

# **A Guide to Performing Development Impact Assessment for BOP Businesses**

**November 2013**

**Japan International Cooperation Agency (JICA)**

**PricewaterhouseCoopers Arata  
ARUN LLC.**

OS
JR
13-099

# *Aiming to Achieve Development Impacts*

- A Guide to Performing  
Development Impact Assessments  
for BOP Businesses -

Strictly Private and Confidential

# ***Table of Contents***

1. Introduction
  2. What is the Purpose of Performing a Development Impact Assessment?
  3. Overview of Development Impact Assessment
  4. Performing a Development Impact Assessment Worksheet (i), (ii), (iii), and (iv)
    - STEP(i) Basic Information
    - STEP(ii) Connecting with the BOP population
    - STEP(iii) Relevance to Development Issues (common to all sectors/specific by sector) Worksheet (v)
  5. Points to remember in BOP Business Worksheet (vi) and (vii)
  6. JICA BOP Business F/S and Development Impact Assessment
- Reference Materials and Pages to be Referred to
  - Contact

# *1. Introduction*

---

# 1. Introduction

This guide has been prepared to provide Japanese companies with information about factors to take into account when considering BOP businesses or assessing development impacts. It is also intended to support development of business models that combine core businesses with development impacts.

Three key points as they apply to BOP businesses are addressed: (i) Basic Corporate Information, (ii) Involvement with BOP populations and (iii) Development Issues, with accompanying worksheets to facilitate implementation. This guide is intended to support a step-by-step understanding of the concepts inherent in BOP businesses, the development issues facing people categorized as target regional BOP populations, methodologies to monitor progress from a study phase through to commercialization, and highlighting the necessity of data collection for monitoring.

This guide is intended for use by both people working directly in the BOP business unit as well as other divisions / business partners both in Japan and abroad. This will support development of mutual understanding and a sharing of business models that have the potential to contribute to the overall improvement of your business. In particular, the Facilitator Manual (attached at the end of the book) will further your discussions.

We sincerely hope that this guide will serve as a catalyst that prompts many Japanese companies to create new business opportunities in emerging and developing countries, and will help a significant number of BOP populations achieve “better lives” as a result of Japanese companies’ participation in BOP businesses

## *2. What is the Purpose of Performing a Development Impact Assessment?*

---

### ***2-1. Background and objectives for development impact assessment***

#### **[Background]**

Developing countries have significant levels of development needs. It is impossible to respond to all of their needs solely with ODA funds. The private sector is therefore expected to play a key role in fostering economic growth and solving development issues, in cooperation with governments and development agencies.

Given the growing expectations for the private sector in international development, there is an increasing number of partnerships between development agencies and private corporations. It is important to identify ways to promote such partnerships and develop business models that will benefit the poor.

In addition, private companies are increasingly interested and motivated to provide social value to the poor through their main businesses. Considerations should be given to the balance between profitability and contribution on development issues, or to address fears concerning operational issues. A comprehensive assessment method is needed to set objectives amongst various stakeholders.

#### **[Objectives]**

Development impact assessment has two objectives.

1. To identify the development impacts that BOP businesses can bring about, so that they can work to this end.
2. To establish accountability by identifying the tangible outcomes of development impacts that businesses can bring.

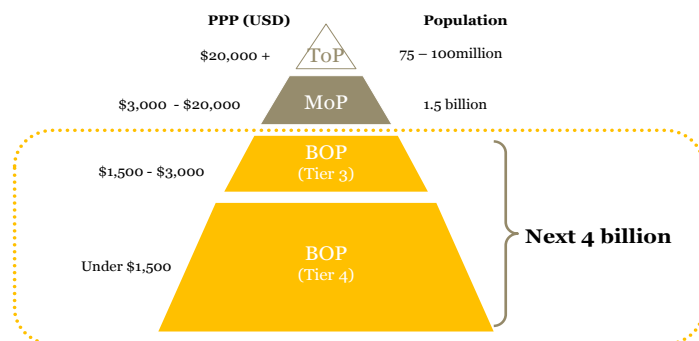
In addition, by taking development issues of BOP population into consideration, companies are able to link BOP business models and development impact assessment, which increases business sustainability and impact. As a result, companies may be able to gain positive publicity or obtain new financing.

## 2. What is the Purpose of Performing a Development Impact Assessment?

### 2-2. What is BOP business

In recent years, developing and emerging countries are increasingly being viewed as “markets” rather than as “beneficiaries”. BOP business is defined as sustainable and profitable business providing goods and services that benefit the BOP population. The BOP population is defined as “population with annual income under 3,000 USD (PPP) ”.

#### Income pyramid and BOP population



Source: World Resource Institute, International Finance Corporation, *“THE NEXT 4 BILLION”*, 2007

The income level of the BOP population is expected to rise as the economy of developing countries continues to grow. The BOP population is now attracting attention globally as a fast growing market, i.e. “the next volume zone”. The size of BOP population worldwide is currently estimated at 4 billion. Many will grow out of poverty to the middle class in the future. Global companies (mainly US and Europe) are working together with governments, aid agencies and NGOs to solve development issues through business.

There are two reasons why JICA, a development aid agency, focuses on BOP businesses targeted at the poor. The first is that BOP business is expected to have development impacts for the BOP population. The second is that BOP business is implemented as a part of company’s core business, and not philanthropy. Companies can fully utilize their core competencies and management resources to innovate and promote research and development, market development, and business expansion. As a result, BOP businesses are expected to achieve both sustainability in development and scalability.



## ***2-3. Objectives of this manual***

This manual aims to achieve the following objectives:

1. To build business models that will help solve BOP development issues, starting from the business model development phase, by understanding BOP needs and living conditions, and the relevant societal and economic structures.
2. To conduct development impact assessments where both JICA and BOP business company agree that it is practical and effective, and to set metrics for development impact assessment and collect baseline data.

### **■ For JICA:**

- To understand the company's activities and results, and to be able to communicate effectively with the company.
- To raise awareness of the JICA private sector partnership and strengthen the impact of BOP business assistance programs.
- To share BOP business expertise of Japanese companies and promote BOP business so that more companies will decide to launch and expand BOP business.

### **■ For companies:**

- To be able to utilize JICA's knowledge of developing and emerging countries for the purpose of BOP business.
- To consider the development impact of BOP business and help to objectively identify development impact of business activities.
- To create synergies with other aid agencies programs or support by evaluating the development impact of their businesses.

### ***2-4. How to use this manual***

#### **■ What you need to get started**

- This manual
- Company information (corporate website, annual reports, CSR reports, etc.)
- Information about the BOP business to be launched (business plan, relevant data)

#### **■ Who should use this manual?**

This manual is intended for the person in charge of the BOP business. It is possible to use it with others, such as other departments or partners (in Japan or overseas) involved in the BOP business. You can share the manual with them, fill in the form individually, and get together to discuss issues afterwards as a workshop. In this case, you may find useful the Facilitator Manual (attached at the end of this document) .

#### **■ How long does it take?**

- Individual session: 1 hour
- Workshop session: 2 – 3 hours (It is recommended to take 40 – 60 mins for each component, 3 components in total)

#### **■ Deliverables**

- Discussion Worksheets (Worksheet 2, 3, 5, 6, 7)  
Worksheets to support the discussion process
- Deliverable Worksheets (Worksheet 1, 4) to be submitted to JICA (\*worksheets with colored background)

# *3. Overview of Development Impact Assessment*

---

## 3-1. Elements of development impact assessment

Key items to consider during the F/S phase are specified in three steps; “Step 1: Basic corporate information”, “Step 2: Connecting with the BOP population”, and “Step 3: Development issues.” Worksheets are provided to facilitate the process.

By using this manual, companies will gain a better understanding of BOP business specific issues, development needs of the targeted BOP population, how to monitor outcomes during the business planning phase, and requirements for monitoring data collection.

Step 1	Basic information	•Corporate information •About the company’s business		Worksheet 1 (p.13)
	+			
Step 2	Relationship with BOP	•Value chain of the BOP business and its relationship with BOP population		Worksheet 2 (p.15)
	+			
Step 3	Development Issues	Common themes	•Employment •Income (improved living standards) •Financial situation •Reputation of the business and BOP	Common Metrics for Development Impact (p.17)
		Sector-specific themes	1. Health 2. Agriculture 3. Energy 4. Water management 5. Environment 6. Education 7. Financial services 8. Other	Worksheet 3 (p.18)  Worksheet 4 (p.29)

## *4. Performing a Development Impact Assessment*

---

*STEP(i) Basic Information*

*STEP(ii) Involvement with the BOP population*

*STEP(iii) Relationship with Development Issues  
(common to all sectors/specific by sector)*

4.Performing a Development Impact Assessment

4-1. Basic information: Define your BOP business

Please provide the following information for the BOP business that is being considered at your company.

Corporate mission	
Technologies or services utilized in your BOP business	
Characteristics of your BOP business	
Areas being considered for the BOP business	Area: Africa (North, West, East) /Asia (South, South-East, Central) /South America Country: Region:

4.Performing a Development Impact Assessment

Example

4-1. Basic information: Define your BOP business

Please provide the following information for the BOP business that is being considered at your company.

Corporate mission	XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Technologies or services utilized in your BOP business	Technology for extracting and processing nutrients developed by our company
Characteristics of your BOP business	BOP business potential and sustainability Our BOP business will contribute to solving the poverty throughout the value chain. Specific examples: XXXXXXXXXXXXXXXXXXXX
Areas being considered for the BOP business	Area: Africa (North, West, East) /Asia (South, South-East, Central) /South America Country: Vietnam Region: Central (Da Nang area)

4.Performing a Development Impact Assessment

4-2. Relationship with the BOP

How does your company define BOP business?

Please indicate which part of the value chain will be most beneficial for the BOP population. Refer to each part of value chain for details of the benefits. Also, circle the parts of value chain where your company expects the most important impact to occur. Circle also the part of value chain where the second most important impact is expected.

