underdeveloped markets. Enhances the sustainability of projects through the promotion of cost and risk-sharing activities. | • $ invested in partnerships  
• # beneficiaries of partnership  
• Assessment of the perceived success of the partnership (via stakeholder surveys and/or independent evaluator)  
• %/ increase investment around key areas |
| • Establish strategic partnerships with governments, NGOs, DFIs, and bilateral donors to promote power sector investment  
• Collaborate with other commercial operators to achieve joint goals around complex issues (e.g., access to power, worker safety, human capital development) | | |