

I&S Consulting



**MID-TERM EVALUATION
BUSINESS PARTNERSHIP FACILITY
«ENTERPRISES FOR SDGs»**

FINAL EVALUATION REPORT

16 JULY 2021

Acknowledgement

The present report presents the results of the Mid-Term Evaluation of the Business partnership Facility, managed by the King Baudouin Foundation. The evaluation was organised as a collaborative process. The consultants team would like to thank all persons in Belgium and in the 5 case-countries who actively contributed to this evaluation by sharing their views in interviews, participating in focus group discussions, facilitating the project evaluations on the ground or contributing in any other way to our assignment. Special thanks go to Elke Briers of KBF who carried the burden of coordinating the evaluation exercise and who did so in a professionally meticulous yet personally pleasant manner.

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Executive summary

The [Business Partnership Facility](#) (BPF) grants financial support to companies contributing to the Sustainable Development Goals (SDGs) in developing countries. BPF is financed by the DGD to stimulate private sector involvement in achieving the SDGs in developing countries. The operational management of the BPF is entrusted to the [King Baudouin Foundation](#).

A mid-term evaluation was commissioned in 2021 with the following main goals:

- to answer the question: Is the BPF the right tool to foster the development of the Micro-, Small and Medium Enterprises (MSMEs) allowing private sector involvement in achieving the SDGs?
- to make recommendations to improve the management of the programme
- to improve the BPF to get a bigger impact on development and on the realisation of the SDGs

The evaluation was built up from case-based evidence in 5 projects¹ complemented with evidence gathered at KBF / BPF portfolio level (through interviews and document study), a cross-sectional assessment (desk study) of 16 approved projects and e-surveys of (1) preselected and approved project stakeholders and (2) preselected projects that eventually were not assigned a grant.

The review faced a few limitations, the major ones being:

- the short time span of the BPF-supported investments implying that longer term effects and impacts of BPF could not yet be captured,
- the contribution of single small to medium-sized enterprises to the realisation of SDG's in a country cannot be established. What could be explored was its contribution to (local) social and economic development.

Findings and conclusions

During the period under review five calls for proposals have been launched, and four were finalised. The fifth call was announced in October 2020 and selection procedure was still ongoing at the time of MTE. In rounds 1 to 5, KBF received a total of 867 application of which 556 (64%) were considered eligible. Out of the latter, 86 (15%) were preselected. So far (June 2021) 29 projects have eventually received a grant, that is 4,6% of the total number of applications and 7,5% of the total number of eligible proposals. Over the last 3 rounds, the number of applications has been rising spectacularly and early indications of round 6 confirm this trend. As a result, workload among KBF and DGD staff has been rising and is reaching critical levels. Looking at the regional breakdown, the vast majority of applications is for projects in Africa. Over the 4 first rounds proposals for Africa amounted to 82% of the total number while Asia scored around 15% and Latin America to a mere 3%.

The review concluded that BPF has proven to be a workable and relevant model to support the realisation of SDGs in countries in the south. BPF is a successful model that is responding to a clear need and interest of private sector as proven by its success. At the same time, core features of the model were not spelled out very clearly, creating some doubt about the exact mechanisms and investments models that contribute to SDGs. Focus on the south is key to the BPF model and certainly a relevant choice.

The enterprises that BPF is serving are mostly medium-sized enterprises situated in the range between Social Enterprises (mixed funding models) to Social Value Creation. There is ample evidence that approved projects are creating blended value but mostly so in terms of outcomes and less so through features in the business model itself. Many projects are either about upscaling of a (possibly innovative)

¹ In Benin, Nepal, Peru, Rwanda and Tanzania

technology, product or service or introduction of improved (farming) practices often in combination with certification schemes and/or upscaling of processing facilities. There are relatively few projects where innovation is really and predominantly at the core of the investment.

