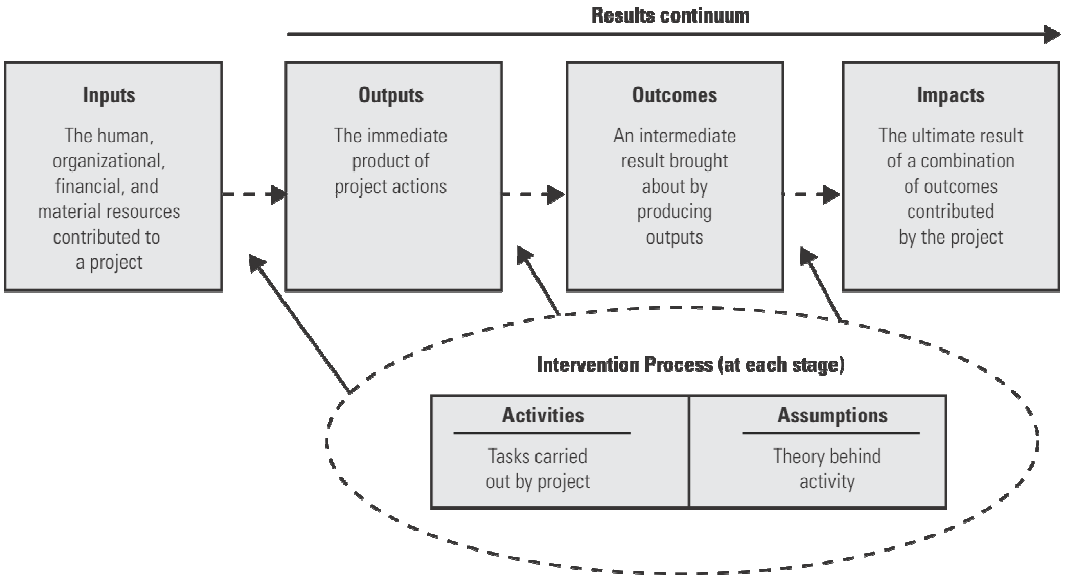
# Triple Bottom Line Impact Guide for Projects

## 1. Background Information

### Clarifying the term "Impact"

It is important to clarify the difference between ***project impacts*** and ***project outcomes***: While the created outcome of a project can be presented by answering the question "what will be left behind?" – impacts can be determined by thinking about the question "what is the project likely to set in motion?"

An essential concept to understand; is the impact chain. The chain helps to differentiate between Inputs, Outputs, Outcomes and Impacts and the Intervention Process at each stage based on Activities and Assumptions. These all form a logical causal chain illustrated by following chart:




**Example:**

Budget **(input)** is used to develop a project strategy promoting sustainable entrepreneurship in developing countries **(activity).** Immediate **outputs** of project actions are the establishments of entrepreneurial guidelines and the set up of training programmes. The follow-up activities might be the implementation of the training programmes for the target groups as well as stakeholder dialogues to enable a supportive business environment. **Outcomes** of these activities might be the creation of 10 committed investors and 30 promising start-ups. **Final impacts** however would result into the creation of 350 stable jobs, the establishment of necessary infrastructure and finally an increase of human well being.

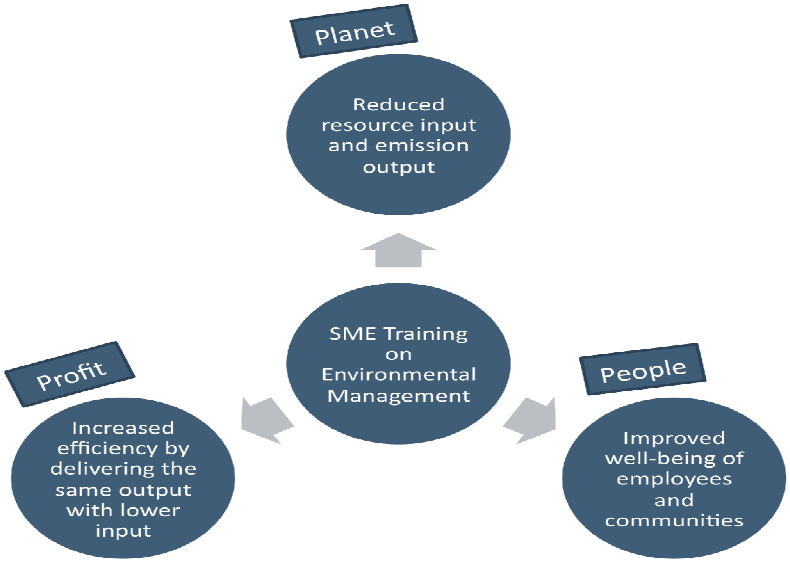
A definition of each term can be found in the glossary at the end of the guideline.

## Impact Creation on the Triple Bottom Line

A sustainable Project Impact requires effective achievement of targets in each of the three sustainability dimensions. Every project should embrace social, economic and environmental impacts in an integrative way. Only when all 3 dimensions are reasonably satisfied – the project can be regarded as delivering a truly sustainable impact for people, planet and profit.

- Environmental impacts show up the degree or extent to which environmental damage is minimised, or to which environmental value is created
- Social impacts show up the degree or extent to which social inequalities are minimized or people's well-being is maximised.
- Economic impacts show up enduring business practices and scale up the efficiency ratio of desirable to undesirable social and environmental impacts.

