

ACRE's Theory of Change

Vision

Our vision is a world without poverty, where people in rural communities can achieve their full potential, quality of life and better opportunities, through inclusive business development.

Purpose

Our purpose is to provide inclusive business solutions for small and medium-sized enterprises (SMEs) that create positive impact for people in rural communities.

Goal

Before the end of 2030, ACRE will have created better opportunities for income and resilience for 2 million people in rural communities, by supporting 2,500 SMEs in Africa, Asia and Latin America.

ACRE is part of a global movement for achieving the Sustainable Development Goals (SDGs) – our mission is in line with Goals 1 (no poverty), 2 (zero hunger), 5 (gender equality), 8 (decent work and economic growth) and 17 (partnerships).

Problem statement

Due to lack of opportunities, many people, especially women and young people in rural communities, are not able to exercise their full potential and realize their economic autonomy, which is key in building resilience. ACRE wants to create such opportunities in rural communities.

What we do

ACRE helps SMEs with tailored business support and facilitates their access to affordable finance.

Our target

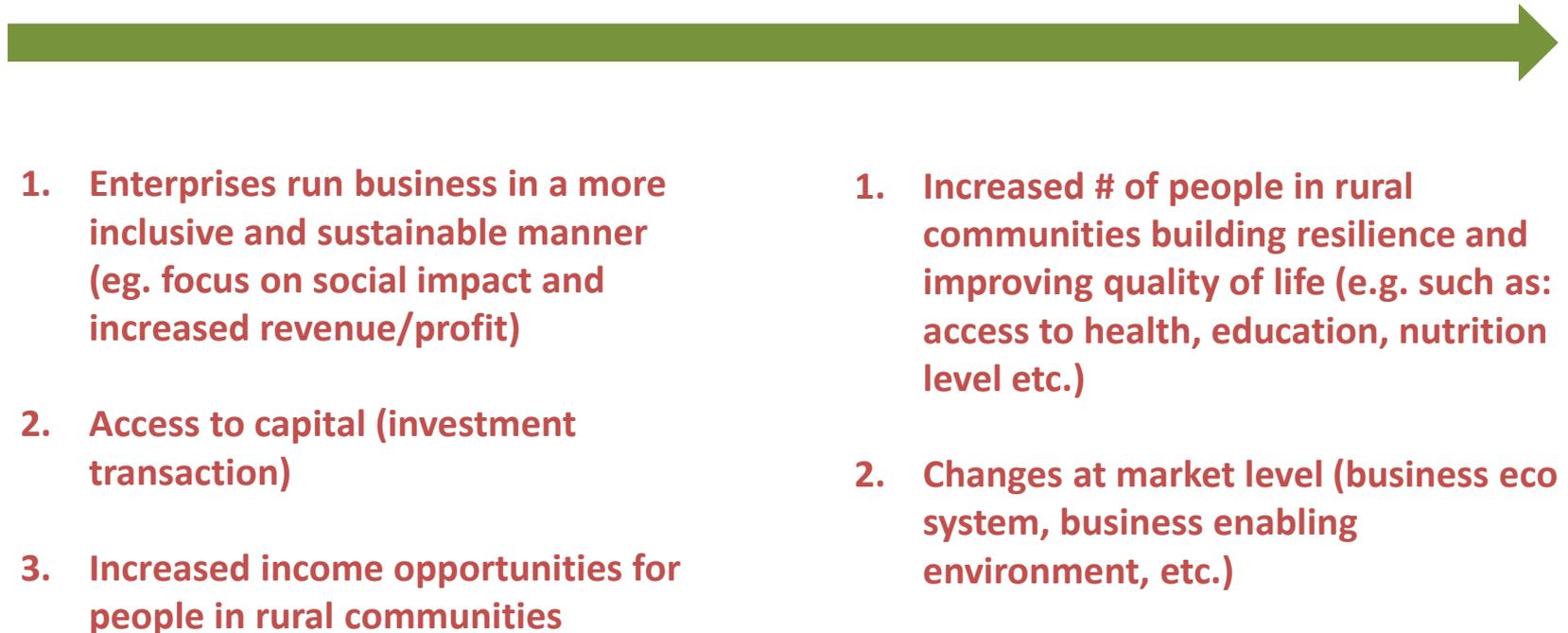
Enterprises that serve poor and marginalised people in rural communities in Africa, Asia and Latin America. **ACRE defines “the poor and marginalised people” as those who:**