Additionality is the strongest for projects situated in the categories social business, and medium for enterprises in the categories of 'shared value creation' and 'social enterprises'. These three categories have in common that the business model itself combines people, profit, planet features. For such truly innovative business models, the grant element in BPF is of greater "value", say more functional and more beneficial than for projects in upscaling. Grants indeed create space and opportunity for exploration and experimentation in a business environment that carries considerable risks and uncertainties.

Furthermore, whereas businesses types 'shared value creation' usually have already a proven track record and can access other grants, loans or invest own profit, social enterprises are hardly profitable and more NGO-ish of nature (and have usually access to typical ODA funding).

The funding modality of BPF, being the non-refundable grant with a matching fund from a partner serves the overall objective and strategy of the facility well. It is functional and is appreciated by grantees. It is an appropriate approach also in view of effectiveness of the modality. Grants are deemed useful and relevant for supporting innovation but also in allowing enterprises to adjust business model and practices to more strongly embed blended value creation, at least in an initial (start-up) phase of this transition. The grant element of BPF can thus serve as an incentive to move up the typology ladder towards more commercially self-sustained blended value creation (thus working one's way up from social enterprise towards social value creation).

Partnership with a not-for-profit entity was found to be relevant and useful, but not necessarily essential or decisive as companies that foster social value creation may also be able to perform similar roles. Nevertheless, partnering with a non-profit remains the preferred option. Such partnerships mainly serve to contribute to inclusivity, strengthen capacities, provide advisory and coaching services to stakeholders and/ or contribute and contextualise knowledge and know-how.

The application and selection procedure is generally relevant, efficient and well organised, in a manner that is lean and mean, i.e. using only what is necessary in terms of resources, and determined to work effectively. Appropriate processes, with sufficient checks and balances, have been established to guarantee objectivity, triangulation and internal control in the selection procedure. The organic deliberation process contributes to efficiency but at the same time compromises the level of transparency in communication towards applicants and external stakeholders. Little use is made of the outcome of ESG screening while it is an expensive exercise, thus raising questions about its value for money. Possibly a lighter, less costly but still formal screening system may serve the same purpose?

A very critical issue in terms of efficiency is the fast-rising number of applications. This leads to rising work pressure and resource requirements at KBF, a risk of becoming less accurate in the selection, and before all, a substantial waste of resources among prospective grantees. There is an urgent need to halt the rising trend in applications.

The management of BPF by KBF is lean and mean and appears to be truly efficient with very modest amount of financial resources used to manage the facility. The 'light' accountability system puts the BPF coordinator in a position of a 'partner or supporter' rather than one of a 'controller'. These choices are legitimate for keeping the overhead of the facility small. Sufficient checks and balances are provided to

meet minimum requirements for good management of public funds. Four observations were made by the evaluators: (1) while reporting by project holders is somewhat inconsistent in terms of quality and content, relatively little time is or can be spent by the BPF coordinator KBF in follow-up on the progress reporting (enhancing its quality), (2) similarly there is no true learning happening at portfolio level, (3) communication of the results of the selection process to the external stakeholders is rather limited. There is a challenge here in balancing between heaviness of procedures and rising workloads on one hand, and accountability and learning needs on the other. Finally (4), the TA modality is not very efficient with cumbersome process, unclarity in procedure, and lack of choice. As a result, TA resources remain largely untapped and opportunities for effectiveness gains might be lost.

Recommendations

The evaluators formulated a number of recommendations, major ones being:

- BPF ought to select projects whereby the business model is adapted in pursuit of development goals. Therefore, Blended Value Creation should be perceptible and explicated in the business model as well as in the outcomes that the business creates. By preference, BPF will be supporting for-profit entities in the spectre between social business and social value creation.
- The 'Grant' element will serve innovation or initial deployment and establishment of business models adapted in pursuit of development goals.
- The BPF funding model should be maintained as it has proven its value and functionality.
- Priority should be given to projects with truly innovative features that are relevant to PS4D e.g. in technology, business operations, outcomes or other features.
- In order to stop the rising trend in applications, BPF should be targeting at a narrower range of enterprises, i.e. with a focus on social businesses and social value creation, within a specific geographic scope and/or with a specific thematic focus.
- To facilitate the selection process, the present 10 selection criteria could be substituted by 3 'features' of the proposed investment, namely (1) features of the business model itself that give rise to blended value creation, (2) blended value creation through outcomes and impact of the business and (3) an optional bonus for truly innovative features in the proposed investment that are relevant to PS4D. The business canvas model can be proposed as a format for project proposals, which will be assessed along the above mentioned two (three) criteria, applying a score in a range 1 (not realised) to 5 (exceptionally well realised).
- Communication about (the results of) the selection process should improve, towards applicants and external stakeholders.
- The present TA modality should be adjusted and allow allocation of TA-budget in the project proposal over and above the permissible 200,000 euro grant ceiling.
- A learning trajectory (exchange of knowledge and expertise) on social value creation, SROI or another relevant topic could be deployed using (part of) the unspent TA budget.
- It is suggested to be more stringent in monitoring and reporting requirements and specifically demand reporting on issues of blended value creation in business model and in outcomes, inclusivity and innovation.
- Establishing efficiency may require impact assessment methods that capture social and environmental value creation. It is suggested to carry out a cost-benefit assessment of blended-value creation of a few projects in the context of the final evaluation.

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List of abbreviations

BPF	Business Partnership Facility
BUN	Building-Up Nepal
CSEB	Compressed Stabilized Earth Bricks
CSO	Civil Society Organisation
DGD	Directorate-General Development Cooperation
ESG	Environment, Social, Governance
FRDO	Federale Raad voor Duurzame Ontwikkeling
GAP	Good Agricultural Practices
GCL	Guavay Limited Company (Tanzania)
GNI	Good Neighbours International (Nepal)
GTAI	Getinet Tilahun Agricultural Investment (Ethiopia)
KBF	King Baudouin Foundation
KPI	Key Performance Indicator(s)
KT	Kilimo Trust (Tanzania)
MSME	Micro-, Small- and Medium-Sized Enterprises
MTE	Mid-Term Evaluation
ODA	Official Development Assistance
OvO	Ondernemers voor Ondernemers
PPP	People Planet Profit
PS4D	Private Sector for Development
PSD	Private Sector Development
SDG	Sustainable Development Goal
SROI	Social Return on Investment
TA	Technical Assistance

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1. Background of the Business Partnership Facility

The [Business Partnership Facility](#) (BPF) grants financial support to companies contributing to the Sustainable Development Goals (SDGs) in developing countries. The BPF found its origins in the 2016 policy document: *Belgian International Development Policy for Private Sector development (PD): Framework and Strategies*. This document was prepared by a Task Force composed of representatives from the Cabinet of Minister for Development Cooperation, [Belgian Directorate-General for Development Cooperation](#) (DGD), (then) BTC² and [Belgian Investment Company for Developing countries](#) (BIO). The document was based on discussions among the TF members and found its inspiration in the [Belgian SDG Charter for Development](#). This charter was initiated by the then Deputy Prime Minister and Minister for Development Cooperation Alexander De Croo, and co-edited by The Shift³. The charter was officially launched on 18 October 2016. The signatories of the Belgian SDG Charter for International Development commit to contribute to the realization of the SDGs, both nationally and internationally with the aim to

- Achieve multi-actor cooperation including the private sector in support of the SDGs
- Contribute to inclusive economic growth in fragile states and emerging economies
- Support principles of sustainable supply chains and Human Rights Due Diligence

BPF is financed by the DGD to stimulate private sector involvement in achieving the SDGs in developing countries. The operational management of the BPF is entrusted to the [King Baudouin Foundation](#), a Brussels-based public benefit foundation, under the Belgian law. The Foundation is an actor for change and innovation, serving the public interest and increasing social cohesion.

