

MONITORING CORPORATE COMMUNITY INVESTMENTS LINKED TO EXTRACTIVE INDUSTRY: QUANTITATIVE & QUALITATIVE INDICATORS

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Attached is a table of quantitative and qualitative indicators to jumpstart more results-oriented thinking primarily within companies and among IFC/World Bank investment/ project officers regarding community development investments tied to oil, gas and mining projects. This tool is intended to help corporate community development practitioners who are not experts in monitoring and evaluation to design, implement and assess their programs in ways that include communities in the definition and realization of success, and as result have the intended impact. Importantly, this should be used as a launch pad for local application--adaptation will be essential. This tool covers six common areas of corporate community investment related to extractive industry:

1. education
2. health
3. income generation and supply chain
4. infrastructure and services
5. stakeholder engagement
6. capacity building

Across these six dimensions, sample indicators are listed to capture different phases on the community investment:

1. inputs
2. outputs
3. outcomes
4. local development impacts
5. company return on investment

For each of these phases, we provide both quantitative and qualitative sample indicators in order to capture the amount of change as well as the quality of change and, ideally, information explaining how and why the change occurred.

We are in the process of drafting accompanying text highlighting some key process issues and suggesting how to use this tool. Essentially the text will recommend:

1. Investing in local communities as part of an integrated strategy that involves local stakeholders and aligns with corporate interests and capacities;
2. Incorporating communities in the prioritization, design and monitoring of community investments--including identification and tracking of indicators;
3. Aligning community investments with company objectives (productivity and risk mitigation) as well as community priorities;
4. Identifying and adapting a small number of indicators tailored to company objectives and the specific context as well as the feasibility of collection (communities may also choose to monitor additional indicators or the same ones to triangulate results);
5. Selecting at least one indicator from each row (input, output, outcome, impact, return on investment) as well as some indicators from each column (quantitative and qualitative--ideally identified and collected through a participatory approach) per community investment dimension (education, health, livelihoods...);
6. Using these indicators as part of a baseline study (if beginning);
7. Tracking the same indicators over time (ideally using some participatory methods, noting that the landscape is dynamic and the value of specific indicators could change over time);
8. Analyzing results including the company's return on investment (this is a natural part of the process and companies need not feel shy about it);
9. Sharing and discussing findings at various levels with diverse stakeholders;
10. Action planning to jointly decide on next steps and capture learning for broader corporate understanding as well as community benefit.

Altogether, this can provide a good sense of impact and does not have to cost a lot. In addition, the suggested process may yield valuable relationship benefits, further expanding the company's return on investment while facilitating sustainable development impacts. We would appreciate any feedback you may have about what the accompanying text needs to cover.