

Community Investment Enterprise Facility – Evaluation Framework 2018

Evaluation strand	Evaluation question	Evaluation sub-question	Indicator/measure	
<i>What strand of activity does this fall under?</i>	<i>What is the over-arching evaluation question to be addressed?</i>	<i>What is the specific evaluation question to be addressed?</i>	<i>How will the evaluation question be answered?</i>	
Fund performance	How well has the CIEF leveraged in other capital?	How much additional investment has been leveraged by the CIEF?	Aggregate of co-investment received by CDFIs	
	How well has the CIEF and co-investment performed financially?	To what extent have CIEF funds been disbursed?	Value/proportion of CIEF funds committed to CDFIs for investment	
			Value/proportion of CIEF funds drawn down by CDFIs	
			Number of CDFIs receiving CIEF investment	
		Value of CIEF investment per CDFI		
	To what extent have CIEF funds been repaid?	Value/proportion of CIEF funds repaid by CDFIs		
	What is the CIEF default rate?	Number of CDFIs in default (and the amount in default)		
		Aggregate default rate across the CDFIs		
CDFI Performance - Lending	How well have individual CDFIs performed financially using CIEF and match capital?	To what extent have CIEF funds been disbursed?	Value/proportion of CIEF funds committed for investment	
			No of MSMEs in receipt of investment (approved and drawn down)	
			Value/proportion of CIEF funds drawn down by MSMEs	
			To what extent have CIEF funds been repaid?	Value/proportion of CIEF funds repaid by MSMEs
			What is the CIEF default rate, and how does it vary over time?	Value/proportion of CIEF funds in default (90 days in arrears)
			What's the level of restructuring in the CDFI fund?	No and value of restructured investments
			What is the operating costs of CIEF?	Cost per loan made/Cost per £ lent
CDFI Performance - Co-investment	How successfully have CDFIs raised other investment?	How much additional investment has been leveraged by the CDFI and: i) Matched to CIEF, and, ii) Additional investment leverage by the CDFI but not matched by the CDFI?	Value/proportion of additional funding leveraged: i) Matched to CIEF ii) Additional investment but not matched	
		How much of the additional investment has been raised with the use of CTR (both CIEF match and non-match)?	Value/proportion of matched funding leveraged through CTR: i) For CIEF investments ii) for non-CIEF investments	
		To what extent are CDFIs making use of Enterprise Finance Guarantee for CIEF and non-CIEF?	Number and value of EFG claims made to the British Business Bank: i) For CIEF investments ii) for non-CIEF investments	

Evaluation strand	Evaluation question	Evaluation sub-question	Indicator/measure
<i>What strand of activity does this fall under?</i>	<i>What is the over-arching evaluation question to be addressed?</i>	<i>What is the specific evaluation question to be addressed?</i>	<i>How will the evaluation question be answered?</i>
			Number and value of EFG claims accepted by the British Business Bank: i) For CIEF investments ii) for non-CIEF investments
		To what extent has the Parent Company Guarantee been used by the CDFIs for CIEF?	Value/percentage of CIEF investment guaranteed
CDFI Performance - Organisational	What has been the change in the CDFI's broader activities/ operating model?		Value/percentage of CIEF investment losses offset by guarantee
		What is the extent of non-CIEF investments made by individual CDFIs?	Value/number/proportion of investments made that do not use CIEF funds, including: ...Start-up loans ...Northern Powerhouse Innovation Funds ...Midlands Engine Investment Fund ...CDFI's own funds (balance sheet) ...Others (tbc)
		What has been the change of the financial turnover of CDFIs during the life of the CIEF?	Growth in turnover of CDFIs
		What has been the change of the profitability of CDFIs during the life of the CIEF?	Growth in profitability of CDFIs (operating margin)
		What has been the change of the assets of CDFIs during the life of the CIEF?	Growth in assets of CDFIs (current and non-current)
		What has been the change of the liquidity of CDFIs during the life of the CIEF?	Improvement in liquidity of CDFIs (current ratio)
		What has been the impact on staff number/ make-up?	See MSME indicators below.
		What has been the impact of Aeris rating on individual CDFIs?	Perceptions of CDFIs - qualitative and/or survey
		Social and economic impact	How well have investee MSMEs performed financially?
What has been the impact of CIEF on the profitability of MSMEs?	Growth in profitability of MSMEs (operating margin)		
What has been the impact of CIEF on the assets of MSMEs?	Growth in assets of MSMEs (current and non-current)		
What has been the impact of CIEF on the liquidity of MSMEs?	Liquidity of MSMEs (current ratio)		
What has been the impact of CIEF on the number of people employed by MSMEs?	Growth/sustained in employment (FTEs and payroll)		