The starting point of a project is an entrepreneurial initiative carried out by one or more companies, pursuing a development objective. The BPF supports partnerships that consist of at least one business entity in a developing country whereby BPF's financial support must be invested in the core business of this business. Partnerships bring together actors from the private sector, civil society, academia and / or the public sector in the North and South. Partners may be Belgian, European or international legal entities under public or private law. The BPF has no specific focus on certain sectors in the economy. Contribution to the realisation of SDGs is the central objective and criterion.

BPF-funded projects are expected to demonstrate social impact and economic viability.

Social impact, contributing to the SDGs, such as:

- o Creation and maintenance of decent jobs,
- o Improvement in average income for low income families,
- o Accessibility of affordable goods and services,
- o Inclusion and economic development of women and young people,
- o Positive impact on the environment through saving resources, reducing emissions and/or preserving biodiversity,

² Now [Enabel](#)

³ The Shift is a Belgian network with +480 members, bringing together a wide range of companies, non-profit organisations and other key societal actors who jointly aim to realise the shift to a more sustainable society and economy.

Economic viability

Projects/initiatives are expected to:

- o Become sustainable
- o Show competitive financial performance
- o Show signs of scalability and replication potential

In the agreement between DGD and KBF, the budget for a 5-year period starting December 2018 was specified at € 12 million, broken down as follows:

Table 1: Total Budget of BPF over 5-year period

Item	Amount in €
Project subsidies – total over 10 rounds	10.725.000
Personnel cost at KBF	375.000
Non-Financial Support (TA - consultants)	525.000
External Evaluation (mid-term and final)	150.000
Miscellaneous	225.000
Total	12.000.000

2. Objective and scope of the Mid-Term Evaluation

The main goals of the evaluation were:

- o to answer the question: Is the BPF the right tool to foster the development of the Micro-, Small and Medium Enterprises (MSMEs), part of the so-called “missing-middle” allowing private sector involvement in achieving the SDGs?
- o to make recommendations to improve the management of the program in order to reach the objective
- o to improve the BPF to get a bigger impact on development and on the realisation of the SDGs

With the results of the mid-term evaluation, BPF hopes to learn lessons for future implementation and so improve the remaining BPF selection rounds.

The MTE covers the period 2019-2020. In this period, four calls were made for project proposals. In chapter 5, some facts and figures are presented about these four calls.

Line with the specifications of the ToR, the evaluation was carried out at three different levels:

1. Management of the BPF by the KBF
2. Portfolio of the BPF
3. BPF-supported projects and final beneficiaries

3. Methodology of the Mid-term Evaluation

3.1. Approach

This evaluation is an interpretative evaluation, based on the principles of the Grounded Theory Approach⁴ whereby experiences and perceptions of stakeholders (at KBF, DGD, grantees, partners, and other resource persons) are taken as a starting point for exploring ideas and concepts that "emerge" from these data. Grounded theory thus involves the application of *inductive reasoning*.

The evaluation was thus built up from case-based evidence in 5 projects complemented with insights gathered at KBF / BPF portfolio level and through e-surveys of preselected and approved project stakeholders.

The selection of case study was done during inception phase based on a number of criteria, such as

1. *Diversity in themes* with at least 2 projects in the food and agriculture sector given the high representation of this sector in the total number of applications and in the actual portfolio.
2. *Regional spread* covering all 3 continents with a higher representation of African countries. Upon request of DGD, out of five cases, three countries were among the partner countries of Belgian development cooperation.
3. *Progress in implementation of the project*: at least two projects had to be projects selected in 2019.
4. *Partners*: a number of (approved) projects have local partners, others foreign partners and some have a blend of local and foreign. Evaluators ensured a fair balance in cases in this respect.

