



# What learning means to us

An overview of how we evaluate our impact





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# Introduction

## **Learning is key to how we achieve greater impact.**

British International Investment (BII) helps solve the biggest global development challenges by investing and mobilising capital to support private sector growth and innovation. We focus on investments that make the biggest difference in the markets where we invest. Evaluations and learning are a key part of how we maximise our impact.

We work closely with the UK's Foreign, Commonwealth and Development Office (FCDO) to commission independent evaluations that deepen our knowledge of how development finance can support our impact objectives through our joint [FCDO-BII Evaluation and Learning Programme](#). Through research, including with the stakeholders we reach through our investments, we learn about the impact we create and how this can be improved.

This is an overview of our Evaluation Programme. It explains why evaluations are important to us, how they inform what we do, how they align with our overall Impact Framework and our [2026–31 strategy](#), how they are governed, and how we use and communicate lessons learnt. We hope this document gives stakeholders a thorough understanding of how we use our Evaluation Programme to evidence and enhance our impact – and serves as a useful guide to development partners and other investors interested in learning from our evaluations.



**Professor Dennis Novy**  
*Chief Economist, FCDO and  
Chair of FCDO-BII Evaluation and Learning  
Programme Steering Group*



**Maria Smith**  
*Chief Impact Officer, BII*



**Kate Griffith**  
*Head of Evaluations, BII*

# Why are evaluation and learning important to us?

## *Evaluations are an essential tool to understand and improve our impact.*

Evaluating the investments we make helps us learn, improve, and stay accountable. We commission primary research to generate evidence of impact and zoom in on types of impact that can't be understood with portfolio monitoring alone. Our evaluations are independent, introducing external perspectives that challenge us in a useful and credible way. They also generate broader learning around the value of private investments. This supports us to understand the real outcomes of our investments on people and the planet, and to inform our decision-making, with the overall purpose of helping us to achieve greater impact. In doing so, we seek to partner with and share learning with the broader development finance community.

## Key principles



### Relevant

Evaluations are designed to address BII's strategic priorities, and FCDO's and BII's evidence needs



### Independent

Evaluations are led by independent external evaluators and overseen by FCDO



### Transparent

Evaluations are published on BII's website to support accountability and wider learning



### Engaged

Evaluations findings are shared with BII's teams to integrate lessons into their work

## How we use evaluations



### Accountability

Evaluations demonstrate our impact to FCDO and other scrutiny bodies, while providing evidence of the impact of private sector investment to the wider development community



### Learning

Evaluations inform our investment strategy and impact management approach and contribute thought leadership on private sector investment to the impact investment and development finance community

# Our approach to evaluation and learning

Evaluations are a key component of [our approach to impact management](#). They are designed to test and evidence our Impact Framework, which aligns with the [Operating Principles for Impact Management](#) and fit within **Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.**

## Our Impact Framework

Our Impact Framework sits at the heart of our investment approach. It considers six ways in which investments deliver impact: our **contribution** in achieving outcomes, **how** our investments lead to impact, **what** outcomes our investments are contributing towards, **who** experiences these outcomes and by **how much**, and the **risk** that these impacts will be different to what is expected.



We commission four different types of evaluation to generate evidence around different components of our Impact Framework.

### Strategic evaluations

**+** CONTRIBUTION **>>** HOW **□** WHAT

Analyse how our investments and activities contribute to the achievement of our **strategic priorities**.

### Portfolio reviews

**□** WHAT **○** WHO

Desk-based review to aggregate and **analyse impact data across a portfolio of investments**, identify implications for impact relative to our impact framework and/or strategy, and make strategic recommendations to enhance impact moving forward.

### Investment evaluations

**+** CONTRIBUTION **>>** HOW **□** WHAT **○** WHO **≡** HOW MUCH

For **selected investments**, deepen understanding of the nature and depth of the investment's impact to better understand mechanisms for creating impact.

### Thematic evaluations

**>>** HOW **□** WHAT **○** WHO **≡** HOW MUCH

Analyse the impact of a cluster of investments on **stakeholder groups** (e.g. women business owners) or **target outcomes** (e.g. improved access to finance) to deepen understanding of how investments achieve specific outcomes and/or outcomes for specific stakeholder groups.