\*Finance and PR/marketing relates to the entire value chain

Finance

PR/ marketing

Standard value chain

Procurement

Production

Distribution

Consumption

After-sales (Disposal)

		<div>[Key questions]</div> <div> <div>✓ BOP customers involved in procureme nt? How?</div> <div>✓ Local companies are involved?</div> <div>✓ Environme nt and social aspects considered?</div> </div>	<div>[Key questions]</div> <div> <div>✓ BOP customers involved in production ? How?</div> <div>✓ Environme nt and social aspects considered when choosing production location?</div> </div>	<div>[Key questions]</div> <div> <div>✓ BOP customers involved in distribution ? How?</div> <div>✓ Environme nt and social aspects considered in distribution ?</div> </div>	<div>[Key questions]</div> <div> <div>✓ BOP customers involved in consumptio n(product/ service provider)? How?</div> <div>✓ Products and services adapted for BOP needs?</div> </div>	<div>[Key questions]</div> <div> <div>✓ BOP customers involved in after-sales service (disposal)? How?</div> <div>✓ Environme nt and social aspects considered?</div> </div>
Involvement of the BOP customers	--					



## Example

Next, highlight the part of value-chain that would potentially have the strongest development impact with a red box (indicate the strongest expectation with a bold line and the second strongest with a thin line).

## Standard value chain

	Finance Public Relations	Purchasing	Production	Distribution	Consumption	Post-Sale Service (Disposal)
In which field is your BOP business involved with BOP population?	--	Purchasing from local community entities	Job creation for BOP population (employment of women)	Employment of those in BOP population Distribution via female entrepreneur	Distribution of products to BOP population will help them improve public health.	Nothing in particular

#### 4.Performing a Development Impact Assessment

### 4-3. Development Issues: Development impact indicators common to all sectors

Employment, wages (for the BOP population), finance, and ripple effects (on society) are common to all sectors. Please collect data closely linked to your core businesses in each item. When formulating a BOP business plan, it would be better to incorporate the data collected in your business plan with reference to the items indicated below.

1. Employment	- No. of employees divided by no. of employers - Ratio of gender etc.	<input type="checkbox"/> No. of employees * No. of full-time and part-time employees (OI8869) <input type="checkbox"/> No. of female employees out of the no. of employees * Ratio thereof (OI2444) <input type="checkbox"/> No. of minority people out of No. of employers * Ratio thereof (OI3236) <input type="checkbox"/> (OI4038) No. of disabled employers out of No. of employers * Ratio thereof (OI3236)
2. Wages	-wage of employees/employers (Ratio of their wage to the regional average) etc.	<input type="checkbox"/> wage of employees including bonuses * No. of full-time and part-time employees (OI9677) <input type="checkbox"/> wage of female employees (OI4559) <input type="checkbox"/> wage of minority people (OI1034) <input type="checkbox"/> * wage of disabled employees
3. Finance	- Sales - Cost of sales etc.	<input type="checkbox"/> Sales * excluding grants, etc. (FP5958) <input type="checkbox"/> Cost of quantity sold * direct costs only (FP9049) <input type="checkbox"/> Operating costs (indirect costs, such as distribution, processing and purchasing costs) (FP1001)
4. Credit/reputation	- Improvement of credit/reputation both for business operator and BOP population.	<input type="checkbox"/> Award-winning at home or abroad in the past year <input type="checkbox"/> Invited as guest speaker to seminar/forum in recognition of its innovative approach in BOP business <input type="checkbox"/> Received an inquiry for its business model from other business entity, and similar project was implemented on a pilot basis

4.Performing a Development Impact Assessment

4-4. Development Issues: Sectoral Issues

What does your company think of BOP businesses?

First, describe in concrete terms what part your company plays or will play in each part of value-chain and what kind of benefits your company brings about or will bring about to the BOP population, with reference to points indicated at each part of the value-chain.

Next, you should also highlight a part of value-chain having the strongest expectation of development impact with red lined box (please indicate the strongest expectation with a bold line and the second strongest with a thin line).

\* “Finance” and “Public Relations” involve the overall value-chain deeply. Please see development impact indicators common to all sectors (p.17).

Standard value chain						
	Finance	Purchasing	Production	Distribution	Consumption	Post-Sale Service (Disposal)
	Public Relations					
What kind of development Issues can you solve?	—	<ul style="list-style-type: none"> <li>✓ Health</li> <li>✓ Education</li> <li>✓ Energy</li> <li>✓ Water</li> <li>✓ Agriculture</li> <li>✓ Environment</li> <li>✓ Financial services</li> <li>✓ Other</li> </ul>	<ul style="list-style-type: none"> <li>✓ Health</li> <li>✓ Education</li> <li>✓ Energy</li> <li>✓ Water</li> <li>✓ Agriculture</li> <li>✓ Environment</li> <li>✓ Financial services</li> <li>✓ Other</li> </ul>	<ul style="list-style-type: none"> <li>✓ Health</li> <li>✓ Education</li> <li>✓ Energy</li> <li>✓ Water</li> <li>✓ Agriculture</li> <li>✓ Environment</li> <li>✓ Financial services</li> <li>✓ Other</li> </ul>	<ul style="list-style-type: none"> <li>✓ Health</li> <li>✓ Education</li> <li>✓ Energy</li> <li>✓ Water</li> <li>✓ Agriculture</li> <li>✓ Environment</li> <li>✓ Financial services</li> <li>✓ Other</li> </ul>	<ul style="list-style-type: none"> <li>✓ Health</li> <li>✓ Education</li> <li>✓ Energy</li> <li>✓ Water</li> <li>✓ Agriculture</li> <li>✓ Environment</li> <li>✓ Financial services</li> <li>✓ Other</li> </ul>
Reference list of development impact indicators	Financial Performance	Operational Impact	Operational Impact	Operational Impact	Product Explanation /Impact	Operational Impact

4.Performing a Development Impact Assessment

Example

4-4. Development Issues: Sectoral Issues

What does your company think of BOP businesses?

First, describe in concrete terms what part your company plays or will play in each part of value-chain and what kind of benefits your company brings about or will bring about to the BOP population, with reference to points indicated at each part of the value-chain.

Next, you should also highlight a part of value-chain having the strongest expectation of development impact with red lined box (please indicate the strongest expectation with a bold line and the second strongest with a thin line).

	Standard value chain					
	Finance	Purchasing	Production	Distribution	Consumption	Post-Sale Service (Disposal)
* “Finance” and “Public Relations” involve the overall value-chain deeply. Please see development impact indicators common to all sectors (p.17).	Public Relations					
What kind of development Issues can you solve?	—	✓ Health ✓ Education ✓ Energy ✓ Water ✓ Agriculture ✓ Environment ✓ Financial services ✓ Other	✓ Health ✓ Education ✓ Energy ✓ Water ✓ Agriculture ✓ Environment ✓ Financial services ✓ Other	✓ Health ✓ Education ✓ Energy ✓ Water ✓ Agriculture ✓ Environment ✓ Financial services ✓ Other	✓ Health ✓ Education ✓ Energy ✓ Water ✓ Agriculture ✓ Environment ✓ Financial services ✓ Other	✓ Health ✓ Education ✓ Energy ✓ Water ✓ Agriculture ✓ Environment ✓ Financial services ✓ Other
Reference list of development impact indicators	Financial Performance	Operational Impact	Operational Impact	Operational Impact	Product Explanation /Impact	Operational Impact

4-4. Development Issues: Sectoral Issues

Identify “development issues that have the largest impact on the value chain” on the basis of each sector classified by development issue based on JICA’s definitions (hereinafter referred to as “development issue sector”). This section will address what development issues exactly mean and what type of indicators of development issues should be applicable to your business. Please select development issue sector (s) related to your BOP business among the options 1 through 8. In the case of multiple choices applicable, consider all applicable .

Development challenge	Sector classified by development issue pursuant to the definition of JICA	Main guidelines on development issues	Practical indication reference page
1	Health	Improvement in maternal and child health, measures against HIV/AIDS, tuberculosis and malaria, qualitative and quantitative improvement in health personnel, and improvement in access to health services	p.21
2	Agriculture	Sustainable agricultural production Promotion of vigorous agricultural community	p.22
3	Energy	Energy supply, energy saving. sustainable energy, and mining	p.23
4	Education	Improvement in basic education Non-formal education (improvement in education gap)	p.24
5	Water management	Water supply in consideration of efficiency, safety and stability Sustained supply of safe water	p.25
6	Environmental Management	Environmental Management Waste disposal	p.26
7	Financial services	Enable access to financial services for all	p.27
8	Other	* In cases where a development issue does not fall under sectors 1 through 7 above, please use the sheet entitled “8. Other.”	p.28

## 4. Performing a Development Impact Assessment

### 4-4-1. Health

Let us identify “development issues that have the largest impact from the value chain” on the basis of each sector classified by development issue based on JICA’s definitions (hereinafter referred to as “development issue sector”). This section will address what development issues exactly mean and what type of indicators of development issues should be applicable to your business.