Obviously, it was not possible to create the "perfect mix" of project cases that would constitute an optimal amalgamation of all stated criteria. The final selection of 5 projects was as follows:

Table 2: List of selected projects for in-depth evaluation

Name	Theme	Country * = DGD partner	Selected	Lead Partner	Total investment €	Grant €
Ethiquable	Agri	Peru	2020	Belgian	150000	75000
Build up Nepal	Building	Nepal	2019	Swedish	650000	130000
Guavay	Agri	Tanzania*	2020	Local	400000	200000
Africa Drive	Energy	Benin*	2020	Belgian	500000	200000
Tropic Coffee	Agri	Rwanda*	2019	Local	400000	200000

⁴ The Grounded Theory Approach involves the construction of hypotheses and theories through the collecting and analysis of data. First developed by Glaser B.G. and Strauss A.L. (1967) *The Discovery of Grounded Theory Strategies for Qualitative Research*. Transaction Publishers New Brunswick (U.S.A.) and London (U.K.)

3.2. Methodologies

The consultants applied a mixed-method approach.

The main qualitative methodologies that were used, were: document study, semi-structured interviews, e-surveys, focus group discussions and participatory group sessions. The consultants made use of secondary data at different levels (portfolio and project level).

A **document study** was done at different levels. (i) policy and management documents and annual reports were studied to gain an understanding of the BPF; (ii) project proposals, reports and other relevant project documentation for the five selected cases were analysed prior to the field visits so to guide the process of primary data-collection. (iii) because of the limited representativeness of the selected cases the evaluators decided to also conduct a cross-sectional scan of all selected projects of which at least one progress report was available.⁵ The analysis of the case studies and the management documents had resulted in a first marking of interesting insights, aspects and questions regarding strategic choices of the BPF and how these were visible in the portfolio. A matrix with 7 specific areas of themes was developed and used for coding of the documents of the non-visited projects (total of 28) on content related to these topics: added value of non-profit partner, additionality, link with SDGs, type of investment, quality of M&E, focus on South or North-South, and local embedding. (see annex 5).

Two different **E-surveys**: were developed and rolled out to harvest opinions and perceptions of two groups of stakeholders. A first group consisted of all grantees and their partners in projects that were actually approved in the rounds 1 to 4 and thus were granted non-refundable financing. A survey was sent in three languages to 76 addresses of which 28 project leaders and 48 project partners. 33 people (43%) have participated of which 25 had completed the survey (33%). 65% of the respondents is project leader (or 20 of the 28 projects). The response rate is sufficiently high to consider the results of the survey as representative for the entire population. A second – and shorter -- e-survey was prepared and sent to project leaders of projects that successfully passed the pre-selection round but eventually did not get awarded. The latter survey focused entirely on their experience with and perceptions and opinions about the selection process. As could have been expected, response rate was only 21% (9 out of 43 addresses).

Semi-structured interviews with BPF-related actors and external stakeholders both at global (BPF) and local (project) level. Specification of interviewees varied from case to case, but generally speaking resource persons at project level included grantees, staff and workers, local partners, suppliers, consumers, (local) government officials, community leaders, among others. At portfolio level it included resource persons at KBF, DGD, jury members, external advisors and external resource persons not directly engaged in the BPF working but knowledgeable about the dynamics in a wider setting (so-called *bellwethers*). Annex 3 and Annex 4 provide lists of interviewees at respectively portfolio level and case study level.

Focus group discussions with stakeholders were the main settings for depicting key processes and exploring outcomes in the case studies. Participants mainly included the employees of the projects, and (in separate FGDs) community members, suppliers and customers.

⁵ The exercise covered 14 out of 29 approved projects – these 14 had submitted at least 1 progress report at the time of evaluation

Participative workshops were held at different stages and with different audiences, namely

- *self-assessment workshops* at the start of the case study with local stakeholders directly connected to the enterprise,
- local *restitution workshop* at the end of the local evaluation visits with grantees, partners (where possible) and local stakeholders (to be determined at start-up workshop),
- *sense-making workshop* with DGD, KBF and jury members before submission of draft report.