We use several tools to measure the impact of every investment. The Impact Score, introduced in BII's 2022–26 strategy, provides a quantitative measure of portfolio performance against BII's impact priorities (to support **productive, sustainable** and **inclusive** development). The score is determined ex-ante, reviewed ex-post every two years and again at exit. The Impact Dashboard summarises the intended impact of an investment against each dimension of the Impact Framework. We also develop a monitoring plan for each investment and track a range of indicators aligned to the investment's impact thesis. These tools **inform our evaluations** by helping us to build theories of change for specific investments or types of investment, and by providing crucial monitoring data that we supplement with further data collection.

# What have we learnt from evaluations?

Every five years, together with FCDO we agree a new strategy which governs our approach to investing for development impact. In the previous (2022–2026) strategy period, we completed [25 independent evaluations](#), providing robust evidence, challenge, and insight.

This included three multi-year sector group evaluations covering our entire post-2012 portfolio and a series of evaluations focused on investments or themes. The sector group evaluations concluded that most of our investments are on track to deliver their impact thesis. They also highlighted key areas where we could improve our impact by adapting our approach, such as by moving from generalised debt to specialised lending, and developing differentiated strategies for frontier and mature markets.

## *How have evaluations helped shape our [2026–2031 strategy](#)?*

Evaluations findings have helped shape our strategic priorities with recommendations encouraging us to focus on eco-system or market-level effects, beyond the direct impacts of our investments. We shall be taking a more intentional approach where we can make the biggest difference.

- The [Financial Services Evaluation](#) called for a greater focus on capital markets and low-income countries.
- The [Infrastructure Evaluation](#) encouraged differentiated strategies for frontier and mature markets, and identified the need for country/regional plans and systems-based approaches.
- The [Industries, Technology and Services Evaluation](#) highlighted the benefits of a more coordinated approach across investments to achieving systemic or market-level impacts.

Beyond this, **strategic evaluations** generated lessons around the market-level effects of our catalyst portfolio, our use of blended and impact-linked finance, and how we mobilise commercial capital. **Thematic evaluations** helped us understand the impact of our investments for low-income groups and women. They also helped identify key outcomes, such as the economic and climate impacts of our power investments in Africa and the impacts of fintech investments on household financial inclusion. **Investment evaluations** evidenced impact across a range of our transactions and provided lessons for future investment decision making.

Examples of our evaluations, and how they have informed strategic or investment decisions, are set out below.

Evaluation	Key findings and lessons learnt	How lessons influenced our strategy and decision making
<b>Strategic evaluations</b>		
<a href="#">How can MDBs and DFIs scale private capital mobilisation?</a>	<ul style="list-style-type: none"> <li>Mobilising at scale requires portfolio rather than deal-level approaches. There are a range of portfolio approaches available, including platforms to scale origination, contributing assets to privately managed pooled vehicles, forming origination partnerships, and pooling assets with other Development Finance Institutions (DFIs) for securitisation.</li> <li>DFIs can attract private investors by using structures to de-risk investments and pooled asset vehicles, such as first-loss guarantees, subordinated debt/equity, risk management solutions from specialist providers, and blended finance.</li> </ul>	<p>Supported our thinking on mobilisation and influenced our strategy, particularly the use of portfolio approaches and blended finance.</p>
<a href="#">How does BII drive change in internet service provision in Nepal? Insights from WorldLink</a>	<ul style="list-style-type: none"> <li>Where established firms exist, and are pioneering a new technology or business model, supporting their scale-up can help catalyse others to scale the technology and bring down costs for consumers.</li> <li>Markets with low barriers to entry are more likely to result in replication of business models or technologies.</li> </ul>	<p>Helped us improve how we define, pursue and assess the market-level impacts of our investments.</p>
<b>Portfolio reviews</b>		
<a href="#">Evaluating the impact of BII's financial service portfolio</a>	<ul style="list-style-type: none"> <li>Specialised lenders and targeted credit lines are an effective way to reach small and medium enterprises (SMEs) and underserved segments.</li> <li>There was significant growth in overall lending to SMEs among banks in which we made large equity investments, but their proportion of loans targeting SMEs did not grow.</li> </ul>	<p>Influenced a strategic shift away from large equity and generalised debt towards directed and specialised lenders prioritising SMEs, low-income households, women, and climate.</p>
<a href="#">Evaluating the impact of BII's infrastructure portfolio</a>	<ul style="list-style-type: none"> <li>Investments in platforms and partnerships played a catalytic role, and the proportion of our infrastructure investments that qualified as climate finance increased. Even so, more adaptation investments are needed, particularly in frontier markets.</li> <li>The economic and climate impact of investments in power generation and transmission depends on the power system dynamics in each country. The diversification of power systems is important to adapt to climate change.</li> </ul>	<p>Informed our infrastructure strategy, prioritising economic development and adaptation in frontier markets and climate mitigation in more mature markets, including through platforms that mobilise private investors, build project pipeline and address market gaps.</p>