Guideline on development issues	Interim goal	Example of suggested development impact indicator and reference code
Improvement in maternal and child health	Improvement in health of pregnant women and lactating women Improvement in health of infants	<p>[IRIS Indicator Example]</p> <ul style="list-style-type: none"> <li>❑ Number of workers employed as health-care professionals (OI5323)</li> <li>❑ Number of well-trained health-care professionals (OI8372)</li> <li>❑ Time (hours) spent for training health-care professionals (OI7583)</li> <li>❑ Quantity of products and services sold by the company during the fiscal period (PI1263)</li> <li>❑ Number of hospital rooms at the end of fiscal period (PI7648)</li> <li>❑ Occupancy rate of patient facilities during the fiscal period (PI3361)</li> </ul> <p>* Calculation method: (Number of days in the hospital for medical treatment)/(Number of days with bed availability)</p> <ul style="list-style-type: none"> <li>❑ Occupancy rate of operating / treatment rooms during the fiscal period</li> </ul> <p>* Calculation method: (Occupancy hours of operating/treatment rooms)/(Available time of operating/treatment rooms) (PI9278)</p> <p>[Examples of indicators other than IRIS]</p> <ul style="list-style-type: none"> <li>❑ HIV prevalence among 15- to 24-year-old people</li> <li>❑ Condom use rate at last high risk sex</li> </ul>
HIV/AIDS measures	Prevention of HIV infection AIDS treatment	
Tuberculosis measures	Improvement in capability of managing Development Outcome Tracking System (DOTS) Improvement in capability of managing Beyond DOTS	
Malaria measures	Prevention against malaria infection Quick medical examination and improvement in medical treatment system	
Qualitative and quantitative improvement in health personnel	Fostering of quality health-care professionals	
Improvement in access to health services	Improvement in access to medical treatment facilities and services Strengthening of emergency care system	
In addition, pick out any other data available and/or already held internally to check whether they might serve as an indicator for the purposes above.		[Your proprietary indicators ]

## 4. Performing a Development Impact Assessment

### 4-4-2. Agriculture

Let us identify “development issues that have the largest impact from the value chain” on the basis of each sector classified by development issue based on JICA’s definitions (hereinafter referred to as “development issue sector”). This section will address what development issues exactly mean and what type of indicators of development issues should be applicable to your business.

Guideline on development issues	Interim goal	Example of suggested development impact indicator and reference code
Sustainable agricultural production	Maintenance and management of production facilities Development of research and development capability	<p>[IRIS Indicator Example]</p> <ul style="list-style-type: none"> <li>❑ Area of land directly managed (OI5481)</li> <li>❑ Use quantity of insecticides (kg) (OI9891)</li> <li>❑ Number of contracts/ distribution agreements for the purpose of selling goods and services (PI9988)</li> <li>❑ Area of land indirectly managed (PI3789)</li> <li>❑ Income of farm producers (farm household) (comparison with peers handling the same or similar products in the local area; detailed calculation available) (PI1568)</li> <li>❑ Agricultural output of farm producers per hectare (detailed calculation available) (PI3468)</li> <li>❑ Purchase volume from suppliers (PI8418/ local suppliers thereof; PI5473/SEMs thereof) (PI2019)</li> </ul> <p>[Examples of indicators other than IRIS]</p> <ul style="list-style-type: none"> <li>❑ Stability in food supplies in the rural community (self-sufficiency rate, etc.)</li> </ul>
Promotion of vigorous agricultural community	Improvement in distribution of food Development of rural living conditions Improvement in health and education level of rural inhabitants	
In addition, pick out any other data available and/or already held internally to check whether they might serve as an indicator for the purposes above.		[Your proprietary indicators ]

## 4. Performing a Development Impact Assessment

### 4-4-3. Energy

Let us identify “development issues that have the largest impact from the value chain” on the basis of each sector classified by development issue based on JICA’s definitions (hereinafter referred to as “development issue sector”). This section will address what development issues exactly mean and what type of indicators of development issues should be applicable to your business.

Guideline on development issues	Interim goal	Example of suggested development impact indicator and reference code
Energy supply	Improvement in energy access Efficient power transmission	<p>[IRIS Indicator Example]</p> <ul style="list-style-type: none"> <li>❑ Quantity of energy generated by products (product lifetime) (PD6596)</li> <li>❑ Quantity of energy consumed during the product lifetime (PD6596)</li> <li>❑ Quantity of energy generated by products during the F/S period/business implementation period (PI8706)</li> <li>❑ Quantity of energy consumed reduced by a product during the F/S period/business implementation period (PI7623)</li> </ul> <p>[Examples of indicators other than IRIS]</p> <ul style="list-style-type: none"> <li>❑ Improvement in non-electrified ratio in the local area</li> <li>❑ Improvement in the household income through electrification</li> </ul>
Energy saving	Energy saving on consumers Energy saving on suppliers	
Sustainable energy	Development of power sources toward low carbon society	
Mining	Development of surrounding infrastructure and local area Maintenance of mining development strategy and legal systems Management of mineral-resources Management of mines and environmental measures	
In addition, pick out any other data available and/or already held internally to check whether they might serve as an indicator for the purposes above.		[Your proprietary indicators ]



#### 4. Performing a Development Impact Assessment

### 4-4-4. Education

Let us identify “development issues that have the largest impact from the value chain” on the basis of each sector classified by development issue based on JICA’s definitions (hereinafter referred to as “development issue sector”). This section will address what development issues exactly mean and what type of indicators of development issues should be applicable to your business.

Guideline on development issues	Interim goal	Example of suggested development impact indicator and reference code
Improvement in basic education	Promotion of basic education Improvement in quality of basic education	<p>[IRIS Indicator Example]</p> <ul style="list-style-type: none"> <li>❑ Number of teachers employed (OI5896)</li> <li>❑ Number well trained teachers (OI3389)</li> <li>❑ Time (hours) spent to training teachers (OI1814)</li> <li>❑ Value of educational materials (textbooks and notebooks) provided to during the period for F/S or business implementation (monetary value) (PI5736)</li> <li>❑ Number/ratio of textbooks per students (PI4279)</li> <li>❑ Number of students per classroom (PI5501)</li> <li>❑ Number of restrooms available to students (PI4210)</li> <li>❑ Number of students per teacher (PI5110)</li> </ul> <p>[Examples of indicators other than IRIS]</p> <ul style="list-style-type: none"> <li>❑ Ratio of male students to female students in primary, secondary and higher educations</li> </ul>
Non-formal education (Improvement in education gap)	Elimination of gender gap Correction of regional gap between urban and rural regions	
In addition, pick out any other data available and/or already held internally to check whether they might serve as an indicator for the purposes above.		[Your proprietary indicators ]

#### 4. Performing a Development Impact Assessment

### 4-4-5. Water

Let us identify “development issues that have the largest impact from the value chain” on the basis of each sector classified by development issue based on JICA’s definitions (hereinafter referred to as “development issue sector”). This section will address what development issues exactly mean and what type of indicators of development issues should be applicable to your business.

Guideline on development issues	Interim goal	Example of suggested development impact indicator and reference code
Water supply in consideration of efficiency, safety and stability	Promotion of efficient water use	<p>[IRIS Indicator Example]</p> <ul style="list-style-type: none"> <li>❑ Quantity of water generated (PI9468)</li> <li>❑ Quantity of movable (transferable) water produced (PI8043)</li> <li>❑ Quantity of water consumption reduced by a product or service (PI2884)</li> </ul>
Sustained supply of safe water	<p>Achievement of water resources</p> <p>Improvements in water access for urban area</p> <p>Improvements in water access for rural area</p>	<p>[Examples of indicators other than IRIS]</p> <ul style="list-style-type: none"> <li>❑ Ratio of population accessible to improved water source</li> <li>❑ Working hours spent for securing safe water (e.g. time taken for water drawing labor)</li> </ul>
In addition, pick out any other data available and/or already held internally to check whether they might serve as an indicator for the purposes above.		[Your proprietary indicators ]

#### 4. Performing a Development Impact Assessment

### 4-4-6. Environment

Let us identify “development issues that have the largest impact from the value chain” on the basis of each sector classified by development issue based on JICA’s definitions (hereinafter referred to as “development issue sector”). This section will address what development issues exactly mean and what type of indicators of development issues should be applicable to your business.

Guideline on development issues	Interim goal	Example of suggested development impact indicator and reference code
Environmental Management	Sustainable use of natural resources by residents Conservation of biodiversity Sustainable forest management	[IRIS Indicator Example] <input type="checkbox"/> Greenhouse gas emission reduction by a product or service (PI5376) <input type="checkbox"/> Decrease in emission of hazardous waste by 3R (renovation, reuse and recycling) (PI2073) <input type="checkbox"/> Decrease in waste stuff other than hazardous waste by 3R (PI8177) <input type="checkbox"/> Areas with trees planted during the F/S period/business implementation period (PI4127)
Waste disposal	Encouraging collaboration with the private sector Encouraging of approaches to companies generating industrial waste Promotion of citizens’ participation Consideration of culture and society Improvement in reproduction and discharge Improvement in collection and conveyance Introduction of and improvement in intermediate processing Improvement in final disposal sites	[Examples of indicators other than IRIS] <input type="checkbox"/> Ratio of forest area <input type="checkbox"/> Total volume of carbon dioxide emissions, "amount of carbon dioxide emissions per person, amount of carbon dioxide emissions per GDP dollar <input type="checkbox"/> Ratio of fish resources within safe ecosystem boundaries
In addition, pick out any other data available and/or already held internally to check whether they might serve as an indicator for the purposes above.		[Your proprietary indicators ]

#### 4. Performing a Development Impact Assessment

### 4-4-7. Financial services

Let us identify “development issues that have the largest impact from the value chain” on the basis of each sector classified by development issue based on JICA’s definitions (hereinafter referred to as “development issue sector”). This section will address what development issues exactly mean and what type of indicators of development issues should be applicable to your business.

Guideline on development issues	Interim goal	Example of suggested development impact indicator and reference code
Enable access to financial services for all	Provision of financial services to BOP Provision of financial services to agriculture and rural community Use of sound micro financial institutions Establishment of savings credit unions	<p>[IRIS Indicator Example]</p> <ul style="list-style-type: none"> <li>❑ Types of financial instruments available to BOP (OD9190)</li> <li>❑ Types of microfinance methodologies (PD7356)</li> <li>❑ Services related to businesses/education/health/female empowerment provided by microfinance (PD1853/PD1796/PD3679/PD6897)</li> <li>❑ * Applicable item(s) to be selected in each field.</li> <li>❑ Number of financial businesses generated during the F/S period/business implementation period (PI5691)</li> <li>❑ Number of employees generated during the F/S period/business implementation period (PI3687)</li> </ul> <p>[Examples of indicators other than IRIS]</p> <ul style="list-style-type: none"> <li>❑ Number (ratio) of population accessible to financial services</li> </ul>
In addition, pick out any other data available and/or already held internally to check whether they might serve as an indicator for the purposes above.		[Your proprietary indicators ]

4-4-8. Other

In cases where the “development issues that have the largest impact on the value chain” do not fall under the sectors classified by development issue based on JICA’s definitions , please use the sheet entitled “8. Other.” Consider what the development issue represents and what kind of indicator would be applicable to your business.