- 1) live on \$1.90/day or below (international absolute poverty line by World Bank)
- 2) live under the national poverty line
- 3) are not able to access goods, services and employment due to particular condition and context

ACRE's Success Criteria

short-term success

long-term success



INPUT

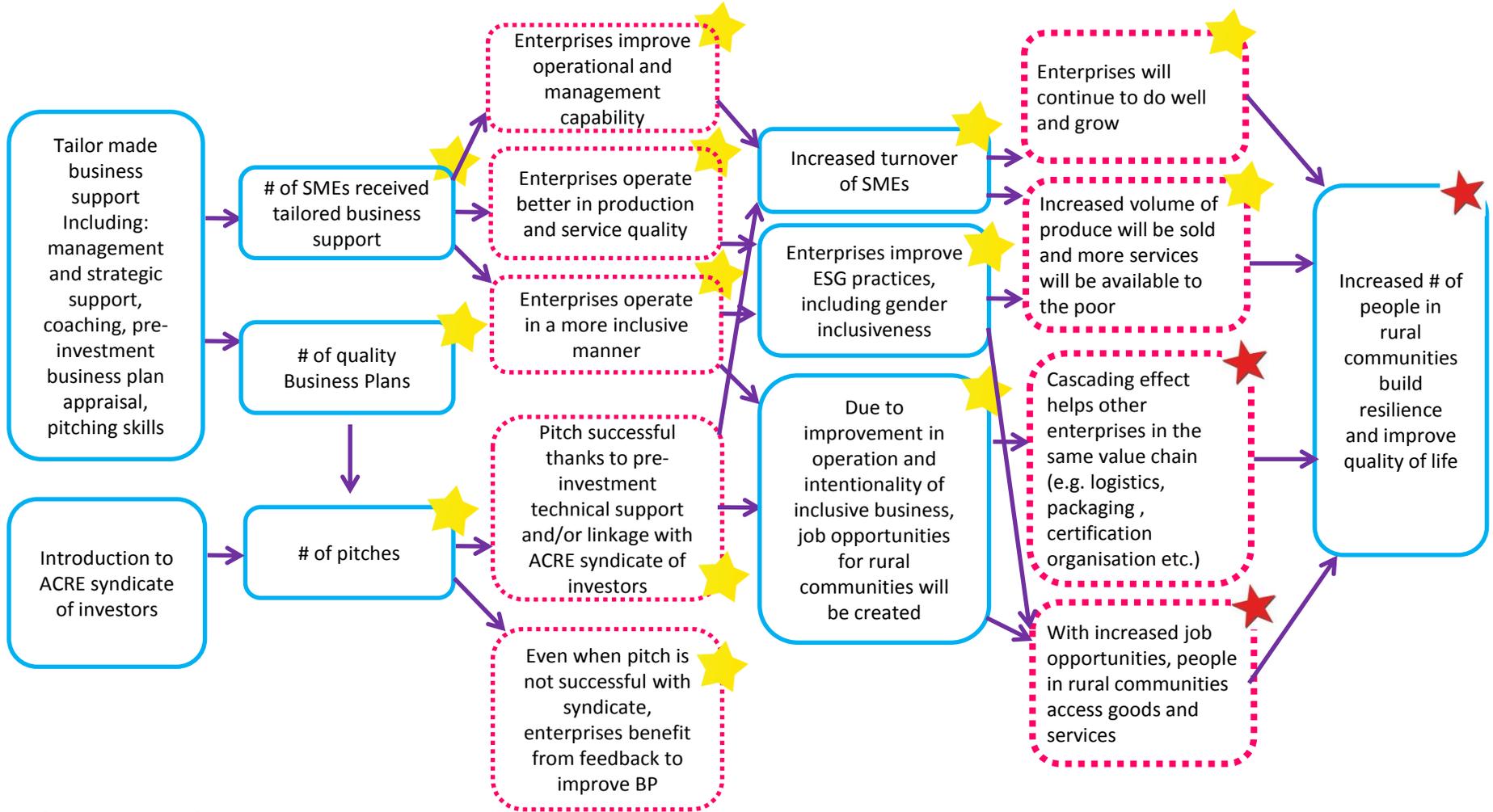
OUTPUT

ASSUMPTIONS

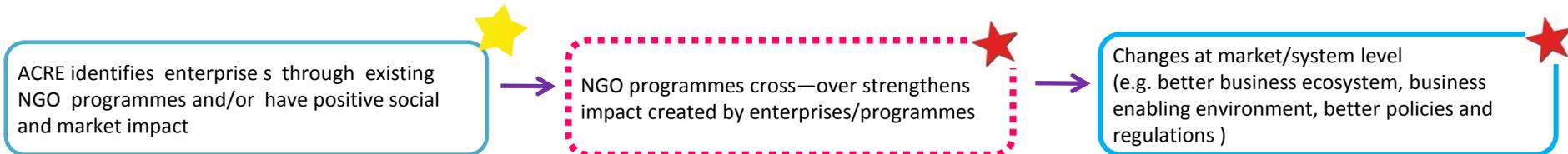
OUTCOME

ASSUMPTIONS

IMPACT



Linkage with programmes



Result Chain + Assumptions

Assumptions	Evidence-base
1. Enterprises ACRE identifies have strong social impact	Analyse data such as: # of employees (gender-disaggregated), # of suppliers/customers, environmental commitment, gender inclusiveness and business model
2. Enterprises with NGO programmes cross-over strengthen impact both at enterprise and programme level	According to programme cross-over, target goals are documented and monitored
3. Tailored business support helps enterprises improve operational and management capability, operate better in production and service quality, run business in a more inclusive manner	Track: revenue (annual figure), total units/volume sold, # of employees (gender disaggregated),# of suppliers/customers)
4. Enterprises ACRE links to the syndicate of investors access finance	Track: # of enterprises accessing finance through ACRE's support
5. As a result of improved management capability, better operations and commitment to inclusive business model, job opportunities for people in rural communities increase	Track: # of job creation through enterprises (-# of employee, # of suppliers/customers)
6. Increased knowledge on inclusive business model improves ESG practices and intentionality of commitment in gender and environment	Monitor enterprises on ESG practices especially on: environmental responsibility, gender inclusiveness
7. When enterprises do better, they creates a cascading effect for other enterprises in the same value chain (e.g. logistics & packaging companies, certification organisation etc.)	Monitoring and assessing the value chains of ACRE operation
8. When people in rural communities access job opportunities, basic goods and services, they build resilience	Spot-check evaluation trip on changes people in rural communities observed and experienced pre- and post- job opportunities.