## Evaluation

## Key findings and lessons learnt

## How lessons influenced our strategy and decision making

## Investment evaluation

[How does access to green energy transform rural communities? Insights from Virunga Energies](#)

- Virunga Energies provided clean power to 25,000+ new connections in the Democratic Republic of the Congo (DRC) between 2017 and 2022, more than double its initial target.
- Communities connected to the mini grid experienced a net increase in asset wealth, jumping from the 76th to the 86th percentile for asset wealth among households in the Nord-Kivu province.

Informed our approach to investing in mini grids or similar solutions, particularly in underserved rural areas or conflict-affected regions.

## Thematic evaluation

[How do companies and funds with gender-diverse ownership and leadership support positive outcomes for women?](#)

- Investees with gender-diverse ownership or leadership are implementing a range of gender-smart business practices that support gender-diverse and inclusive workplaces.
- Fund managers with gender-diverse ownership or leadership commit to integrating gender considerations within their investment strategies.

Highlighted the importance of gender intentionality alongside 2X Criteria alignment and informed updates to our Board nominee process to better reflect gender diversity.



# How will evaluations evidence the impact of our 2026–31 strategy?

Independent evaluations will remain central in the new strategy period, helping to track progress against our strategic priorities and highlight what works and where we need to adapt.

We will focus our evaluations programme on the strategic priorities identified in our [2026–31 strategy](#), including how to achieve market-level impact, unlock impact in frontier markets and mobilise private capital at scale. The programme will also include portfolio reviews, and thematic and investment evaluations that are relevant to strategy, supporting accountability and responding to evidence needs. Indicative evaluation questions are set out below.

## Market-level impact



Occurs when an investment not only delivers direct benefits - like jobs, taxes or access to services - but also triggers wider changes in the market.

These changes, or market-level effects, include shifts in behaviour, competition or market structures that result in benefits beyond the original investment. By combining these wider effects with the direct impact of our investments, we can enhance our total market-level impact.



What is the market-level impact of our investments, including through coordinated approaches and what can we learn about how to build markets most effectively?

## Frontier markets



Refers to countries eligible to be classified as Least Developed Countries by the United Nations. These are typically low-income and vulnerable economies, where investment is most needed and the potential impact of capital is high.



What is the collective impact of our investments and activities in selected frontier markets, and how does our core and concessional capital, market-building, advisory, and partnership activities come together to deliver this?

## Mobilisation



Means using our capital, expertise and partnerships to attract private investors into investments in our markets. This multiplies the impact of our own capital. We report on mobilisation using the OECD methodology.



How effectively do we actively mobilise private capital through investments, platforms and portfolio-level approaches, and to what extent does this help build sustainable capital flows and/or local capital markets?

At the end of the strategy period, a final **Evaluation Programme synthesis** will bring together lessons from all evaluation activities to assess how well we have delivered and evidenced impact against our strategic priorities.

# How do we share what we learn?

## *Internal learning*

To facilitate learning, independent evaluators host internal learning sessions to present findings and discuss their recommendations. For portfolio reviews and selected strategic studies, the evaluators discuss their findings with our Development Impact Board Committee, and host learning sessions with FCDO. FCDO also review material findings and how we are acting on them with our senior managers, and we respond publicly to portfolio review recommendations.