Guideline on development issues	Interim goal	Example of suggested development impact indicator and reference code
		<div>[Indicators related to residence or community]</div> <div> <div>❑ (PI5965) Number of houses built by financial means</div> <div>❑ (PI2410) Value of community facilities newly built or renovated (monetary value)</div> <div>❑ (PI1586) Improvement in energy efficiency, etc.</div> <div>❑ (PI2640) Number of persons who built new houses or organized loans</div> </div>
In addition, pick out any other data available and/or already held internally to check whether they might serve as an indicator for the purposes above.		[Your proprietary indicators ]

Note) The reason for description of [Indicators related to residence or community] is that the sector does not fall under the development issues addressed by JICA among IRIS sectors. The description is just an example. Please use this sheet in case of other sectors.

#### 4. Performing a Development Impact Assessment

### 4-5. Organizing the points of development impact into a logical sequence

Please copy the information as described in the worksheets to the columns (i), (ii), and (iii) below, and describe the assumed indicator(s) that emerged in 4-3 and 4-4. As for (iv), in the cases where there are no applicable indicators, describe any candidate(s) likely to be applicable based on internally owned data or assumed indicator(s).

Finally, we shall discuss a practical BOP business plan and matters to pay attention to in light of relevance to and compatibility with the following (i), (ii), (iii) and (iv).

(i) In your BOP business, which part of the value chain do you expect to be the most beneficial for the BOP population?	(Details:	Copy the information of Worksheet (ii)
(ii) What kind of relationship do you have with the BOP population?		Copy the information of Worksheet (ii)
(iii) To which development issues do you think you can contribute?		Copy the information of Worksheet (iii)
(iv) What kind of indicators (KPIs) do you adopt for goal-attainment scaling measures?		Describe indicator(s) assumed resulting from 4-3 and 4-4
Note) If you run out of space, attach more pages.		

#### 4. Performing a Development Impact Assessment

Example

##### 4-5. Let us organize the points of development impact into a logical sequence.

Please copy the information as described in the worksheets to the columns (i), (ii), and (iii) below, and describe the assumed indicator(s) that emerged in 4-3 and 4-4. As for (iv), in the cases where there are no applicable indicators, describe any candidate(s) likely to be applicable based on internally owned data or assumed indicator(s).

Finally, we shall discuss a practical BOP business plan and matters to pay attention to in light of relevance to and compatibility with the following (i), (ii), (iii) and (iv).

(i) In your BOP business, which part of the value chain do you expect to be the most beneficial for the BOP population?	Consumption (Details: Effect of public health through commercialization of a product)	Copy the information of Worksheet (ii)
(ii) What kind of relationship do you have with the BOP population?	Sale of products to the BOP population (resulting improvement in public health) Construction of distribution networks to the BOP population by female workforce	Copy the information of Worksheet (ii)
(iii) To which development issues do you think you can contribute? ?	Health	Copy the information of Worksheet (iii)
(iv) What kinds of indicators (KPIs) do you adopt for goal-attainment scaling measures?	<p>[Product Impact]</p> <p>(PI1263) Quantity of products and services sold by the company during the fiscal period</p> <p>(PI7648) Number of hospital rooms at the end of fiscal period</p> <p>(PI3361) Occupancy rate of inpatient facilities during the fiscal period</p> <p>Calculation method: (Number of days in the hospital for medical treatment)/(Number of days beds availability)</p> <p>(PI9278) Occupancy rate of operating/treatment rooms during the fiscal period</p> <p>Calculation method: (Occupancy hours of operating/treatment rooms)/(Available time of operating treatment rooms)</p> <p>(PI5556) Usage rate of medical equipment during the fiscal period</p> <p>Calculation method: (Operating time of medical equipment)/(potential operating time of medical equipment)</p> <p>[Your proprietary indicator]</p> <p>- Improvement in compliance rate</p>	Describe indicators assumed resulting from 4-3 and 4-4

## *5. Points to remember in BOP Business*

---



## 5. Points to remember in BOP business

### 5-1. JICA's Viewpoints on BOP businesses

Things to pay special attention to when considering BOP business have been summarized in five points. Consider them when assessing your own company's BOP business. (Additionally, note that these points are applicable not only to your consideration of the BOP business, but also the F/S period, the post F/S phase, and the business implementation period.)

Viewpoints	Points to keep in mind	Reference page
1. Business potential	Do you fully understand the target area not only in terms of market conditions, but in social, cultural, religious, legal and other aspects too?	p.33
2. Potential impacts on and/or benefits to BOP population	What impact do you want to have on the BOP population, are you creating a business that is right for the lives of the BOP population, having understood their ? Does the business you envisage provide positive impacts on BOP population with multilateral functions?	p.34
3. Innovation	Are you building a business designed for the local area? Is there any novelty in this business?	p.35
4. Scalability and ripple effects	Do you plan to expand the business from the local community to other areas? In addition, do you think the creation of this business will have a spillover effect on other business fields? Will you contribute to the improvement in wage of both business operator and BOP population?	p.36
5. Sustainability	Do you have an established cash-flow model? Do you have an established implementation system?	p.37

Note) These viewpoints and the detailed “point to keep in mind” were prepared based on the combination of the analyses results on cases with high potential commercialization after the BOP F/S and those on BOP business tendency in the past including overseas cases.

## 5-1-1. Prospects for business

In constructing a business model, check whether the envisaged business (in effect) falls under any of the points listed below.

Viewpoints	Points to keep in mind
1. Business potential	<ul style="list-style-type: none"><li>❑ Do you have business strategy concerning goods/services to be provided on the basis of the collected fundamental information in the local community?</li><li>❑ Do you think your goods or services will be accepted in the country/region (should be checked in each part of the value chain)?</li><li>❑ Have you fully examined your key strength elements, such as appeal to the market, technological strength, and differentiation, based on research on market conditions, actual status of BOP population, competitors and competing businesses?</li><li>❑ Have you explored potential business restrictions in light of environmental concerns, social customs and social considerations (gender, minority, caste, religion, etc.)?</li><li>❑ Do you recognize and solve legal restrictions that could create a bottleneck?</li></ul>

## **5-1-2. Potential impacts on and/or benefits to BOP population**

In constructing a business model, check whether the envisaged business (in effect) falls under any of the points listed below.

Viewpoints	Points to keep in mind
2. Potential impacts on and/or benefits to BOP population	<ul style="list-style-type: none"><li>❑ Do you have a thorough understanding of the living conditions and challenges (lack of access to essential social services) faced by the BOP population (annual earnings of USD3000 or less)?</li><li>❑ Have you examined whether the business is appropriate for the local BOP population with regards to specification, goods, and services (or takes a whole pyramid approach to reduce the prices of goods and services for BOP)?</li><li>❑ Is there any idea to help involve BOP population with the value chain (purchasing, production, distribution, and consumption, etc.)?<ul style="list-style-type: none"><li>* In particular, “job creation” and “improvement in income” are most important.</li></ul></li><li>❑ Have you already examined any proposals on reinvestment in the BOP population or local community?</li></ul>

## 5-1-3. Innovation

In constructing a business model, check whether the envisaged business (in effect) falls under any of the points listed below.

Viewpoints	Points to keep in mind
3. Innovation	<ul style="list-style-type: none"><li>❑ Have you gained an insight into the problems and challenges faced by the BOP population and new solutions in connecting the BOP population with the value chain (purchasing, production, distribution and consumption, etc.)?</li><li>❑ Is there any innovation and originality in your goods/services, costs, selling prices, purchasing, and distribution channel, etc.?</li><li>❑ Are there any inquiries for your business model from other entrepreneurs both in Japan and abroad (possibility of becoming a model case)?</li></ul>

## 5-1-4. Scalability and ripple effects

In constructing a business model, check whether the envisaged business (in effect) falls under any of the points listed below.

Viewpoints	Points to keep in mind
4. Scalability and ripple effects	<ul style="list-style-type: none"><li>❑ Can you expect the business to expand to other regions and have potential scalability?</li><li>❑ Can you expect your goods/services in the business to improve the income of the BOP population, improve the living standards of the BOP population, and eventually bring about economic growth in the target community?</li><li>❑ Can an approach to solve a development issue lead to the solving of other development issue(s)? (example: Water -&gt; Education -&gt; Health)</li><li>❑ Can you expect several spillover effects in the value chain (purchasing, production, distribution and consumption, etc.)?</li><li>❑ Can you improve wage of both the business operator and BOP population?</li></ul> <p>(Example): Can you expect spillover effects, finding of new partners and other benefits through publication of your business in media (newspaper, magazines, TV and radio), academic reports, seminars, lectures and forums, etc.?</p>

## 5-1-5. Sustainability

In constructing a business model, check whether the envisaged business (in effect) falls under any of the points listed below.