Table 3: Methodologies applied at two level of MTE (portfolio & project)

Methodology	Applied at portfolio level	Applied in case studies
Document study	X	X
E-survey	X	
Semi-structured interviews	X	X
Focus Group Discussion	X	X
Self-Assessment Workshop		X
Restitution meeting		X
Sense-making workshop	X	

4. Limitations of the Mid-term Evaluation

The short time span of the BPF-supported investments implies that longer term effects of BPF could not yet be captured. It was too early in the programme’s lifetime to assess changes that projects may have triggered in transversal areas such as youth and gender inclusion and economic empowerment, environmental sustainability or resilience in the face of climate change. The evaluators tried capture such indications of possible impact based on evidence of change and/or progress in key indicators, as well as from qualitative assessment of perceptions and opinions of stakeholders thereof. In most cases, results of this exploration could not be substantiated in a reliable manner and were more of a reflection of the assumed impacts based on envisaged outcomes. But it proved impossible to conduct a reliable aggregated assessment of impact at portfolio level at this stage.

The contribution of a single small to medium-sized private actor to the realisation of SDGs in a specific region, let alone in the country can obviously not be established. What can be explored is the commitment of the actor to contribute to social and economic development. So in line with the limitation on impact assessment: rather than analysing to what extent exactly a private sector actor has contributed to realisation of specific SDGs, the evaluation explored subjective perceptions by stakeholders of the intentional contribution to social, environmental and economic development goals.

The five cases that were selected may not be representative for the present portfolio of the BPF. One aspect here is that evaluators selected projects that have been in progress for some time in order to be able to observe and assess some effects (outcomes, indications of impact) of the projects. Therefore, quite logically the cases are projects approved in the earlier selection rounds. Reportedly, in later rounds the applications became somewhat more diverse and according to KBF, proposal that made it through

preselection were of a more pronounced market-oriented business nature. The other aspect was that at the time evaluators were consolidating the findings of the case studies, it was found that they needed to explore also other approved projects to make a more balanced and comprehensive comparative portfolio analysis of the portfolio for specific features such as local embeddedness, role of non-profit, sustainability, and so on. Hence the decision to carry out an additional exercise of portfolio analysis to compensate for the somewhat limited representativeness of visited cases.

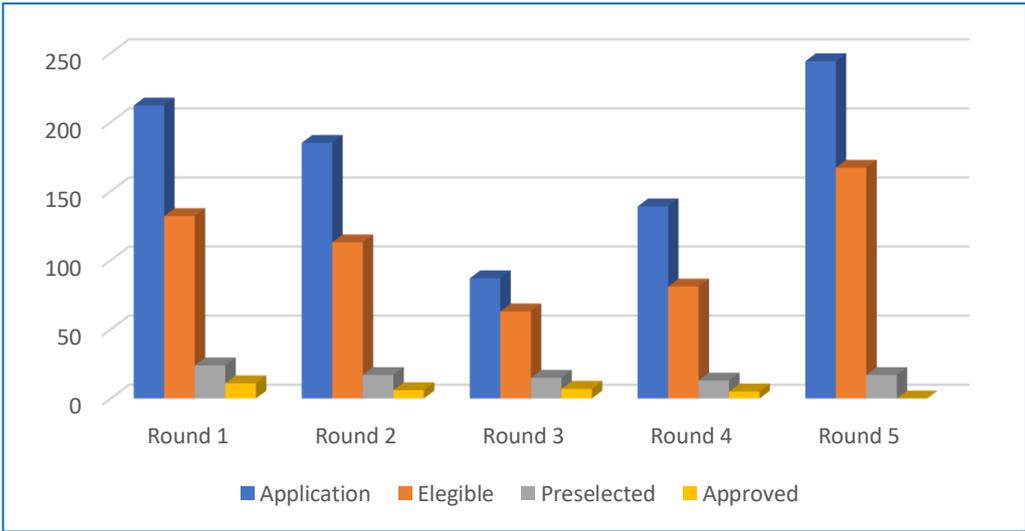
5. Some facts and figures on the outcomes of the BPF selection rounds 1 to 5

The mid-term evaluation covers the period December 2018 till end of 2020. During this period four calls for proposals have been completed. The fifth call was announced in October 2020 and selection procedure was still ongoing at the time of MTE. Preselection of round 5 was finalised but final selection by the jury still had to take place. Hence data presented hereunder are for 4 rounds covering the total selection process and for 5th round but then excluding the final selection of cases.

