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PRACTICAL, BUSINESS-DRIVEN IMPACT MEASUREMENT

ICT // MAY 2013
igdIMPACT SECTOR FRAMEWORK

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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, FMCG, ICT, and power sectors, with more under development.

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.

IGD provides advisory support by partnering with individual companies to develop a tailored impact measurement strategy which reflects the needs, priorities, and operating contexts of our clients. We deliver value to companies by articulating impacts that result from core business operations, while also building in-house capacity for measurement and reporting and creating a platform for knowledge-sharing. We are currently working with Visa Inc. and ContourGlobal, among other leading companies.

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 non-profit 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 Leaders network shape global connections and frontier market insights, and promote business-driven development to create economic growth and opportunity.

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ICT SECTOR

Impact Framework // May 2013 version

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BUSINESS DRIVERS	POTENTIAL IMPACT	SUGGESTED METRICS/MEASURES
Achieving Growth		
Expand products and services • Deploy/upgrade infrastructure and networks • Introduce smart devices and other consumer products appropriate for the African market • Market relevant web services, including cloud services • Develop local content, ICT-enabled apps, value-added services	Increases availability of and access to ICTs, software and services that meet the computing/networking needs of consumers, including the underserved. Expands competition for ICTs, which drives down price in the long-term. Creates a platform and demand to drive growth of domestic industry for local content development. Improves network resilience and connectivity. Expands access to markets and opportunities online.	• % increase in connectivity and penetration of ICTs • % increase in capacity/connection speeds, incl. for wireless broadband • % reduction in fixed-line faults and internet downtime • % total digital content and apps developed locally; $ revenue for local entrepreneurs/app developers • % decrease in prices for bandwidth, voice and data services • # new, affordable ICT products and smart devices for underserved and low-income consumers • Quantifiable reduction in transaction costs realized by ICT users
Serve more customers • Pilot low-price, mass-market business models that offer affordable ICT and high-speed wireless broadband (incl. pricing schemes) • Commercialize innovative access and distribution models that expand coverage to rural areas (e.g., shared infrastructure, telecom tower leasing) • Roll-out educational ICT marketing campaigns	Improves ICT access for low-income, rural, and SME end-users. Increases productivity through access to information and reduction of transaction costs. Leverages private sector resources and expertise to help governments deliver on promise of universal access. Accelerates local adoption of technology among underserved mass market. Establishes business case and best practices for 'technology inclusion'.	• % total ICT users from underserved segments; % decrease in cost of providing technology to mass market • Wireless broadband penetration/uptake; % cost reduction in providing Internet access • # services marketed/distributed online; % increase in use and effectiveness of services • # prepaid, other innovative payment plans (e.g., pay-as-you-go) • $ savings and connectivity achieved through shared/open-access infrastructure agreements • $ spent on R&D for new technologies/business models; commercial feasibility demonstrated

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BUSINESS DRIVERS	POTENTIAL IMPACT	SUGGESTED METRICS/MEASURES
Achieving operational efficiency and increased productivity through the value chain		
Local workforce development • Train and hire local talent • Use ICT to transfer skills, boost productivity and reduce costs for workforce development	Drives development of the local ICT industry and improves competitiveness. Supports job creation. Transfers knowledge. Improves employee retention rates. Develops management and leadership skills.	• # skilled/unskilled jobs created; # filled by local employees; $ wages/benefits paid • Employee retention rate • # receiving training/$ spent on training; qualitative increase in knowledge and capacity • # using ICT to access skills development resources
Cost-effective, responsible (local) sourcing and production • Commit to increasing local content and supplier/service provider diversity • Promote sustainable production and resource efficiency	Promotes local economic growth and development, while encouraging sustainable use of local resources. Encourages technology transfer and fosters development of domestic high-tech, high-value industries. Supports job creation and drives local economic growth through backward/forward linkages. Reduces environmental footprint and sets example for replication by other firms.	• #/$ value of contracts with local product/service providers • # jobs created (skilled/unskilled) • % total procurement sourced locally (vs. imported) • $ invested in training/development of local suppliers and service providers; technology upgrades • Existence/implementation of corporate environmental/sustainability policies • Environmental/sustainable production standards enforced among suppliers and contractors and resulting $ saved • Product design/packaging considers effect on environment (e.g., e-waste) • Growth of high-tech industry (% of GDP)
Efficient retail/distribution • Build small-scale agent networks to scale distribution and reduce costs • Promote shared infrastructure to reduce costs and improve productivity • Leverage ICT distribution channels to deliver basic services to underserved populations	Supports new markets and local job creation. Extends ICT access to less-viable markets. Lowers domestic prices for voice and data. Increases last-mile access and supports new market entrants. Increases the cost-effectiveness, efficiency and reach of existing products and services.	• Mobile and broadband penetration rates resulting from innovations in distribution models • # skilled/unskilled jobs created (direct, indirect) • #/$ value of contracts with agents/dealers; $ income • Penetration rate of agent networks in rural areas • # non-discriminatory industry agreements for shared/open-access infrastructure and services • #/% of low-income accessing basic services through ICT (e.g., m-banking, m-health, e-government); % decrease in cost of delivering services.