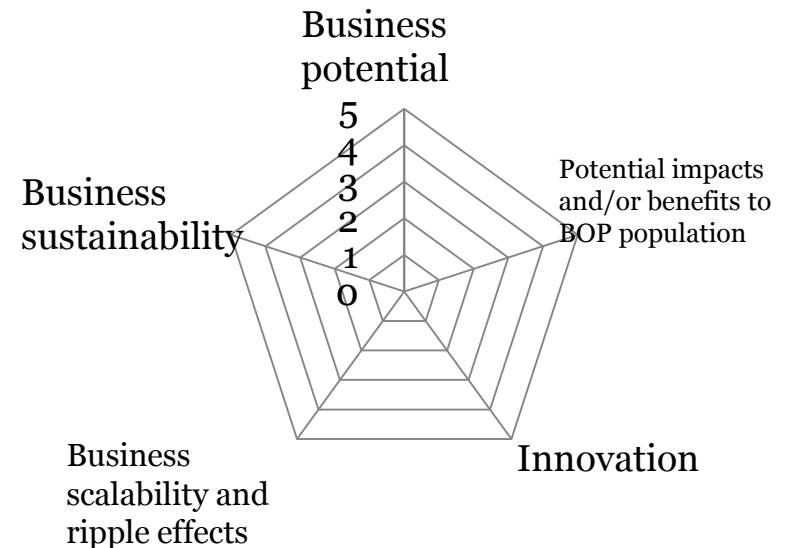
Viewpoints	Points to keep in mind
5. Sustainability	<ul style="list-style-type: none"><li>❑ Financial stability (financial soundness and strength that makes the business sustainable)</li><li>❑ Market stability (a balance between supply and demand of goods/services in line with needs of the BOP population)</li><li>❑ A business plan that envisages sustainability (thorough understanding of business size, operating costs, construction schedule and business risks)</li><li>❑ Building a structure for business execution (intent &amp; commitment from the manager, authority of persons in charge, onsite resources, existence of local partner(s))</li><li>❑ Confirmation of legal conditions in target countries and regional areas, and acquisition of required approval</li></ul>

## 5. Points to remember in BOP business

**5-2. Try evaluating your BOP business!**

Try self-assessing your envisaged (effective) BOP business envisaged on a five point scale!

Viewpoint	Number of points counted	Five-grade assessment
1. Business potential		
2. Potential impacts and/or benefits to BOP population		
3. Innovation		
4. Business scalability and ripple effects		
5. Business sustainability		

**Self-assessment  
(Radar Chart)**

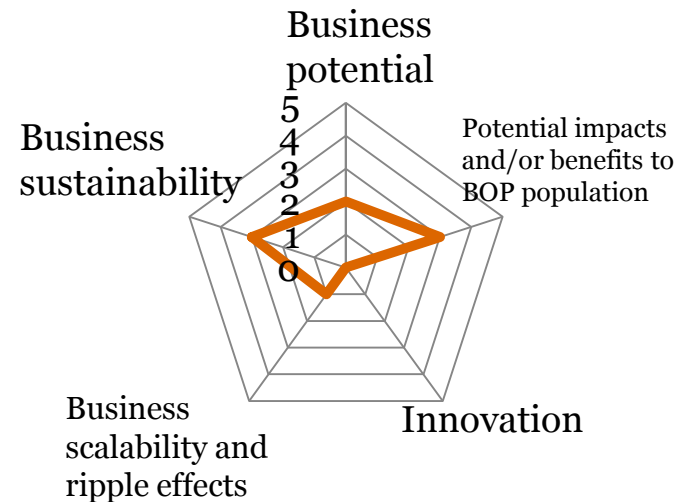
Note) Although the five-grade assessment can be computed as:  $(\text{number of applicable points} \div \text{number of viewpoints}) \times 5$ , you can equally at your discretion perform the assessment in a relative manner with reference to the number of applicable points. We hope that this self-assessment will help you consider your BOP business.

**5. Points to remember in BOP business****5-2. Try evaluating your BOP business!**

Example

Try self-assessing your envisaged (effective) BOP business envisaged on a five point scale!

Viewpoint	Number of points counted	Five-grade assessment
1. Business potential	2	2
2. Potential impacts and/or benefits to BOP population	2	3
3. Innovation	0	0
4. Business scalability and ripple effects	1	1
5. Business sustainability	3	3

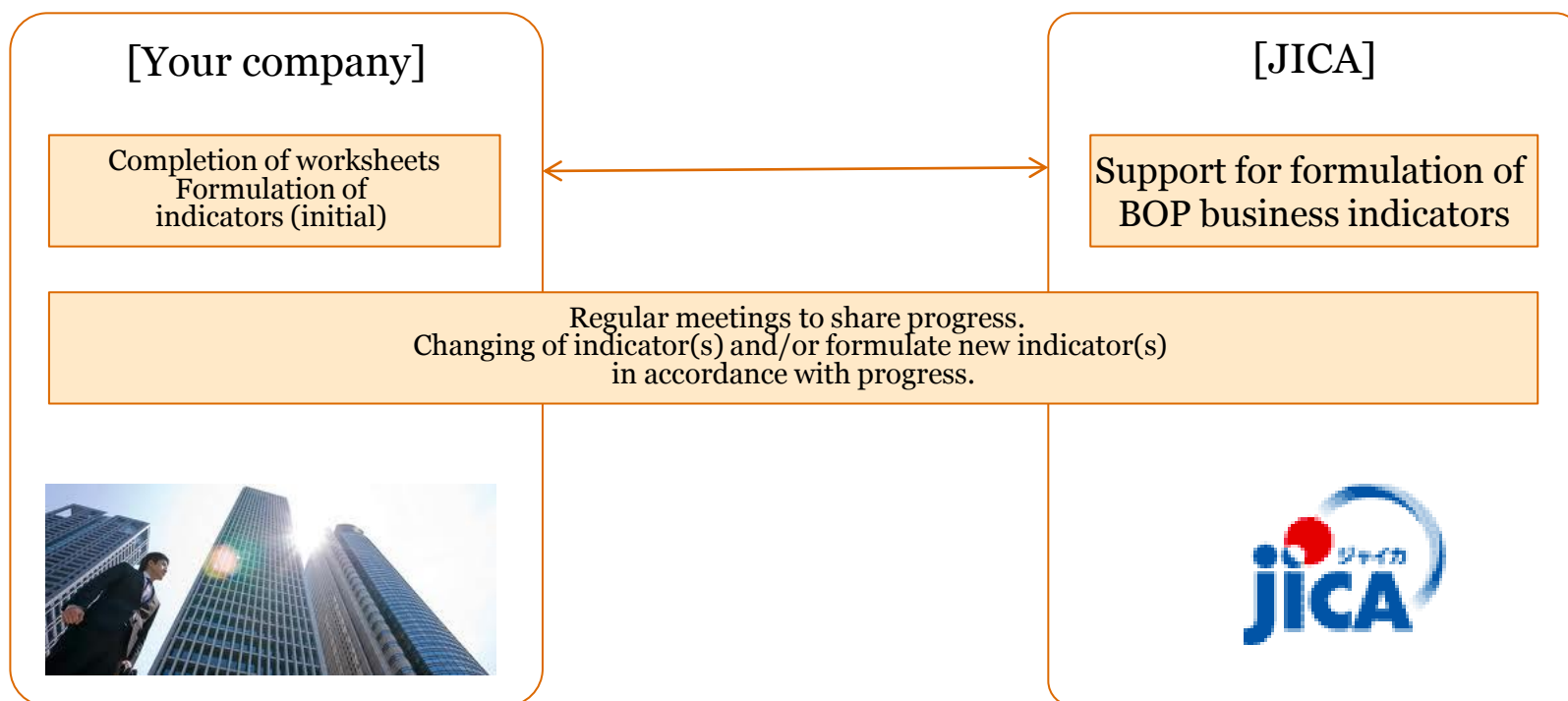
**Self-assessment  
(Radar Chart)**



## *6. JICA BOP Business F/S and Development Impact Assessment*

## 6-1. JICA BOP business and development impacts

Consult your JICA contact on the basis of Worksheet (i) and (iv) with the objective of understanding the indicators and data collection methodologies required when building a BOP business. In addition, during the F/S period, periodically share information about the status of progress on formulating indicators and/or data collection methodologies, so that you can confirm changes in indicators and/or how to deal with such changes.



**6. JICA BOP Business F/S and Development Impact Assessment****6-2. Conducting the F/S and sharing (proposed) development impacts**

You will need to ensure that information is shared periodically between your staff and your contact at JICA. Let us determine when, how, and what type of data should be collected regarding your resources (people and capital).

Timing	Indicator item	Assumed (expected) effects	Data collection status
Conducting the F/S 1st Year			
Conducting the F/S 2nd Year			
Conducting the F/S 3rd Year			

## 6. JICA BOP Business F/S and Development Impact Assessment

# 6-2. Implementation of F/S and sharing of development impacts (proposed)

Example

You will need to ensure that information is shared periodically between your staff and your contact at JICA. Let us determine when, how, and what type of data should be collected regarding your resources (people and capital).

Timing	Indicator item	Assumed (expected) effects	Data collection status
Conducting F/S 1st Year	Household income of the target local residents		△ (Difficult)
	Infant mortality rate in the target local area	Reduction in infant mortality rate (-3%)	○
	Infection rate of pregnant women in the target local area during the time of pregnancy	Reduction of infection rate (-2%)	
Conducting F/S 2nd Year	Infant mortality rate after the use of the product	Reduction in infant mortality rate (-3%)	Next year
	Infection rate of pregnant women after the use of the product during the time of pregnancy	Reduction of infection rate (-2%)	Next year
Conducting F/S 3rd Year			

6. JICA BOP Business F/S and Development Impact Assessment

6-3. Reporting (proposed) development impact valuation results when the F/S is completed

After conducting the F/S, describe your indicator items and your available data as comprehensively as possible, while reflecting on worksheet (iv). In addition, note down what sort of changes there have been since indicator items were identified in Worksheet (vi) (before the F/S was conducted), the reasons thereof, and difficulties you encountered when collecting the required data , in a way that will make it useful for discussions with JICA.

Timing	Indicator item	Data after the completion of F/S	Changes before and after conducting F/S
Conducting F/S 1st Year			
Conducting F/S 2nd Year			
Conducting F/S 3rd Year			

## 6. JICA BOP Business F/S and Development Impact Assessment

### 6-3. Reporting (proposed) development impact valuation results when the F/S is completed

After conducting the F/S, describe your indicator items and your available data as comprehensively as possible, while reflecting on worksheet (iv). In addition, note down what sort of changes there have been since indicator items were identified in Worksheet (vi) (before the F/S was conducted), the reasons thereof, and difficulties you encountered when collecting the required data, in a way that will make it useful for discussions with JICA.