Not every project targets to create social and environmental outputs at the same time but having in mind the inter-relations of the impact chain in an intervention like a training programme for SMEs on environmental management for example: the action then targets every dimension on impact level.



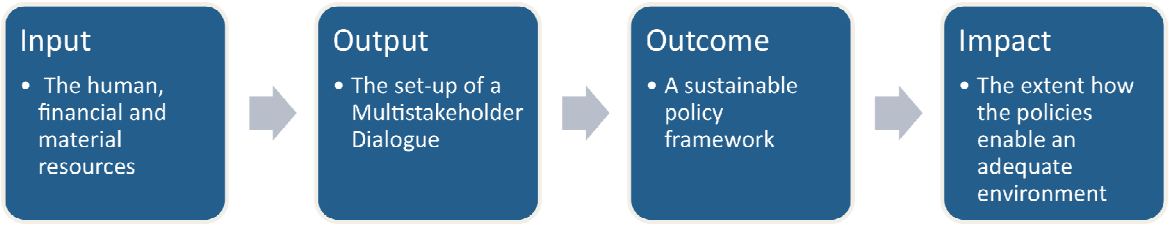

**Example: The table highlights the Impacts of a Capacity Building Initiative**

| Input | Activity | Output | Outcome | Impact |
|---|---|---|---|---|
| Budget & Other Resources | Capacity Building via Training | **People –** Training increases capacities & business skills of the target group<br>**Planet –** Training show how to create sustainable products and services<br>**Profit –** Training highlights business cases for sustainable business models | **People** – SMEs apply fair business practices<br>**Planet** – SMEs leapfrog harmful production<br>**Profit** – SMEs generate employment | **People** – verifiable employee satisfaction<br>**Planet** – verifiable reduction of GHG emissions & resource consumption & waste<br>**Profit** – verifiable increase in overall welfare |

**Measuring Impacts should not only consider decreasing something bad but also by increasing something positive.**

## Impact creation on different stakeholder levels

The impact of a project can be determined in an isolated way by focusing on a specific target group (e.g. Consumers, SMEs, Policy Makers, Service Providers .The following example illustrates the impact chain exclusively for policy makers:




However since the immediate target group is likely to pass on positive impacts to secondary (indirectly reached) groups this isolated consideration might only make sense when it is necessary to highlight the "business case" of a particular project activity for a specific target group. To determine the impact of the entire project not only the target group but all stakeholders who take out a definable benefit from a project activity have to be taken into consideration.

It is easily conceivable that a sustainable policy framework is likely to generate indirect impacts, this is especially the case if the project is able to set wheels in motion so that the initial target group enables replication mechanisms for secondary groups.

Depending on which initial stakeholder group is addressed by projects activities; an impact estimation requires a consideration of 'upstream' and 'downstream'

- The **'downstream'** consumption level can be reached with the help of mainstream media, capacity building campaigns advertising for enterprises sustainable attitude.
- The **'upstream'** policy level can be reached when enterprises take part in policy recommendation programmes and support the official standard setting process.

## Different Impact Dimensions

To determine a projects impact potential, the following aspects need to be considered:

1. projects ability of long-term existence
2. projects spreading potential
3. projects up-scale potential

Assessing which of the three aspects are likely to be covered by the project can give an overview on how big and far-reaching project impacts is. In an ideal situation a project possesses all 3 areas–but it is not the purpose of every project to change the policy system (3) and it is not always possible to equip the target

group with the innovative potential to adapt flexibly and appropriately to changes of environmental conditions (1).

### Projects ability of long-term existence

The key question to assess projects ability for indefinite continuation is whether the created outcomes are likely to continue after external assistance has come to the end. Indefinite continuation mainly depends on the determinates "independent funding opportunities " and "innovatory potential of people". In an ideal situation the target groups do not only reproduce the outcomes they acquired during the project phase but are equipped with the innovative potential to adapt flexibly and appropriately to changes of environmental conditions.

- **Estimating the innovatory potential of the target group:** Does the project feature the potential to
- facilitate innovative thinking, problem solving abilities and permanent changes of target groups' behaviour? Does the target group have the ability/the flexibility to adapt the program outcomes to changing circumstances/ environmental conditions?
- **Estimating the funding independence of the target group:** May funding constraints influence ongoing project activities?/ Can ongoing activities be funded for indefinite time?

### Spreading potential

The key question to assess projects ability to spread the outcome from one target group to another (e.g from SME to SME or from consumer to consumer) is to ask, if other groups except the initial target group will benefit from the outcome by implementing and using projects results.

- **Estimating the spreading potential of a project:** Does the target group enable a structure that results in enduring benefits for others? How big is the outreach of benefits and impacts, which are attributable to the project? How many additional "user-groups" have taken over projects measures in their own interest? Which mechanisms are in place to ensure the spread of the project?

### Up-scale potential

Projects should always target to set wheels into motion in order to disseminate the message to the big majority. The up-scale potential of a project displays its ability to scale the outcomes from supportive level (Universities, BIAs, media) to the Institutional Level (Policies) to final beneficiaries (consumers and producers).

Scaling up means expanding, replicating, adapting and sustaining successful policies, programs or projects in geographic space and over time to reach a greater number. This definition is deliberately broad and means not only that Scaling Up is taking small projects to larger a scale, but it also includes any intervention that has multiplier effects at a larger scale, such as policy and institutional reforms. Scaling Up is a proactive effort and is made up of two dimensions: Horizontal and Vertical Scaling Up. The Horizontal dimension looks at quantitative aspects such as the number of project members and number of activities within project, whereas the Vertical dimension looks at scaling up at a macro level through policies, laws etc.