9. NGO programmes with cross-over enterprise support contributes positively to changes at market and/or system level (e.g. better business ecosystem, business enabling environment, better policies and regulations)	Monitoring and assessing policy and regulatory changes in countries where NGOs implement programmes + ACRE

Approach to Impact Assessment



Quantitative Data

ACRE uses IRIS metrics for quantitative data gathering:

- Total Revenue (FP6510)
- Sales Revenue (PI1775)
- Full-time Employees: Total (OI3160)
- Full-time Employees: Female (OI6213)
- Full-time Employees Female Managers (OI1571)
- Full-time Employees: Total Managers (OI8251)
- Part-time Employees: Total (OI8864)
- Part-time Employees: Female (OI8838)
- Permanent Employees: Total (OI8838)
- Permanent Employees: Female (OI2444)
- Permanent Employees: Low Income Areas (OI8266)
- Permanent Employees: Disabilities (OI4038)
- Permanent Employees: Minority/Previously Excluded (OI3236)
- Social Impact Objective (OD6247)
- Fair Compensation Practice (OI3819)
- Fair Career Advancement Practice (OI4884)
- Fair Hiring/Recruiting Practices (OI1150)
- Environmental Impact Objectives (OD4108)
- Units/Volume Sold: Total (PI1263)
- Units/Volume Exported: Total (PI9029)
- Supplier Individuals: Poor (PI1263)
- Payments to Supplier Individuals (PI1492)
- Client Individuals (PI3191)
- Units/Volume purchased from supplier individuals: Minorities/Previously excluded (PI6646)



Qualitative Data

For Qualitative data, we use the following method:

- Quality of technical assistance
 - post-TA questionnaire for enterprises and NGO staff
- NGO programme cross-over
 - During evaluation stage, NGOs ensure documentation of programmatic cross-over with enterprises and how supporting them can help their programmatic goals. NGOs monitor the changes in policy and regulatory frameworks as part of work as usual.
- Resilience @ rural community level
NGOs conduct randomised spot checks to communities where enterprises source their supplies from. Qualitative data is gathered through focused group discussions and individual interviews.

Resilience/improved quality of life can mean differently to different communities, but questions are asked on: alternative income generation, access to basic services (health, education), household asset and stability of family, etc.