Timing	Indicator item	Data after the completion of F/S	Changes before and after conducting F/S
Conducting F/S 1st Year	Household income of the target local residents -> replaced by GDP in each region	\$XX/Year	Change in indicator
	Household income of the target local residents -> replaced by GDP in each region	XX%	Nothing in particular
	Infection rate of pregnant women in the target local area during the time of pregnancy	XX%	Nothing in particular
Conducting F/S 2nd Year	Infant death rate after the use of the product	XX%	More effective than originally envisioned
	Infection rate of pregnant women after the use of the product during the time of pregnancy	XX%	Not so effective than originally envisioned
Conducting F/S 3rd Year			

### ***6-4. Practical points to keep in mind***

When setting up development impact assessment indicators and collecting data, please keep in mind the following five points. In addition to the points listed below, it would be best to address concerns and considerations at an early stage and discuss them with your contact at JICA.

#### **1. Costs of applying the development impact assessment and formulation of an assessment design**

In order to make an effective development impact assessment, it is necessary to make prior arrangement to formulate indicators. Since costs and required manpower can increase depending on the length of the preparation period and the size of impact assessment, it is best to incorporate these potential cost in the budget in advance. Costs also change depending on: the number of days required for onsite survey, internal and external resources required when drawing up development impact assessment methodologies, and frequency (monthly, quarterly or annually).

#### **2. Understanding of development impact assessment**

Inform relevant internal and external parties in advance that the F/S is conducted to improve development impacts, so as to secure their cooperation in formulating the development impact assessment indicators and collecting baseline data. In addition, you must also make sure there is prior understanding regarding information disclosure policies among the parties concerned.

#### **3. Ethical consideration**

In both target and non-target areas, situations may arise where certain groups are affected, while others aren't. Be careful not to create feelings of unequal treatment in the local community, and take measures to deal with such problems immediately should they occur. In addition, take special care avoid any negative impact on the health of local inhabitants (from using clinical experiment, using medical supplies, drugs and medical equipment, etc.) and also not to engage in any activity that would constitute an invasion of privacy.

#### **4. Recognition of Bias**

When formulating development impact assessment items or collecting baseline data during the conducting of a F/S, you might be subject to selection biases (e.g. regional comparison with significant gaps in income level and diseases among regions), reporting biases (variance in outcomes depending on questionnaire and data collection environments), and measurer biases (prejudice etc.). Recognize the existence of these biases, understand them, and then conduct research.

#### **5. Judging acquired information objectively**

It is necessary to judge data evidence that comes into play with the development impact assessment objectively, and to recognize the background of and situation in which the data was obtained. Take into consideration why data comes out as it does, and whether or not the researched items were appropriate. Since the strength and persuasiveness of evidence is often based on context, it is important to judge any obtained information objectively.

## *For reference*

---

- (i) Facilitator Manual**
- (ii) Worksheet (for BOP business application: voluntary)**
- (iii) IRIS**
- (iv) Reference literature and websites**



*For reference*

---

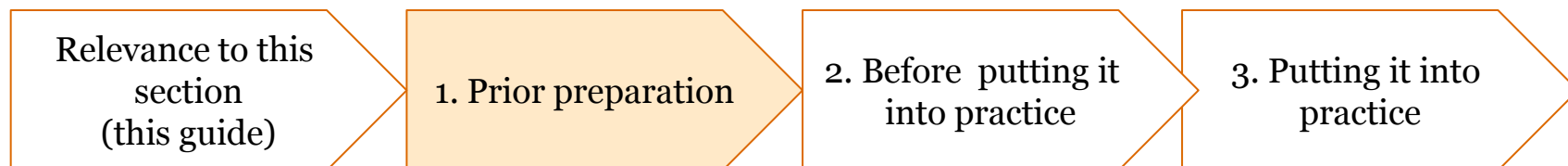
**(i) Facilitator Manual**

# The workshop format :Facilitator Manual

This facilitation manual addresses processes in **Step 2** and **Step 3**.

<b>Step 1</b> Basic Information	<ul style="list-style-type: none"> <li>•Corporate information</li> <li>•Your BOP business</li> </ul>		
<b>Step 2</b> Involvement with BOP population	<ul style="list-style-type: none"> <li>•Linkage of your BOP business value chain with the BOP population</li> </ul>	<b>Worksheet (ii)</b> (p.15)	
<b>Step 3</b>  Development issues	<b>Common items</b>	<ul style="list-style-type: none"> <li>•Employment</li> <li>•Income (improvement in living standards of inhabitants)</li> <li>•Financial state</li> <li>•Reputation of both business operator and BOP population)</li> </ul>	<b>Common development impact indicators</b> (p.17)
	<b>Sectoral</b>	<ol style="list-style-type: none"> <li>1. Health</li> <li>2. Agriculture</li> <li>3. Energy</li> <li>4. Water management</li> <li>5. Environment</li> <li>6. Education</li> <li>7. Financial services</li> <li>8. Other</li> </ol>	<b>Worksheet (iii)</b> (p.18)  <b>Worksheet (iv)</b> (p.29)

# *The workshop format :Facilitator Manual*



## **1. Prior arrangements**

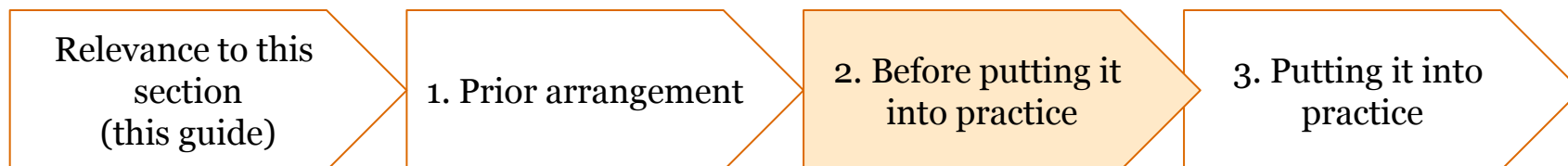
### ■ **Schedule setup, appointment of facilitator, and cooperation request to staff**

- (i) Choose an appropriate person to initiate the BOP business internally as participants of a workshop  
It is advisable to appoint a person working at the division who looked (or determined) an application to BOPF/S.
- (ii) Prior preparation for holding a workshop
  - Have a preparatory meeting with the facilitator.  
Explain your aims, determine the processes you will use to achieve them, and create a schedule.
  - Explain your aims to those inside and outside your company who you would like to participate in the workshop, and create a schedule.
  - Collect together useful information beforehand. If you have appointed an external facilitator, things will go more smoothly if you share any useful information with them.  
Examples of handouts: Company websites, annual reports (CSR reports, environmental reports) press reports, interview articles, and information on the relevant business

### ■ **Tools used at workshop**

- Whiteboard
- Marker pens (at least three colors should be prepared)
- Post-its (thicker ones would be fine)
- Guide for Performing Development Impact Assessment on BOP Business (Worksheet )
- The Facilitator Manual

# *The workshop format :Facilitator Manual*



## **2. Requirements for putting it into practice**

### **■ Time allocation**

First, consider the overall time spent for the workshop. Decide whether you are going to conduct the whole process at once or divide the schedule into two or three sessions. It is important to consider the schedules of those internal and external to the company.

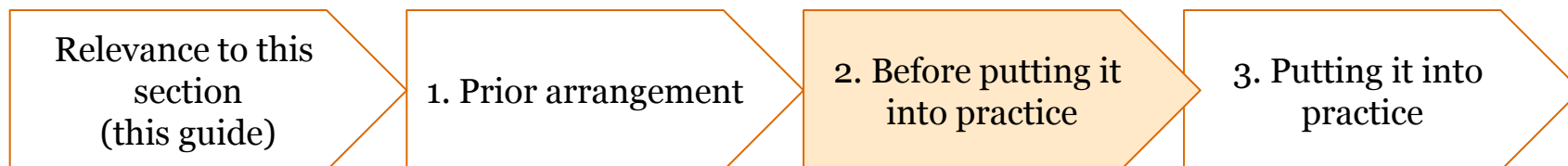
(Reference examples : workshops concerning worksheets (ii), (iii) and (iv) (approx. 1.5 to 2 hours))

### **■ Request to participants and collaborators**

Select appropriate staff keeping in mind from which department you need collaboration in order to facilitate the F/S or promotion of the business, and/or who understands the workings of the work site, ensuring that they are not straining themselves by cooperating.

(Reference examples: R&D, marketing and sales promotion, research, business plan, management plan, etc.)

# *The workshop format :Facilitator Manual*



## ■ Room reservation / management

Reserve a room where you can hold a workshop in a relaxed atmosphere. It is difficult to come up with good ideas in a small room with lots of people, so choose a room that is conducive to discussion, where people have plenty of space to think. If the workshop is going to last a long time, factor breaks into the schedule, and have drinks and snacks prepared to ensure nobody feels restless. In addition, provide things such as your corporate philosophy, annual report, business plan, pictures of the target area, and reports from business trips to the area, so that you can refer to them easily whenever you need to

## ■ Keeping a record of the workshop's proceedings

We recommend that you keep a record of the workshop's proceedings for future reference.