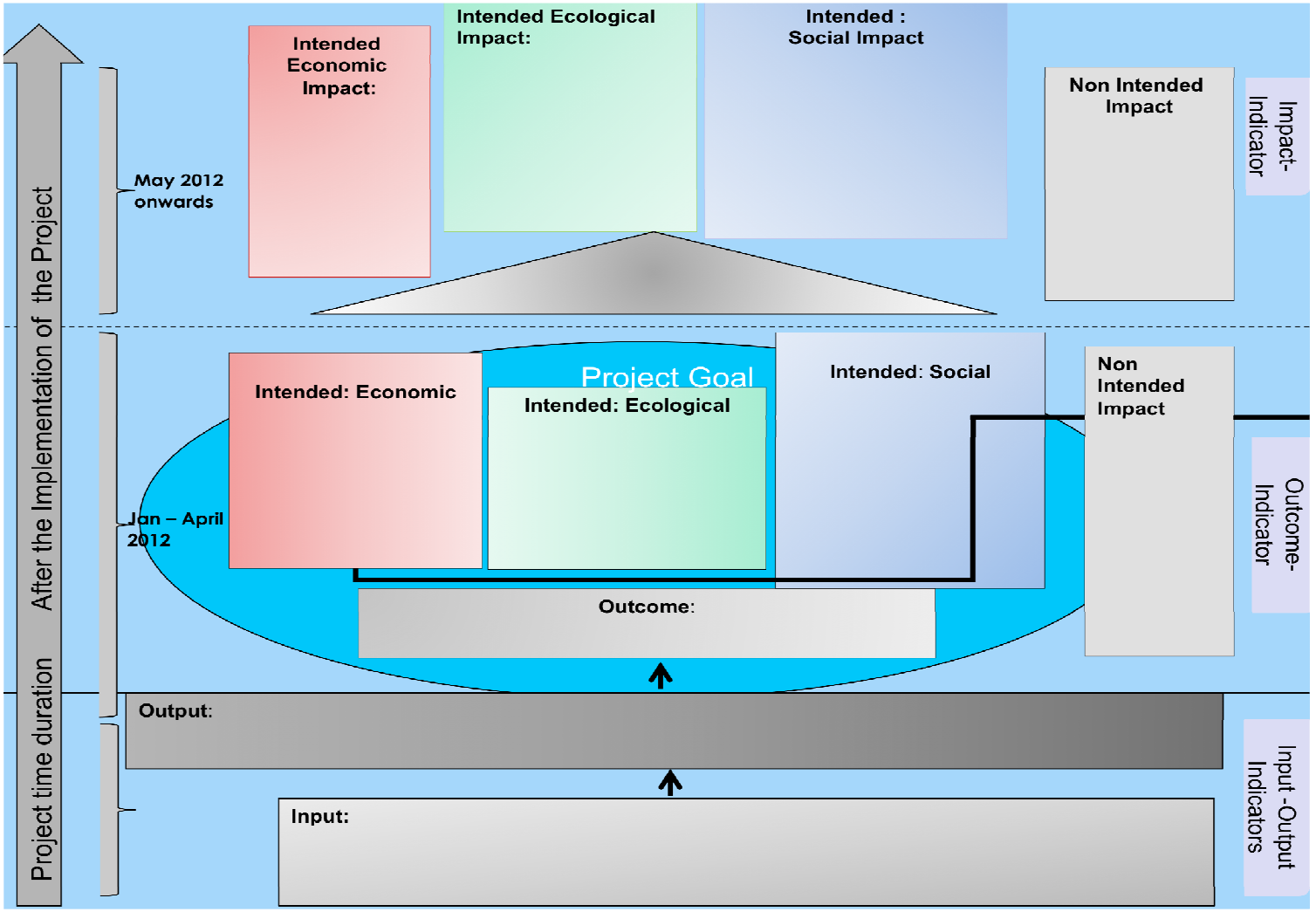
- **Estimating the scalability potential of a project:** Does the project promote dissemination processes in order to contribute to the establishment of a more sustainable production and consumption system? Does the project set wheels into motion to enable large-scale improvements?

## The Impact tracking sheet

- **to keep the big picture in mind when implementing the project**
- **for decision making process**
- **to re-evaluate projects upon competition**

| **Project XY** | **Output** | **Outcome** | **Impact for the target group** | **Impact for secondary groups** | **Projects Ability for long-term existence** | **Projects Spreading Potential** | **Projects Up-Scaling Potential** |
|---|---|---|---|---|---|---|---|
| Activity xy | | | People | People | yes/no - Why? | yes/no - Why? | yes/no - Why? |
| | | | Planet | Planet | | | |
| | | | Profit | Profit | | | |

**Impact Model**


Intended Economic Impact:
Intended Ecological Impact:
Intended : Social Impact
Non Intended Impact
Impact-Indicator
May 2012 onwards
After the Implementation of the Project
Project time duration
Intended: Economic
Project Goal
Intended: Ecological
Intended: Social
Non Intended Impact
Outcome-Indicator
Jan – April 2012
Outcome:
Output:
Input:
Input -Output Indicators

## 2. The Project Cycle

*"A project is a series of activities aimed at bringing about a clearly specified impact within a defined time-period and with a defined budget."*

The following aims to support the gearing of projects with a given input (time, cost and resource management are being presupposed) towards the targeted impact by introducing tools to set up, conduct, monitor and evaluate the so called „impact chain" (inputs → activities → outputs → outcome → impact).