Table 4: Total number of dossiers per phase of the selection process

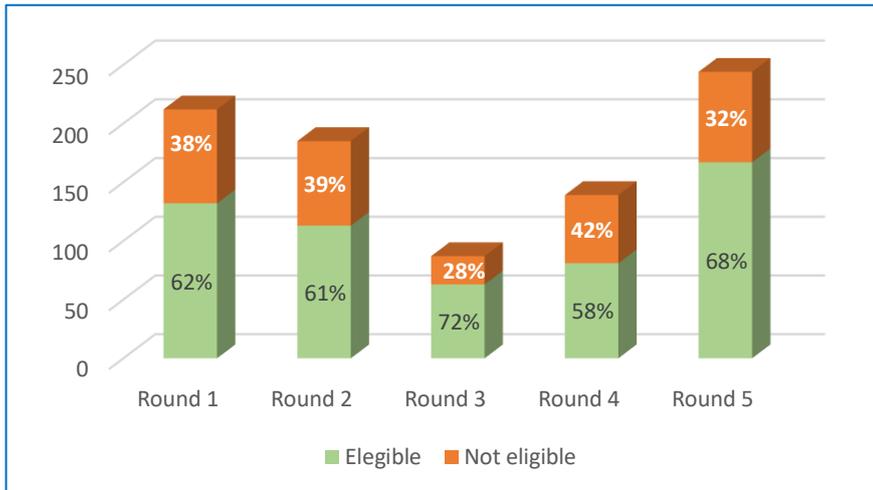
	Application	Eligible	Not eligible	Preselected	Approved
Round 1	212	132	80	24	11
Round 2	185	113	72	17	6
Round 3	87	63	24	15	7
Round 4	139	81	58	13	5
Round 5	244	167	77	17	na
Total	867	556	311	86	29

Figure 1: Overview # of dossiers round 1 to 5



Note - # approved dossiers in round 5 not yet known

Figure 2: Total # of applications and eligibility proportion



The number of applications started of very high in the first round and saw a decline in the next 2 rounds. From round 4 onwards there is again a steep rise in number of applications reaching a high level of 244 applications in round 5 of which 167 or 68% were eligible.

Looking at the regional breakdown, the vast majority of applications is for projects in Africa. Over the 4 first rounds proposals for Africa amounted to 82% of the total number while Asia scored around 15% and Latin America to a mere 3%. As the result of an information session organised with the support of the Belgian embassy in Colombia that resulted in 26 project proposals, the proportion of Latin-America rose to from 3% for rounds 1 to 4 to 7% of for rounds 1 to 5 rounds.