## *Sharing our learning more broadly*

To support accountability and transparency, we publish evaluations on our [website](#). The disclosure of our evaluation policy and reports received the maximum score in the DFI Transparency Index 2025 developed by [Publish What You Fund](#). We also look for opportunities to partner with DFI peers and co-investors, and to share evaluations more broadly through publications, presentations and working sessions with external stakeholders, and conferences with other DFIs and international financial institutions. We are committed to sharing our learning and to learning from our peers.



# How is our evaluation programme governed?

We manage and govern our Evaluation and Learning Programme to ensure studies are strategically relevant and address evidence gaps. We design research questions, select evaluators and apply methodologies that produce robust, credible and relevant results, and we use the findings to strengthen the impact we deliver. Our Evaluation and Learning Programme is jointly overseen and managed by FCDO and BII and guided by independent experts. The main programme governance bodies are outlined below.

Programme Body	Members	Key responsibilities
<b>Steering Group</b>	FCDO Chief Economist (Chair) FCDO BII Senior Responsible Officer BII Chief Impact Officer Three Independent Experts	<ul style="list-style-type: none"> <li>• Provide strategic direction and programme oversight</li> <li>• Guide evaluation selection, and approaches to embed learning into operations</li> <li>• Promote external dissemination and partnerships</li> </ul>
<b>Programme Management Unit</b>	FCDO BII Evaluation Lead BII Evaluations Team	<ul style="list-style-type: none"> <li>• Identify evaluation needs from FCDO and BII</li> <li>• Select evaluations based on strategic criteria and evidence needs, and propose Annual Evaluation Plans</li> <li>• Commission evaluations and work with independent evaluators to deliver and disseminate studies – and with internal BII teams to understand and implement findings</li> </ul>
<b>FCDO Senior Management</b>	FCDO Director and Team	<ul style="list-style-type: none"> <li>• Approve Annual Evaluation Plan</li> </ul>
<b>BII Board Development Impact Committee</b>	Four Non-Executive Directors and by invitation BII Chief Executive and Chief Impact Officers	<ul style="list-style-type: none"> <li>• Engage with findings from portfolio-wide studies and BII management responses</li> <li>• Ensure BII is learning from evaluations and implementing relevant findings</li> </ul>

The Steering Group guides the programme direction. It operates independently of our Board and investment teams, and at least half of its members are independent experts, either practitioners or academics in development finance or evaluation.

## FCDO-BII Evaluation and Learning Programme Steering Group Members



**Professor Dennis Novy**  
*Chief Economist and Director of Analysis*  
FCDO

Dennis is on secondment from the University of Warwick, where he is a Professor in the Department of Economics. He previously served as Specialist Adviser to the House of Lords on the Transatlantic Trade and Investment Partnership, was appointed to the UK Council of Economic Advisers at HM Treasury and has been a member of the Economic Advisory Council of the British Chambers of Commerce.



**Dr Alison Evans**  
*Former Director-General of Evaluation*  
World Bank Group

Alison is the former Director-General and Vice President for Evaluation at the World Bank Group, where she led the work of the Independent Evaluation Group. She was previously Chief Commissioner of the UK's Independent Commission for Aid Impact, leading scrutiny of UK aid spending and reporting to the International Development Select Committee of the UK Parliament.



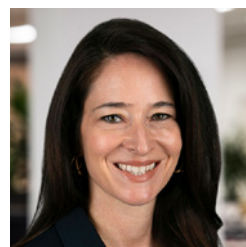
**Dr Greg Fischer**  
*Professor of Practice, Department of Finance*  
London School of Economics

Greg is a Professor of Practice in the Department of Finance, where he teaches a course on sustainable finance and impact investing. He is also a Partner and Director at the Boston Consulting Group, where he specialises in impact measurement and management and sustainable investment strategies. He previously served as the Chief Economist at Y Analytics and TPG's Rise Fund.



**Dr Tavneet Suri**  
*Professor of Applied Economics*  
MIT Sloan School of Management

Tavneet is the Louis E. Seley Professor of Applied Economics and a Professor of Applied Economics at the MIT Sloan School of Management. She is an editor at the Review of Economics and Statistics, a member of the Executive Committee at J-PAL, and a Faculty Research Fellow at the National Bureau of Economic Research.