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BUSINESS DRIVERS	POTENTIAL IMPACT	SUGGESTED METRICS/MEASURES
Responsible business		
High standards of governance • Refrain from anti-competitive and anti-consumer practices • Responsibly censor public digital content • Adhere to international standards for good governance, labor, and occupational health and safety	Contributes to the integrity and efficiency of the ICT sector. Reinforces responsible business practices through positive workplace management, marketplace responsibility, and sustained financial contribution. Protects consumers from privacy and security issues. Improves company transparency and accountability.	• Robust risk management principles and resources to address risk management, privacy and security issues • Participation in industry standards-setting bodies • Effectiveness of consumer education initiatives; consumers able to protect themselves • Content/censorship policies and practices that uphold human rights, political freedoms and civil liberties • # international standards and principles met internally and across value chain (e.g., anti-corruption, accounting; HSE; ILO; UNDP and Equator Principles for Responsible Investment) • Effective governance structures and track record
Contribute to growth of national economy and competitiveness, and access to global markets • Make transparent payments to employees, suppliers, and governments • Pass on savings from operating efficiencies • Contribute to economic growth and productivity through increased connectivity	Reduces poverty through greater participation of underserved, low-income and rural populations in the global and information economy. Accelerates economic growth. Stimulates consumption and GDP growth. Increases efficiency of domestic markets and access to global markets.	• $ employee compensation; % earned locally • $ paid in corporate and other government taxes • $ operating expenses; % earned by local service providers • $ paid to shareholders; %/$ shares held locally • $ cost savings realized by consumers, government and regulators • % increase in GDP growth correlated to increase in broadband • Qualitative increase in access to global markets and information economy
Effective corporate philanthropy • Launch targeted initiatives relevant to local context that leverage company expertise and technology (e.g., technical training programs) • Implement corporate sponsorships	Creates shared value for the community and the company, as key social challenges are addressed and corporate reputational and operational value is enhanced. Addresses specific development needs, particularly when programs align to core business.	• Effectiveness of philanthropy/CSR (in meeting goals/metrics) • # local beneficiaries; perceived success of initiative (surveys) • % of pre-tax profit invested in corporate philanthropy • $ spent; gifts-in-kind • Key performance indicators defined and met

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BUSINESS DRIVERS	POTENTIAL IMPACT	SUGGESTED METRICS/MEASURES
Enhancing the operating environment		
Improve the policy and regulatory environment • Advocate for sector liberalization and competition, and for effective regulation of ICT sector • Use company resources and expertise to help regulators develop, implement and enforce policies for universal and open access • Support legislation to make broadband more affordable for low-income and rural customers	Spurs innovation and uptake of ICTs. Increases competition in sector. Minimizes impact of information asymmetries. Promotes development, enhances oversight, reduces resource demand and controls risk. Contributes to a more connected and inclusive society.	• Knowledge-sharing and capacity-building in standards and best practices for the ICT sector • Support for drafting and enforcement of effective regulations for universal access, open access, etc. • Level of sector competition; market concentration; innovation; private investment • Well-functioning consumer protection mechanism • Broadband penetration rate and affordability vis-à-vis low-income and rural customers
Strengthen institutional capacity • Provide capacity-building assistance and technical training on industry upgrades and technology advancement • Support transition to e-government and other ICT platforms for public administration	Increases pace of technology adoption. Drives modernization, reduces bureaucracy and enhances transparency while enhancing efficiency. Strengthens regulatory and supervisory capacity. Improves efficiency, transparency and reach of government services.	• Increase in penetration and use of government services distributed/accessed electronically • Well-functioning e-government platform/system • $ spent on ICT capacity-building; # trained
Partner to achieve common objectives • Joint initiatives to promote ICT access, innovation and skills development • Partnerships with other ICT companies to strengthen advocacy position vis-à-vis regulators	Extends ICT coverage/connectivity to underserved markets that would otherwise not be commercially viable. Encourages private investment. Helps interventions achieve scale.	• # MOUs and partnerships • $ invested in partnerships • Key performance indicators defined and met • % increase in ICT penetration/connectivity • $/% increase in private investment as a result of partnership