**The Impact Guide focuses on the Situation analysis and Project design phases**

a. **Situation Analysis (assessing needs)**
b. **Project Design**
c. *Implementation (and Monitoring)*
d. *Project Evaluation*

The guide uses the Logical Framework approach through the four phases of the project management cycle. The LogFrame is a frequently used project management tool required for most EC proposals. It helps to ensures that the project you want to develop is results-based by support you to set up project objectives (the targeted impacts), to make assumptions regarding its success and to set up indicators for later monitoring and evaluation. Thus it is a tool covering both: structured thinking at the design stage as well as ongoing project monitoring and evaluation.

## a. Situation Analysis

Prior to project and activity design it is important to undertake a structured analysis of the existing situation. The first things we need to know is: What is the initial situation? What should we improve? Answers to these questions usually display the reason to conduct a project. The situation analysis is elementary since it helps gear a project towards impact creation from the beginning. It basically helps to identify the necessary information for the later project planning. A clear and comprehensive analysis provides a sound foundation for developing activities, which focus on the creation of impact!

In an ideal situation the situation analysis can be held in the form of a participatory workshop involving several people with background information of the target area, of emerging problems and/or opportunities and of the intended strategies for problem solving/ opportunity facilitation. Involving different perspectives in the planning process increases the problem solving potential because it enables the creation of highly diverse and innovative ideas.

The initial situation is being analyzed with the help of the following two tools:

- The problem analysis tool helps to find out if the intended project is relevant to the problems of the target groups and which specific constraints have to be considered when planning the strategy.
- The Stakeholder analysis verifies which kind of stakeholders are involved or affected by the identified problems. How they can be addressed and an analysis of the existing circumstances that can be used to work towards impact creation.

## Problem / Opportunity Identification

A project is usually designed as a response to address an identified problem or situation. With the help of cause and effect logic the Problem analyses aims to analse what the main problems are. The key purpose is to try and ensure that 'root causes' are identified and subsequently addressed in the activity design, not just the symptoms of the problem(s). This can be represented diagrammatically by constructing a problem tree.

The problem tree displays a simplified version of the reality without trying to explain all the complexity of the problems. Once complete, it represents a summary picture of the existing negative situation.

**The core problem**

The core problem displays the starting point for every project. However it is not always a problem but also can be seen as an opportunity. In this case it is also necessary to identify the main challenges hindering the desired situation from becoming reality. So, regardless of our initial positive or negative considerations when looking at the existing situation, we will always end up identifying the core problem (or challenge) to tackle. "Turning challenges into opportunities"

**The causes of the core problem**

Each problem has its own history, and we have to find out what underlying factors (causes) have led to the current situation. Once identified, the causes (roots) of the core problem are located under the core problem. → Excess of GHG Emissions

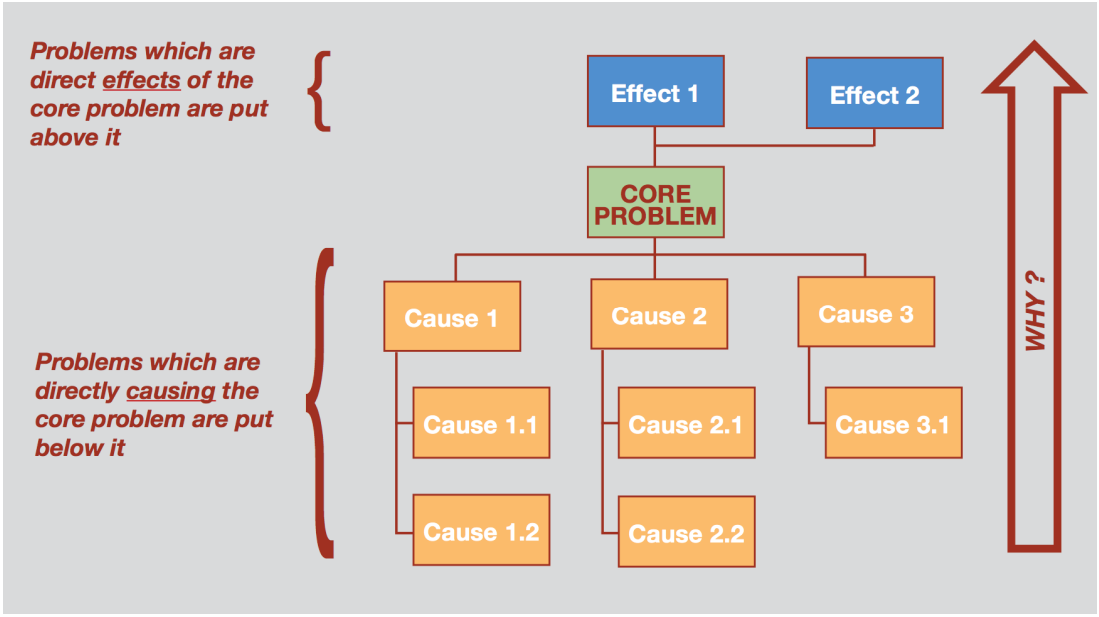
**The effects of the core problem**

A crucial point is to make sure that all the "root causes" are identified. If we identify only the "symptoms" of the problem the problem will arise again:

→ Lack of awareness, lack of economic incentives, lack of political regulation →unsustainable production → Excess of GHG emissions

When formulating the problems, it is important to avoid vague concepts such as "lack of incentives", these lacks should rather being specified "Which kind of incentives?" The interpretation of problems "too much bureaucracy in local government" should be avoided as well. It should rather be specified whether it is a problem of delays, of adequate support, of computerised system, etc. When highlighting the absence of a solution such as "lack of access to finance so that enterprises can improve ", should rather analyse why they cannot get access to the finance.