**Maria Smith**  
*Chief Impact Officer*  
BII

Maria leads the assessment, measurement and management of our development impact, including key areas such as ESG, climate change, gender and inclusion. She has spent the last 15 years working in impact investing in emerging markets and has a successful investment track record across financial products including equity, debt, funds and grant capital.



**Huw Lewis**  
*BII Senior Responsible Officer*  
FCDO

Huw manages the relationship with BII on behalf of FCDO. He previously oversaw the UK government's shareholding of the IFC and MIGA. He has worked as an Economist in the UK government for the past ten years.

# Annex: Evaluations in the 2022–26 strategy period

Evaluation type	Evaluation
<b>Strategic evaluations</b>	<ul style="list-style-type: none"> <li><a href="#">How can MDBs and DFIs scale private capital mobilisation?</a></li> <li><a href="#">How can DFIs better define and track mobilisation?</a></li> <li><a href="#">Analysis of mobilisation in three BII renewable energy investments</a></li> <li><a href="#">Analysis of mobilisation in four BII-backed funds</a></li> <li><a href="#">What can we learn about impact-linked finance?</a></li> <li><a href="#">What is the impact of flexible debt on the scaling of e-buses in Kenya and Rwanda? Evidence from BasiGo<sup>1</sup></a></li> <li><a href="#">How does BII drive change in internet service provision in Nepal? Insights from WorldLink</a></li> <li><a href="#">How does BII drive change in the agri-marketplaces and platforms market in India? Insights from Omnivore and Ankur<sup>1</sup></a></li> <li><a href="#">How does BII drive changes in standalone solar markets in Kenya and West Africa? Insights from Sun King, M-KOPA, PEG<sup>1</sup></a></li> </ul>
<b>Portfolio reviews</b>	<ul style="list-style-type: none"> <li><a href="#">Final synthesis: Evaluating the impact of BII's financial service portfolio</a></li> <li><a href="#">Final synthesis: Evaluating the impact of BII's infrastructure portfolio</a></li> <li><a href="#">Portfolio review: Evaluating the impact of BII's Industries, Technology and Services portfolio</a></li> <li><a href="#">Portfolio review: Evaluating the impact of BII's financial services portfolio</a></li> <li><a href="#">Portfolio review: Evaluating the impact of BII's infrastructure portfolio</a></li> </ul>
<b>Investment evaluations</b>	<ul style="list-style-type: none"> <li><a href="#">Reviewing the impact of microfinance in India: A case study of Arohan financial services</a></li> <li><a href="#">Reviewing the impact of MSME and business financing in Nepal: A case study of NMB</a></li> <li><a href="#">Evaluating the impact of investments in digital financial services: A case study of DPO</a></li> <li><a href="#">How does access to green energy transform rural communities? Insights from Virunga Energies</a></li> <li><a href="#">How does access to Liquid's new local data centre affect business productivity?</a></li> <li><a href="#">How does cheaper renewable power impact business growth and the planet? Insights from Fourth Partner Energy in India</a></li> <li><a href="#">How does fibre broadband infrastructure impact standards of living? Insights from Liquid Intelligent technologies in DRC</a></li> <li><a href="#">How does investing in ports drive economic transformation? Insights from DP World Berbera in Somaliland</a></li> </ul>
<b>Thematic evaluations</b>	<ul style="list-style-type: none"> <li><a href="#">How do companies and funds with gender-diverse ownership and leadership support positive outcomes for women?</a></li> <li><a href="#">What's the impact of trade finance MRPA's?</a></li> <li><a href="#">What's the impact of specialised lenders on MSMEs' access to finance?</a></li> <li><a href="#">What are the economic and climate impacts of power investments in six African countries?</a></li> <li><a href="#">What's the impact of investing in early-stage fintechs on financial inclusion?<sup>1</sup></a></li> </ul>

<sup>1</sup> Final publication pending.

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W: [bii.co.uk/how-we-learn](http://bii.co.uk/how-we-learn)

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