Evaluation strand	Evaluation question	Evaluation sub-question	Indicator/measure
<i>What strand of activity does this fall under?</i>	<i>What is the over-arching evaluation question to be addressed?</i>	<i>What is the specific evaluation question to be addressed?</i>	<i>How will the evaluation question be answered?</i>
	What are the organisational characteristics MSMEs in receipt of CIEF investment?	What are the key characteristics of CIEF investees, and how do these compare to MSMEs as a whole?	Proportion of MSMEs with the following characteristics: ...Lead applicant/owner is female ...Lead applicant/owner is from a BAME group ...Lead applicant/owner has a disability
	To what extent do MSMEs in receipt of CIEF investment promote equality and equity in their employment practices?	To what extent is CIEF investing in MSMEs with equitable employment practices, and to what extent do these change post-investment?	Employment equity: ...ratio of highest-lowest paid employee at investment ...change in ratio of highest-lowest paid employee post-investment (12/24/36 months) Employment equality: Number of FTE employees in the following categories at the time of the investment: ...Female ...BAME origin ...Have a disability or health condition ...Temporary (i.e. fixed term employment contract) ...Formal apprenticeships Change in number of FTE employees in the following categories post-investment (12/24/36 months): ...Female ...BAME origin ...Have a disability ...Temporary (i.e. fixed term employment contract) ...Formal apprenticeships Number/proportion of MSMEs with the following quality standards/accreditations at the time of investment: ...Living wage employer
	To what extent are CDFIs providing investment for MSMEs that is additional?	To what extent is CDFIs providing investment for MSMEs who couldn't have obtained finance from mainstream financial sources?	Number and value of CIEF loans that meet the following CITR criteria: - Located in a disadvantaged geographical area - Owned and operated by, or intended to serve, individuals recognised as being disadvantaged

Evaluation strand	Evaluation question	Evaluation sub-question	Indicator/measure
<i>What strand of activity does this fall under?</i>	<i>What is the over-arching evaluation question to be addressed?</i>	<i>What is the specific evaluation question to be addressed?</i>	<i>How will the evaluation question be answered?</i>
			<p>Number/proportion of MSMEs who had an application for external finance rejected in the 10 years prior to CIEF investment (once or more than once)</p> <p>Number/proportion of MSMEs who had been unable to access any of the following sources of non-CIEF external finance in the 12 months prior to CIEF investment</p>
		What types of finance institution have MSMEs been rejected from?	<p>Number/proportion of MSMEs who had an application for external finance rejected from the following types of lender:</p> <ul style="list-style-type: none"> - Loan: <ul style="list-style-type: none"> - from a bank or other mainstream credit provider - from a peer-to-lending platform - Mortgage - Other credit facility: <ul style="list-style-type: none"> - Credit card - Lease or hire purchase - Grant scheme - Equity
		What types of finance institution have MSMEs able to access finance from?	<p>Number/proportion of MSMEs using any of the following non-CIEF external finance at the time of investment:</p> <ul style="list-style-type: none"> - Loan: <ul style="list-style-type: none"> - from a bank or other mainstream credit provider - from a peer-to-lending platform - Mortgage - Other credit facility: <ul style="list-style-type: none"> - Credit card - Lease or hire purchase - Grant scheme - Equity
		To what extent are MSMEs better able to access external finance following CIEF investment?	Number/proportion of MSMEs applying for any of the following non-CIEF external finance in the 12/24/36 months following CIEF investment (list as above)
		What is the impact of CIEF investment on MSME's credit rating?	Number/proportion of MSMEs whose credit rating improves in the 12/24/36 months following CIEF investment
	To what extent are CDFIs providing a 'good quality' service?	To what extent would MSMEs recommend the CDFI to others?	Net promoter score for CDFIs
	To what extent is CIEF investment leading to positive social outcomes for the	What is the wider social impact of CIEF on the	Number/proportion of MSMEs reporting positive outcomes for their associated with CDFI investment:

Evaluation strand	Evaluation question	Evaluation sub-question	Indicator/measure
<i>What strand of activity does this fall under?</i>	<i>What is the over-arching evaluation question to be addressed?</i>	<i>What is the specific evaluation question to be addressed?</i>	<i>How will the evaluation question be answered?</i>
	owners and employees of MSMEs?	owners and employees of MSMEs?	...aspiration, confidence, self-esteem, skills, mental health, health, skills, relationships etc.
Social and Economic Impact - CDFI level	To what extent are the CDFIs receiving investment from the CIEF achieving social impact through non-lending activities?	How much reinvesting into communities where operate?	Value/proportion of CDFI surpluses invested in local communities
		How are the CDFIs contributing to their local communities?	Type and purpose of CDFI investment in local communities
Market level impacts - Awareness	Has the market perception of CDFIs changed over the course of CIEF?	To what extent has the CIEF contribute to a raised media and public profile for CDFIs?	Growth of media coverage relating to CDFIs Growth of social media coverage relating to CDFIs Growth of internet searches relating to CDFIs
		What is the reach and impact of BSC's market development activities (Community Investment Website and CISG)?	Number of visits to/downloads from Community Investment website Pick up of the CISG recommendations/ conclusions on awareness/ visibility
		To what extent there is a more robust evidence base?	Evaluation Advisory Group to discuss on regular intervals, commenting in the range and quality of the outputs produced
		To what extent has the CDFI sector grown, and to what extent can any growth be attributed to CIEF?	Net growth in estimated value of CDFI investment
Market level impacts - Capital	To what extent has there been new investors come into the CDFI sector?	Names and types of investors new to the sector and exploration of the type of finance these investors are providing	Names and types of investors new to the sector and exploration of the type of finance these investors are providing
		Has the CDFI sector reach a 'tipping point' whereby it is able to 'crowd in' sufficient funding to meet the demand from MSMEs?	Stakeholder perceptions on the 'state of the CDFI market' in the UK, in addition to and to provide context for, above quantitative measures
		What is the impact of the CISG?	Pick up of recommendations/ conclusions on new sources of incomes
Market level impacts - public sector (policy and funding)	To what extent has there been a change in policy over the life of the CIEF?	Change in policy recommendations (generally)	Change in policy recommendations (generally)
		What is the impact of the CISG?	Pick up of recommendations/ conclusions on policy and public sources of income?
		To what extent has there been a growth in the use	Amount of CITR used by CIEF investments

Evaluation strand	Evaluation question	Evaluation sub-question	Indicator/measure
<i>What strand of activity does this fall under?</i>	<i>What is the over-arching evaluation question to be addressed?</i>	<i>What is the specific evaluation question to be addressed?</i>	<i>How will the evaluation question be answered?</i>
Market level impacts - Sustainable CDFIs		tax incentives over the life of the facility?	Introduction and use of other tax initiatives
		To what extent has there been a growth in the use of guarantee schemes?	No/value of MSME investments utilising guarantee schemes
			Pick up of recommendation/ conclusions from reports produced on international examples
		What is the reach and impact of BSC's market development activities?	Number of attendees at associated training and learning events
			Number of CDFIs that have undertaken an Aeris rating/follow-up rating
			Number of CDFIs now listed on Good Finance
		To what extent are CDFIs improving their approach to social impact?	Number of CDFIs producing a social impact report
To what extent has the shape of the CDFI market changed over the life of the facility?	Number of CDFIs in existence		
	Amount of lending per year by CDFIs		