**The objective of this 'Guide' targets holistic sustainable impacts that take into consideration environmental, social and economic problems or opportunities when analysing a specific situation.**
The following chart shows up how the problem tree should look like:




Source: ILO 2010, p.37

**The 7 steps to set up a problem tree**

1. Conduct an open brainstorm exercise (ideally be undertaken as a participatory group event)
2. Select an individual starter problem from the brainstorming exercise
3. Look for related problems to the starter problem
4. Begin to establish a hierarchy of cause and effects:
    a. Problems which are directly causing the starter problem are put below
    b. Problems which are direct effects of the starter problem are put above
5. Sort all other problems in the same way. Use the guiding question "Why?" to add more causes. If there are two or more causes combining to produce an effect, place them at the same level in the diagram.
6. Connect the problems with cause-effect arrows
7. Review the diagram and verify its validity and completeness.

## Stakeholder Analysis

Having identified the main problems and the cause and effect relationshipS between them, it is then important to identify *who* these problems actually affect the most?

However the Stakeholder analysis is not only about asking "*Who is affected by the problem/opportunity*?" but also about "*Who will benefit from the activity that is going to be designed*?" and "*What their individual roles will be in addressing the problems and reaching solutions?"*

It is further important to understand the interests and capacities of different groups in order to make use of their individual background.

Who can benefit or lose as a result of the project? Which actors, such as governmental and non-governmental bodies and the projects of other organisations are already trying to solve the problems of the same target group? Which services are these actors offering and which resources do they have? Who is the target group of the planned project? Have the groups most vulnerable to the problems (risk groups) been identified? In what way can target groups contribute to the project, and what resources do they have that might be of use for project implementation? What is the relationship between the actors, and how could they be involved in the planning process?

The main steps in stakeholder analysis include:

- identifying the principal stakeholders (these can be at various levels, eg local, regional, national)
- investigating their roles, interests, relative power and capacity to participate
- identifying the extent of cooperation or conflict in the relationship between stakeholders, and
- interpreting the findings of the analysis and defining how this should be incorporated into activity design.

When looking at who the stakeholders are, it is useful to distinguish between the 'target group and the 'final beneficiaries'. A summary of the terminology used in these Guidelines is provided below: (AusAID, p. 9; EC p.69

> **Stakeholders:** Individuals or institutions that may – directly or indirectly, positively or negatively – be affected by or affect an Activity.
>
> **Beneficiaries:** Are those who benefit in whatever way from the implementation of the Activity. Distinction may be made between:
>
> **Target group(s):** The group/entity who will be directly positively affected by the Activity at the Activity Outcome level. This may include the staff from partner organisations.
>
> **Final beneficiaries:** Those who benefit from the Activity in the long term at the level of the society or sector at large, e.g. "children" due to increased spending on health and education, "consumers" due to improved agricultural production and marketing.
>
> **Partners:** Those who implement the Activity in country (who are also stakeholders, and may be a 'target group').

It is important to see stakeholder analysis as part of the iterative process of activity planning. As both problems and potential activity objectives are analysed more in detail, the stakeholder analysis should be reviewed and updated to account for the new information, which comes to light. Especially the agreement on who will benefit and contribute to getting the desired results has to be repeated once the project design has been finalised.

A variety of tools can be used to support a stakeholder analysis. This guide will focus on how to set up a Stakeholder analysis matrix.

The type of information collected, analysed and presented in the columns of such a matrix can be adapted to meet the needs of different circumstances. For example, additional columns could be added to highlight triple bottom line aspects. Also, when analyzing potential project objectives more in detail (at a later stage in project planning), greater focus should be given to analyzing the potential benefits and costs of a proposed intervention to different stakeholder groups.

Figure B1 Stakeholder analysis matrix 1 – problems

| Stakeholder | How affected by the problem(s)? | Capacity/motivation to participate in addressing the problem(s) | Relationship with other Stakeholders (eg partnership or conflict) |
|---|---|---|---|
| | | | |
| | | | |

Figure B2 Stakeholder analysis matrix 2 – impacts

| Stakeholder | Stakeholder's main objectives | Positive impacts/benefits | Negative impacts/costs | Net impact |
|---|---|---|---|---|
| | | | | |
| | | | | |

(Source: AusAid 2005, p.28)

## b. Project Design

Crucial parts within the planning stage are to determine the overall structure of the project highlighting which impacts are being targeted and how they can be reached? (With the help of which activities?)

The developed project plan should justify projects accountability and provide evidence that the selected project design (including situation analysis, problem identification, goal definition, formulation of strategies, design of work plan, and budget definition) work effectively and efficiently to target the greatest impact out of the given input.

**It is advisable to start the design phase with the development of an objective tree turning the problem statements from the problem tree (negatives) into objective statements (positives).**

The quality of the planning stage will influence the following stages of the project cycle. Resources invested in project design will pay off in risk prevention, projects quality and success.

