

Measuring Impact Framework (MIF)

1. What is the MIF?

The **Measuring Impact Framework**, developed jointly by the World Business Council for Sustainable Development (WBCSD) and the International Finance Corporation World Bank Group, help companies better understand their societal impacts, to measure and assess their contribution to economic and broader development goals. The Framework groups business activities into four clusters – Governance & Sustainability, Assets, People, Financial Flows – and is based on a four-step methodology:

- Step 1 – Set boundaries
- Step 2 – Measure direct and indirect impacts
- Step 3 – Assess contribution to development
- Step 4 – Prioritise management response

2. Who developed the MIF?

In 2006, the WBCSD initiated a two-year project to create a framework for assessing the contributions of businesses to economic and broader development goals. This initiative stemmed from requests by WBCSD member companies for a measurement framework that could support the licence to operate, enhance stakeholder engagement, manage risks more effectively, and identify ways to increase business contributions to society. The companies sought a clear and practical methodology adaptable to various business sectors, applicable globally, and capable of being tracked over time. Unlike environmental impact assessments (EIAs) or environmental, social, and health impact assessments (ESHIs), which are typically conducted to predict future impacts of greenfield or brownfield investments, companies wanted a framework to measure actual impacts at any stage in an operation's life cycle.

3. What types of initiatives is the MIF useful for?

The Framework is intended for company decision-makers at the site, product line, or country level. It should be assessed by a skilled practitioner, either internal or external, with company participation. Although designed for operational managers, other company personnel, such as procurement and tax advisors, may also utilise the Framework to enhance company policies and strategies.

4. What are the main objectives of the MIF?

- Help companies understand their contribution to the economic and broader development goals in the societies where they operate
- Inform companies' operational and long-term investment decisions
- Support companies in having more informed conversations with stakeholders

5. How does it work?

STEP 1 – SET BOUNDARIES

- Identify the objective(s) for the assessment
- Define the geographic area of the assessment
- Collect development context information for the assessment area (regulatory system, demographic, economic, social and ecosystem aspects, drivers and barriers)
- Select the business activities to be assessed* based on importance to the business or perceived impact

* This Framework proposes eight business activities for assessment grouped into four clusters:

CLUSTER	ACTIVITIES
Governance and sustainability	<ol style="list-style-type: none"> 1. Corporate Governance (the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined) 2. Environmental Management (policies, procedures, and practices that a business uses to comply with applicable environmental requirements)
Assets	<ol style="list-style-type: none"> 3. Infrastructure 4. Products & Services
People	<ol style="list-style-type: none"> 5. Jobs and Skills 6. Training
Financial flows	<ol style="list-style-type: none"> 7. Procurement 8. Taxes

STEP 2 – MEASURE DIRECT & INDIRECT IMPACTS

- Identify the sources of impact for each business activity (e.g., creation of infrastructure, use of existing infrastructure, maintenance of existing infrastructure)
- Identify relevant indicators for direct and indirect impacts
- Measure

STEP 3 – ASSESS CONTRIBUTION TO DEVELOPMENT

- Determine the level of stakeholder engagement
- Engage with stakeholders to prioritise the development issues (optional)
- Build hypothesis of the business contribution to development
- Test hypothesis with stakeholders and refine the overall assessment (optional)

STEP 4 – PRIORITISE MANAGEMENT RESPONSE

- Identify priority areas for action
- Consider possible management responses and prepare recommendations for management
- Decide on way forward
- Develop indicators to monitor progress

This methodology asks companies to look across a variety of business activities and assess the way they interact with each other and impact development, hence it is important that the assessment involve many different functions within the organisation. In order to appropriately tailor it to the business and its operating context and ensure follow-up actions, companies are encouraged to make the assessment as participative as possible, consulting people both within and external to the firm.

- 6. What skills and knowledge are useful for using the MIF?**
- Deep understanding of the relationship between business activities and economic/societal development
 - Active stakeholders' engagement
 - Direct/indirect impacts' identification
 - Quantitative/qualitative indicators' identification
 - Data gathering expertise
 - Risk and opportunities identification, assessment and management

7. USEFUL LINKS AND RESOURCES

The Measuring Impact Framework

<https://documents1.worldbank.org/curated/en/550171468338972685/pdf/513370WP01WBCS10Box342025B01PUBLIC1.pdf>