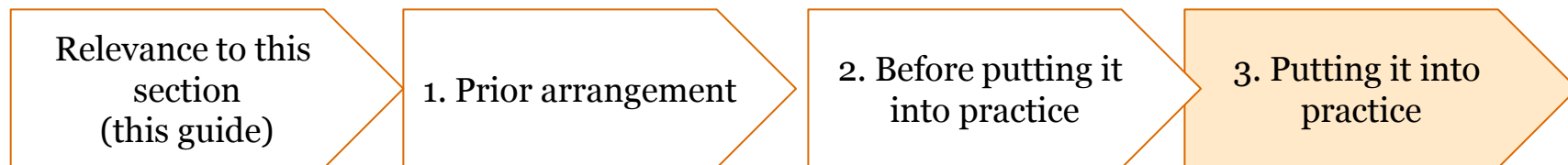
You can digitize what is written on the whiteboard by taking a picture of it at the end, and this data can be used when making subsequent proposals, or you can enter such pictures into worksheets. This is also useful when sharing ideas and findings from the workshop with those who could not attend. It might also be useful to take pictures of the participants while the workshop is happening.

Post-its and IC recorders are also good to use here.

## ■ Obligation of confidentiality agreement

It is not likely that at the workshop, participants will come within touching distance of your company's non-public materials, such as management strategies and financial information. Since the project under examination at the workshop in particular will be the basis for much of your company's forthcoming business plans, we recommend that you put in place a confidentiality agreement.

# *The workshop format :Facilitator Manual*



## ■ Order of procedure

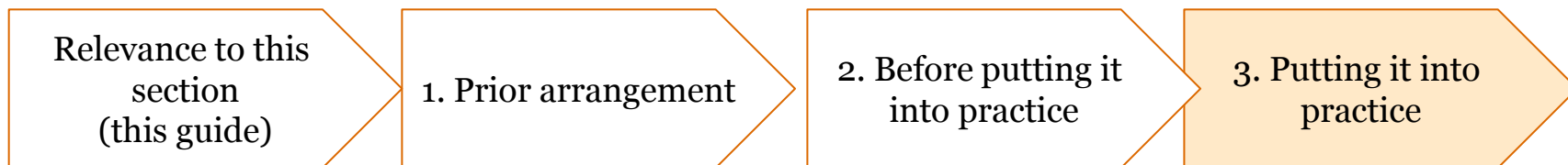
- (i) Step 1: Hold the workshop using the sheets described in “Basic Information (Worksheet (i))” .
- (ii) Step 2: Concerning “Involvement with the BOP population” participants should first ask the questions outlined below and exchange views and ideas.

Questionnaire subject examples:

- Under what kind of social environment do the BOP people in the country/region subject to the business being considered live? (See reference literature and websites; refer to p.7 of this guide for the information about the BOP)
- What kind of improvement is required in order for the BOP people to use your products and services?
- Illustrate how you will be able to get BOP people involved in your business in each part of the value chain.
- Which part of value chain do you think is most important in keeping your business on track in the initial phase of exploring the business? With that in mind, how can you get the BOP population involved in your business?
- How do you think the lives of the BOP population will change after they use your products and services? Do you think it will bring about any changes and influence on their relatives, colleagues, friends, and other people in the local community?
- > Write down answers and ideas in reply to the questionnaire subjects on the whiteboard. Then, after collecting a certain number of comments, copy the notes to Worksheet (ii).

\* You can compile participants' comments into a one-page summary at the workshop. Or, you can put all the important points of discussions among the participants into a one-page summary based on the worksheets prepared by each participant.

# *The workshop format : Facilitator Manual*



## ■ Practical procedure

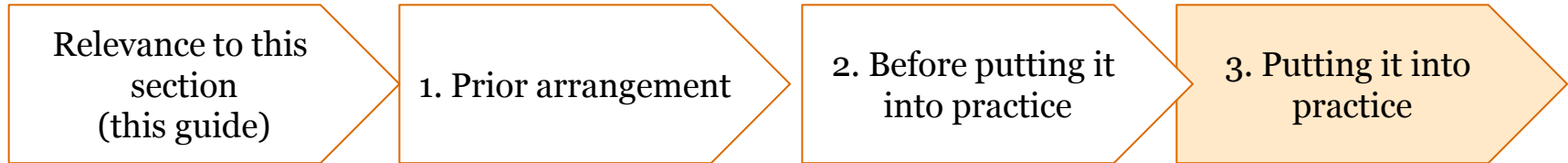
### (iii) Step 3: “Common development impact indicators”

Participants will continue adding to the opinions and ideas that came out of the discussions in Step 2. Participants should keep in mind the long-term sustainable BOP business rather than just the short-term goals during the BOP F/S period.

- While keeping in mind the actual lives of the BOP population and their social environment, explore the possibility of **employing** BOP people in each part of purchasing, production and distribution. In these cases, it is important to consider where your company can bring benefits to the BOP people, minorities, women and those with disabilities.
- Following on from **employing** those in the BOP population, consider what sort of **wage** structure you are going to establish, and determine whether or not it is feasible to establish it at a level where the lives of the BOP population are going to be improved. To that end, think about what you need to consider for this to be achieved, and what sort of management issues you will need to overcome.
- With regards to **finance**, discuss the likes of what kind of price structure you are going to establish (in relation to supplies, manufacture, and distribution), valuation, and sales plans.
- External assessment and your popularity is reflected in your **reputation**. Think about it in the long term, considering (i) whether your business model contains new perspectives or innovation, (ii) what change to the local community your business has the potential to bring about, (iii) whether your products or services are new and innovative, and (iv) what unique connection you have with the BOP population in the value chain.

-> Write down answers and ideas that come out of the discussions on the whiteboard.

# *The workshop format : Facilitator Manual*



## ■ Order of procedure

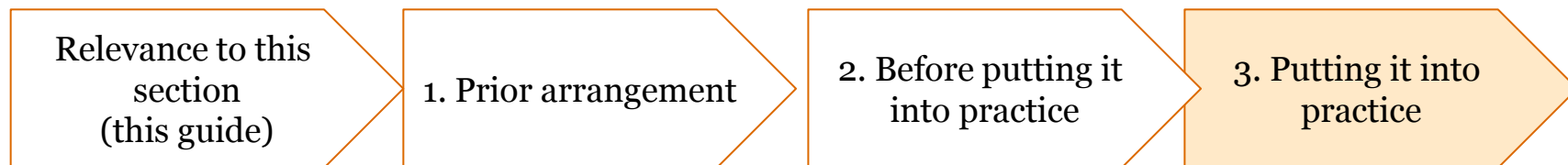
### (iv) Step3: “Sectoral”

As an extension of the discussions regarding “cross-sector development impact indicators” at Steps 2 and 3, participants should keep exchanging ideas and opinions. Rather than just the short term BOP F/S implementation period, think about the long term, keeping sustainability in mind.

- Think about the types of development issues your envisaged BOP business will need to solve.
  - Looking at worksheet (iii) and examples, look at which of the seven development issues are relevant to the general value chain. You may find that different development issues correspond to each individual part of the value chain.
  - While looking at the whole thing, select the part of the value chain that you expect your company to have the biggest impact on. Mark the relevant part of the supply chain, and the relevant development issues.
- > Write down answers and ideas that come out of the discussions on the whiteboard. At the end, summarize the results of the discussions on worksheet (iii).



# *The workshop format : Facilitator Manual*

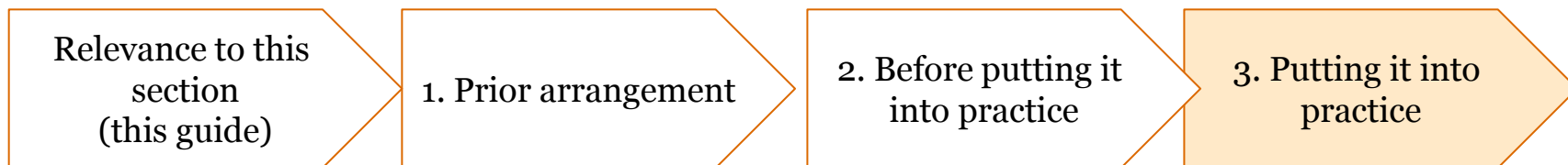


## ■ Order of procedure

### (v) Step3 : “Sectoral”

- Consider the field and part of the value-chain in which you expect the biggest development impact that has been entered into Worksheet (iii). Since the fields are derived from the development issue sectors (7 fields + Others) defined by JICA, once you have circled the applicable development issue subject(s), go to the ‘proposed practical indicators’ page.” In cases where there is more than one applicable development issue sector, repeat the process for each one. If there is no applicable sector, please use the sheet entitled “8. Other.”
  - Looking at the relevant field’s page, check the details described in the “Guideline on development issues” and “Interim goal” sections for each development issue sector. Make sure that your envisaged BOP business falls under the field indicated. Next, looking at the proposed indicators listed in the ‘Example of suggested development impact indicator and reference code number’ section, and check whether there are any indicators applicable to your envisaged business.
  - If there is no indicator applicable to your envisaged business, or if there are indicators or any acquired data that you already have, list them in “Your proprietary indicators.”
- > Write down answers and ideas that come out of the discussions on the whiteboard. At the end, summarize the results of the discussions .

# *The workshop format :Facilitator Manual*



## ■ Order of procedure

(vi) Summarize your development impacts using worksheet (iv).

- Copy the data/information described in worksheets (i), (ii) and (iii) to the applicable columns of worksheet (iv).
- Finally, discuss key points to keep in mind for the concrete planning and implementing of the BOP business, keeping it relevant and consistent in the context of the entire process.

\* Furthermore, it would also be useful if participants discuss the guide's chapter 5: Points to remember in BOP Business.

---

# *The workshop format :Facilitator Manual*

## **(i) Someone to facilitate the process : the use of a facilitator**

The word “facilitation” refers to the process of running meetings efficiently and helping people to work together effectively. The person playing such a role is called “facilitator.” In preparing a business plan or setting up business dealings, with both internal and external discussions, there can be disagreements as people invariably insist on and argue different opinions to each other. However, a facilitator is expected to lead participants to an agreement (resolution) in a satisfactory manner if he/she, from the perspective of a third party, by letting the participants mutually share and understand individual opinions, experiences, and information.