### Building the objective tree

The analysis of objectives is used to describe the situation in the future once problems have been resolved, and to illustrate the means-end relationships in the diagram. The negative situations on the problem tree are converted into solutions, expressed as positive achievements on the objective tree. The core objective or the desired situation will be at the heart of the objective tree, the effects shown above and the causes shown below and the results, underneath. Like the problem tree, the objective tree has three main components:

**The desired situation**

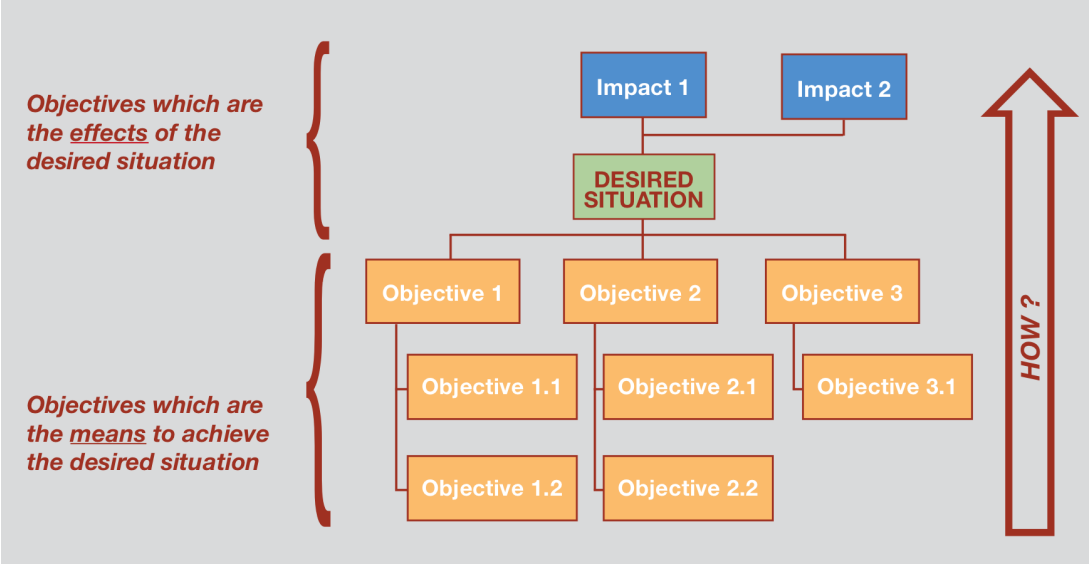
The desired situation clarifies the real change the project is aiming to achieve. Example:
Core problem: no collaboration between stakeholders → Desired situation: networking

**The means to achieve the desired situation**

The objective tree includes all the necessary and sufficient means that are necessary to obtain the desired situation. On the objective tree, objectives are graphically connected to each other based on means-end logic. The result is a visual model

**The desired situation impacts**

In the problem tree, the main problem is also the cause of other problems: these are called "problem impacts". Correspondingly, the desired situation is the means to achieve positive situations that contribute to tackling the problem's effects. These positive situations are called "desired situation impacts". An impact can "Eridicate extreme poverty and hunger", "ensure environmental sustainability or climate change mitigation" etc. It is important to note that in a project (the desired situation it aims to achieve) will only *contribute* to the long-term impacts. Other projects will need to be implemented, by other partners, to actually achieve long-term impacts.




(Source: Ilo 2010, p.42)

i. Reformulate all negative situations from the problems analysis into positive situations that are desirable and realistically achievable.

ii. Check the means-ends relationships to ensure the validity and completeness of the hierarchy ( cause-effect relationships are turned into means-ends links).

iii. Check assumptions of equity. Will everyone involved really benefit or will some groups have more access to benefits than others?

iv. The guiding question is "HOW"?

v. If necessary: revise statements, add new objectives and delete the ones, which do not seem suitable or necessary.

## Selecting your strategy

Once you have determined your objectives you have to select the project strategy that can make the most significant contribution to solve the problem. Most of the time one single project cannot address all the objectives necessary to solve the problem fully, often your given input will be sufficient only to address single objectives and sometimes partner organisations will have more suitable skills and competencies to address the specific situation. Thus the success or failure of each and every project will also depend on the synergy that its management team creates with other, complementary initiatives.

This strategy definition of course can also be helpful to plan input issues of the project (the cost, time and resources used for planning, and conducting activities).

Its advisable to set up clear criteria for making choices. Here you can find some exemplary criteria:

- Benefits for the target group
- Feasibility
- Link with stakeholder policy
- Sustainability

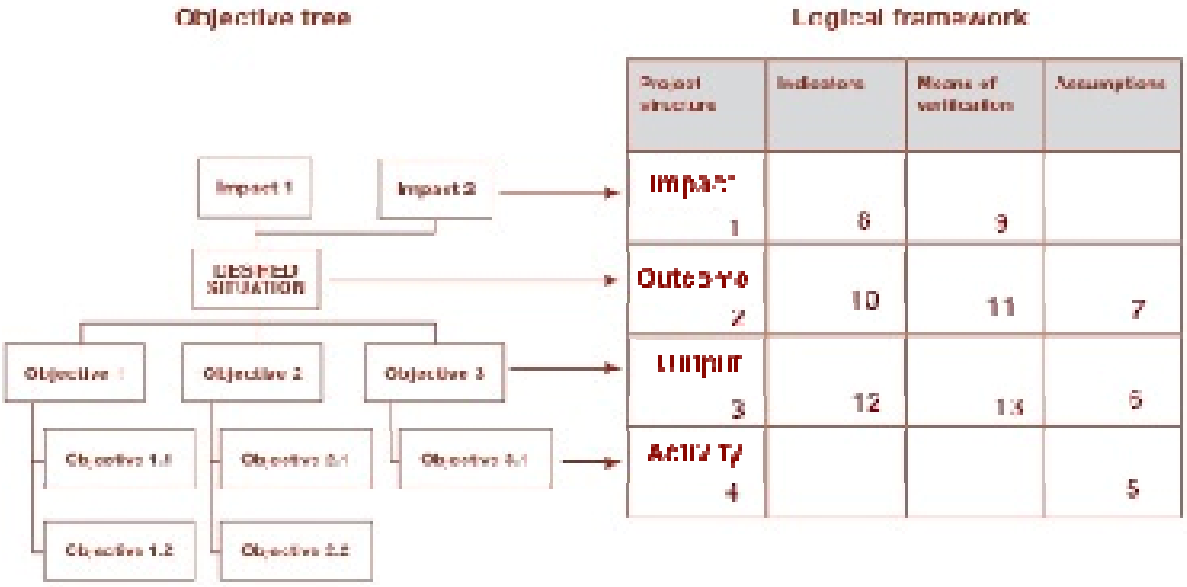
## The Log frame Matrix

The outputs of the problems, stakeholder and objective analyses are the core ingredients of the Logframe Matrix. Once completed, it shows a clear and in an organised manner which goals are targeted and how they are going to be achieved. The Logframe is a common tool used to structure a project proposal. Generally the Logframe displays only a snapshot of the project plan, so there's no need for alot of detail here. Once completed; it deals as a useful basis to plan for further implementation of the project (resources needed and timeframe).

The preparation of a Logframe matrix is an iterative process, not a just a linear set of steps. As new parts of the matrix are drafted, information previously assembled needs to be reviewed and, if required, revised. Nevertheless, there is a general sequence to completing the matrix, which starts with the project description (top down), then the assumptions (bottom-up), followed by the indicators and then sources of verification (working across).

Nevertheless, the LogFrame is not a perfect answer to all project planning and implementation needs. The LogFrame is subjective to personal assumptions and expectations and at the time of implementation, the situation might have already changed. Therefore the LogFrame always remains a process and requires flexibility.

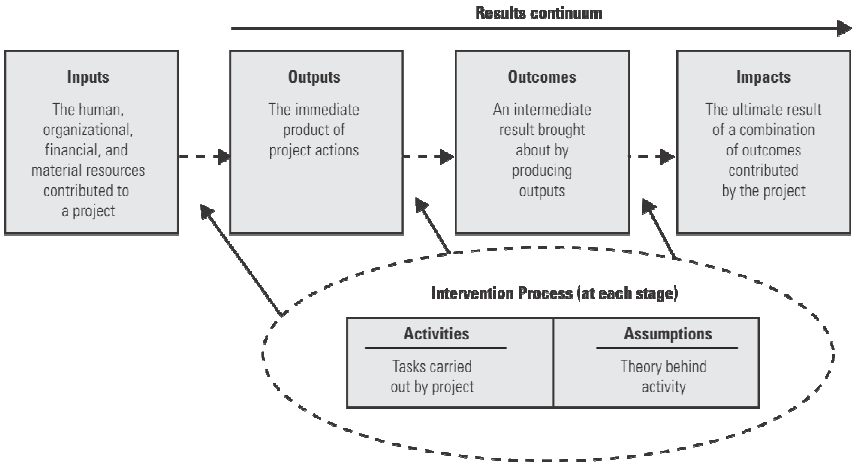
The diagram below highlights how main elements of your objective tree will match with the Lograme:




(Source: ILO 2010, p.47)

The matrix is called a "logical framework matrix" because it follows both vertical and horizontal logic.

**The vertical logic** is pursued when following the first column from bottom to top**.** You may recognize the causal relationships of the so called "impact chain".




*"IF we wish to contribute to the overall impact, THEN we must achieve the outcome IF we wish to achieve the outcome, THEN we must deliver the specified output IF we wish to deliver the output, THEN the specified activities must be implemented; and IF we wish to implement the specified activities, THEN we must apply identified inputs/ resources"*

**How to vertically fill out the Logframe?**

1***) Identify the project outcomes***, which correspond generally the action you have to take in order to address the core problem on your problem tree, therefore it equals the desired situation of your objective tree.
2***) Identify the impact***. It is one of the objectives at the top of the objective tree, which describes the long-term benefits on society to which the project will contribute.

3***) Identify the outputs***: select from the objective tree the objectives that – by the "means to end" logic – will achieve the immediate objective. You can add other outputs that contribute to achieving the immediate objectives.
4) ***Identify the activities***: select from the objectives tree the objective that – by the "means to end" logic – will produce the outputs and translate them into activities, i.e"organise training sessions". Add other activities needed, paying attention also to the specific interests of under-represented groups.