This process is usually carried out either among solely internal participants, or together with the participation of external partner(s) and/or stakeholder(s). We recommend you to authorize a third party with no personal interests to play the role of facilitator, in order to help the process run as smoothly as possible. This is because a discussion among parties with their own interests has a tendency to descend into a negotiation or argument without any openness or fairness, which would negate the advantages that the workshop format is intended to bring.

### **■ Role of facilitator:**

#### **- Clarify the objectives of the workshop**

The facilitator plays the role of managing smooth proceedings with adequate attention to the participants, dealing with any disagreement, deadlock, or trouble in the discussions appropriately.

#### **- Setting ground rules**

For example: Focus on positive aspects of the company; no one person should speak for a long time (holding the floor exclusively); be active in engaging in the discussions; respect others' opinions, etc.

---

# *The workshop format :Facilitator Manual*

## **(ii) Setting ground rules**

### **■ Key points for workshop proceedings**

When raising an issue, the facilitator should refrain from asking yes/no questions, or those that demand a simple answer. Instead, it is more effective to ask questions that encourages participants to think around an issue, regardless of whether or not they have a clear answer in advance. In addition, the facilitator should never act like a police officer when asking a question. He/she should keep in mind that silence is also a part of discussion.

(Points for referral)

- Create a positive atmosphere with lots of potential, asking positive questions so that participants will be able to identify the true value of the company/organization.
- Respect each individual's values, strengths, and experiences, exploring how they are relevant to the mission of the company.
- Try to raise questions in a way that encourages participants to exchange proactive and action-oriented opinions, such as “How do you want this to progress?”, “How can we conduct business activities in line with our corporate mission?”, or “What do you, not just the company, want to do?” - without straying too far into identifying causes of failure.
- Ascertaining how participants have overcome situations where their ideas, based on company ideology and their own thinking, has come up against opposition from people within the company (management)- i.e. how they sold their ideas and persuaded those that required persuading – also counts as a useful sharing of experiences.

---

# *The workshop format :Facilitator Manual*

## **(iii) Facilitator's attitude to lead a successful workshop**

- Try to pick out images or pictures symbolizing the strengths of the company from the website or publication reports beforehand and place them on the table before the workshop, with the aim of encouraging the participants to exchange opinions smoothly (interviews with participant(s) or photos of them at the target site would also be useful).
- Write down keywords given by participants on the whiteboard, ensuring all participants can keep track of what subject is being discussed.
- Pay special attention to anything that is repeatedly mentioned, and keywords that you think lead to positive practices, potential worth following up on, or simple pride in the business. It is useful to write them down in different colored markers pens to make everything visually clear for the participants. Sometimes, keywords and stakeholders linked to development impact indicators are hidden in such places.
- If you come to a time in the discussion where something linked to development impact arises and the conversation is leading toward a point you want to emphasize, guide the participants there gently. Say something to the effect of “That’s excellent!/That’s interesting! Can you explain in a little more detail?” - speaking in a way that guides them there should be effective.
- Gauge whether or not participants have a mutual understanding of things such as the issues, risks, opportunities, and solutions that the company is working with, the different stakeholders (countries, regions, organizations, individuals), and whether or not they have grasped the meaning of words, by reading their facial expressions and their exclamations.
- Make sure you have enough knowledge of indicator items (IRIS indicators attached separately) in advance and check if there are any items unfamiliar or unknown to you. By preparing for answers to any questions you might have from participants, you will be able to lead the workshop discussions smoothly (see reference website and literature).
- Ask the questions of when, where, who (you yourself), with whom, what is happening, how is it happening. These questions will paint a concrete picture of the situation in the minds of participants.
- In most cases, the biggest strength is in looking at past examples of when problems that you are facing now were solved; keep such examples that are relevant to development impact indicators in your field of view.

*For reference*

---

**(ii) Worksheet (BOP business application:  
voluntary)**

**\* This worksheet is prepared for companies considering an application for a BOP F/S to help them make self-assessment of their development impacts before submitting a proposal to JICA (non-compulsory use).**

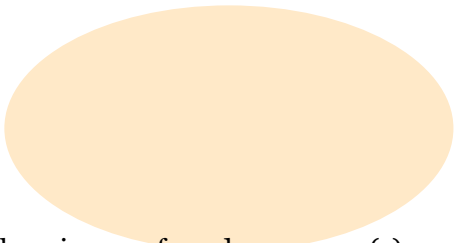
## Worksheet for applicants : First Round

**(ii)** (ii) What about your work do you find worthwhile and exciting? Where do you feel satisfaction in your job? What in your work drives and motivates you?

---

---

---



Attach an image of goods or person(s) serving as a driving force (something from the website or pictures to hand would be fine).

**(iii)** When you visited the target area for the BOP F/S project (for the likes of preliminary studies), what was most striking, and what do you think is the biggest problem for the area and its people?

---

---

---

**(iv)** (iv) How do you want to practice and demonstrate existing aspects of your company that you think are strong and are proud of in the BOP F/S?

---

---

---

In addition, what kinds of ideas or plans to promote the business do you (the person in charge) and your staff have regarding this study? \_\_\_\_\_

---

---

# Start

**Attach here your company logo  
and management philosophy.**

**(i)** What is the original reason for establishing your company, and what do you consider to be its most important aspect? \_\_\_\_\_

---

In addition, what is the most important point in light of your management philosophy or CSR? \_\_\_\_\_

---

---

**\* This worksheet is prepared for a company considering an application to BOP F/S with the expectation that it will help them make self-assessment of development impacts before submitting a proposal to JICA (non-compulsory use).**

## Worksheet for applicants :Second Round

**(iii)** Who are your target users of this product or service in your project subject to BOP F/S this time? What kind of improvement is required to accomplish the goal? \_\_\_\_\_

\_\_\_\_\_

Attach here an image of the target people (anything from the website or pictures at hand would be fine).

**(iv)** How do you intend to deliver the products to the local community? (e.g. exporting the products from Japan/ producing them in another country/producing them in the target area/producing them in an area neighboring the target community) \_\_\_\_\_

\_\_\_\_\_

# Start

**Attach here a picture of your intended product or service**

**(v)** How will the lives of the BOP people have changed after one month of using or consuming this product or service?

\_\_\_\_\_

What kind of impact can you expect to have on the likes of their families, friends, classmates, colleagues or neighbors? (in 3 months, 1 year, and 3 years) \_\_\_\_\_

\_\_\_\_\_

**(ii)** Up to now, who has this product or service been targeted for sale, consumption or utilization?

\_\_\_\_\_

**(i)** For what purpose did you originally make this product or service? (Research/ development/business background)

\_\_\_\_\_

What thoughts or aspirations of your company (or yourself) have gone in to this product or service?

\_\_\_\_\_

**(vi)** What society would you like to create with this product or service?

\_\_\_\_\_

What type of place (strategic area) will the target area be for your company? \_\_\_\_\_

\_\_\_\_\_



*For reference*

---

(iii) IRIS

# What is IRIS? (Summary)

Name of existing development impact assessment	Operator	Development purposes and features
IRIS (Impact Reporting and Investment Standards)	GIIN	<p>This set of standardized indicators allows for performance comparison and benchmarking. It also aims to establish a standardized reporting system using non-financial data. These indicators, forming a matrix with 5 domains and 9 sectors, are very comprehensive for development issues. There is a detailed list of 446 indices (November 2011 release version) with the aim of serving as global standards.</p> <ul style="list-style-type: none"> <li>• Website: <a href="http://iris.thegiin.org/">http://iris.thegiin.org/</a></li> <li>• IRIS Usage guide “Getting Started with IRIS”: <a href="http://iris.thegiin.org/getting-started">http://iris.thegiin.org/getting-started</a></li> </ul>

5 domains
Description of entity
Description of product
Financial performance
Impacts on operations
Impacts on products



9 sectors in IRIS
 Cross-sector (common to all sectors)
 Agriculture
 Financial services
 Education
 Health
 Energy
 Housing & community facilities
 Environment
 Water

*For reference*

---

**(iv) Reference literature and websites**

## ***Reference websites & literature***

[Development issues and data in the regions]

○ Ministry of Foreign Affairs of Japan

• Information on Millennium Development Goals (MDGs):

<http://www.mofa.go.jp/mofaj/gaiko/oda/doukou/mdgs/about.html>

• Aid policy by country :

[http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/kuni\\_enjyo.html](http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/kuni_enjyo.html)

○ JICA

• Initiative by country

<http://www.jica.go.jp/regions/>

• Profile of poverty

<http://www.jica.go.jp/activities/issues/poverty/profile/index.html>

○ World Bank Doing Good Business: <http://www.doingbusiness.org>

○ Foundation for Advanced Studies on International Development : Human Development Report : <http://hdr.undp.org/en/reports/>

[Indicators]

○ GIIN

This guide refer to IRIS indicators managed by GIIN.

• Home Page: <http://www.thegiin.org/cgi-bin/iowa/home/index.html>

• IRIS Page: <http://iris.thegiin.org>

\* List of indicators (English) <http://iris.thegiin.org/iris-catalog>

○ WBCSD

This guide refer to WBCSD in respect of corporate viewpoints and process.

• Home Page: <http://www.wbcsd.org/home.aspx>

• Framework:

<http://www.wbcsd.org/work-program/focus-areas/development/measuringimpact/impactguide.aspx>

# *Contact*

---

## Contact



Office for Private Sector Partnership  
Japan International Cooperation Agency  
Nibancho Center Building 5-25, Niban-cho, Chiyoda-ku, Tokyo 102-8012

TEL: 03-5226-6960  
(Direct phone to Office for Private Sector Partnership)  
FAX: 03-5226-6326  
E-mail: [ostpp-contact@jica.go.jp](mailto:ostpp-contact@jica.go.jp)

Note) This guide is intended to be updated or revised in the future through a series of discussions after the completion of BOP F/S, to make it a more user-friendly and practical manual.

Prepared by: research team on assessment and finance methodologies for the purpose of improving development impacts on BOP business (PwC & ARUN)