**The horizontal logic** state with which kind of indicators the project plan described in the first column will be measured (column 2), which methods will be used to verify the achievements (column 3) and which kind of issues may lay beyond the control of the project manager (assumptions - column 4). This forth column describes external factors that could affect projects progress in a positive or negative way.

| LOGICAL FRAMEWORK FOR THE ACTION | | | | |
|---|---|---|---|---|
| | **Narrative Summary (also: Intervention Logic)** | **Objectively Verifiable Indicators of Achievement (OVI)** | **Sources and Means of Verification (MOV)** | **Assumptions (also: Risks)** |
| **Goal (also refered to as: Overall Objectives)** | *What is the overall broader goal to which the action will contribute?* | *What are the key indicators related t the overall goal?* | *What are the sources of informatio for these indicators?* | |
| **Impact (also: Purpose, Outcomes or Specific Objectives)** | *What specific impact is the action intended to achieve to contribute to the overall goal?* | *Which indicators clearly show that the impact or specific objective of the action has been achieved?* | *What are the sources of informatio that exist or can be collected? What are the methods required to get this information?* | *Which factors and conditions outside the Beneficiary's responsibility are necessary to achieve that impact? (external conditions) Which risks should be taken into consideration?* |
| **Outputs (also: Expected Results)** | *The results are the outputs envisaged to achieve the specific impact. What are the expected results? (enumerate them)* | *What are the indicators to measure whether and to what extent the action achieves the expected results?* | *What are the sources of informatio for these indicators?* | *What external conditions must be met to obtain the expected results on schedule?* |
| **Activities** | *What are the key activities to be carried out and in what sequence in order to produce the expected results? (group the activities by result)* | ***Inputs*** *__Means:__ What are the means required to implement these activities, e. g. personnel, equipment training, studies, supplies, operational facilities, etc.* | *What are the sources of informatio about action progress? __Costs:__ What are the action costs? How are they classified? (breakdown in the Budget for the Action)* | ***Preconditions*** *What preconditions are required before the action starts? What conditions outside the Beneficiary's direct control have to be met for the implementation of the planned activities?* |

## Establishing Indicators

Determining future impacts within the projects design phase requires a certain ”impact estimation” on the basis of assumptions. To verify if a project is likely to meet its objectives and estimations in a credible, comprehensible way we need to develop indicators.

> *“An **indicator** is a characteristic or attribute which can be measured to assess a programme in terms of outputs or impacts. By necessity, indicators are simplifications of a more complex reality. They can be either quantitative (e.g. per capita GDP) or qualitative (e.g. trainees’ opinions of the usefulness and relevance of a training course).”* (Narajan & Vankeulen 1997:16)

Indicators can estimate prospective impacts by expressing the expected quantity (how much), quality (how good), or efficiency (best output at lowest cost). These yardsticks help to show up projects intentions in a straightforward way.

Once the project has started indicators can serve as a guideline or checklist to track projects achievements. To facilitate later assessment procedures it is important to prove the feasibility of every indicator by ensuring that systems for later data collection are in place and funded.

Example.

| Impact Type | Targeted Impact | Indicator | Unit | Baseline | Target |
|---|---|---|---|---|---|
| Direct environmental impact | Reduction of GHG emissions | Amount of emissions saved | Tonnes of co2 | 3t | 1t |

### *Guiding the indicator selection process with the help of DOPA criteria*

The DOPA criteria are standards to ensure that the criteria are:

- **Direct** closely measure the intended change.
- **Objective** unambiguous about what is being measured and which data to be **c**ollected.

  clear operational definition that is independent of the person conducting the measurement.
- **Practical** reasonable in terms of data collection cost, frequency, and timeliness for decision making purposes.
- **Adequate** the minimum number of indicators necessary to ensure that progress towards the output is sufficiently captured.

### *Qualitative and Quantitative Indicators*

**Quantitative indicators** rely on interval-scaled data. They are typically reported in terms of a specific number, rate, ratio or percentage. Numerical data facilitates the comparisons and analysis of trends

Total use of the project (e.g additional revenue of SMEs due to the saving of energy & resources) – additional cost linked to the implementation/participation of the project. If the resulting number is larger than 1 (or another in advance predefined number) the project can be regarded as successful.

- How much time does it take (e.g for social entrepreneurs in developing countries) to reach the breakeven point?

- How big is the increase in competitiveness?

**Qualititative indicators** provide insights into changes in organizational processes, attitudes, beliefs, motives and behaviours of individuals. They rely on nominal data and describe in words situations, events, processes or results, which indicate the point when a certain criterion has been met.

- Compliance with a new policy
- Quality of a new SCP policy framework
- Extend of consumers SCP awareness

### *Indicators with or without a specific target*

Indicators can be set up with or without a specific target that sets the expected results in the context of a specific number or timeframe. Including a target presupposes sufficient knowledge on the baseline situation at the time of preparing the project proposal.

Once the situation analysis and the project design phase impacts have been identified, the implementation and evaluation phases become that much clearer and more effective.

## 3. Glossary

> *"**Goals** are the higher-order objective to which a development intervention is intended to contribute."*

*"**Development objectives are** intended impacts contributing to physical, financial, institutional, social, environmental, or other benefits to a society, community, or group of people via one or more development interventions (instrument aimed to promote development).*

*"**Impacts** are the positive and negative, primary and secondary long-term effects produced by a intervention, directly or indirectly, intended or unintended."*

*"**Outcomes** are the intended or achieved short and medium-term effects of an intervention's outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact."*

*"**Outputs** are the products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes."*

*"**Activities** are actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs."*

*"**Inputs** are the financial, human, and material resources used for the development intervention."*

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