Figure 3: Total number of applications by continent

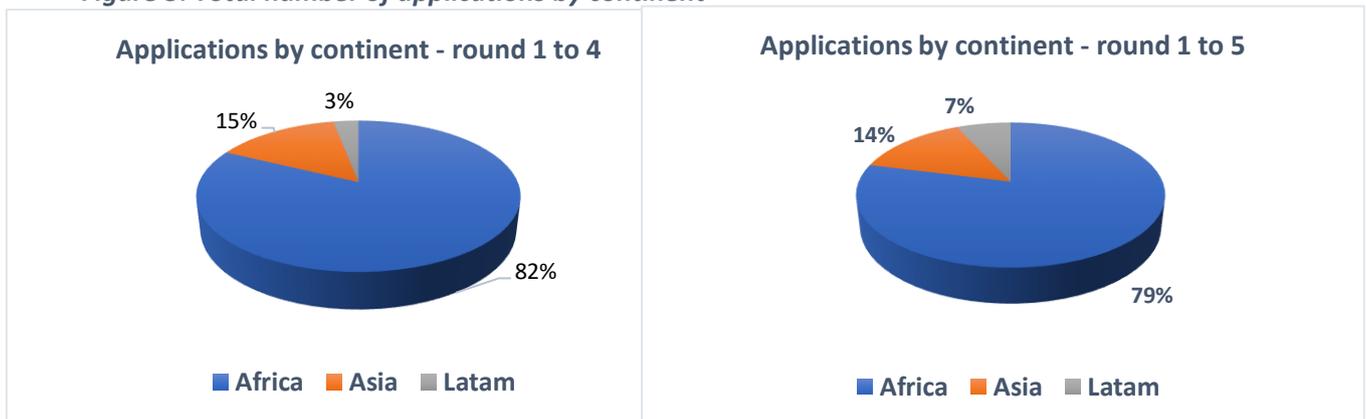
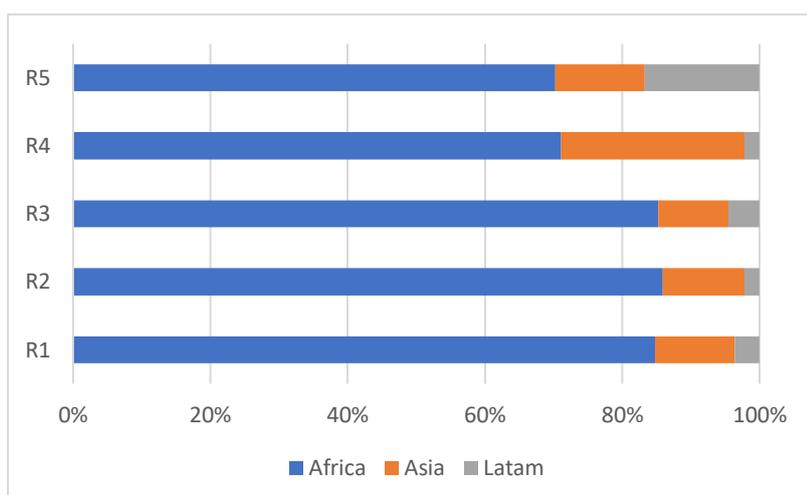
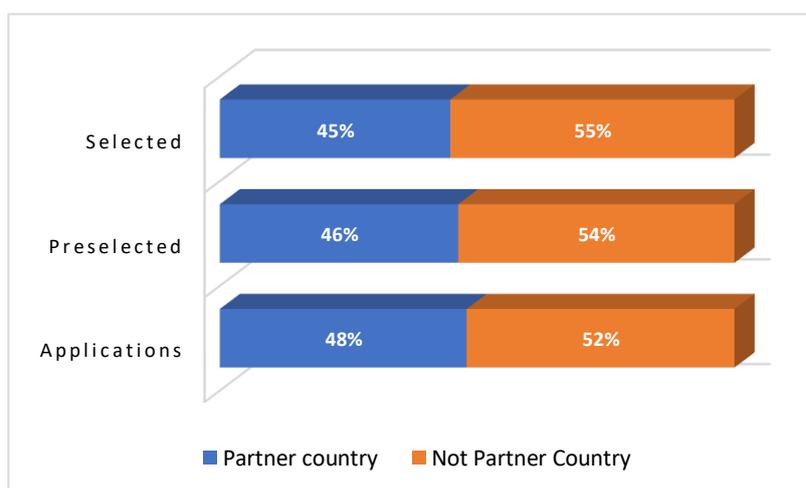


Figure 4: Total number of applications by continent (round 1 to 5)



The higher proportion of proposals for Asia in round 4 (as compared to other rounds) was due to a one-off surge in applications for India (with 15 applications in round 4 against an average of 4 applications in the other rounds for India) . The reason for this one-off surge is unknown to the evaluators.

Figure 5: Breakdown by DGD partner v. non-partner country (round 1-4)



Just over half of the applications were projects located in one of the partner countries of the Belgian development cooperation. This ratio was maintained in the preselection and final selection.

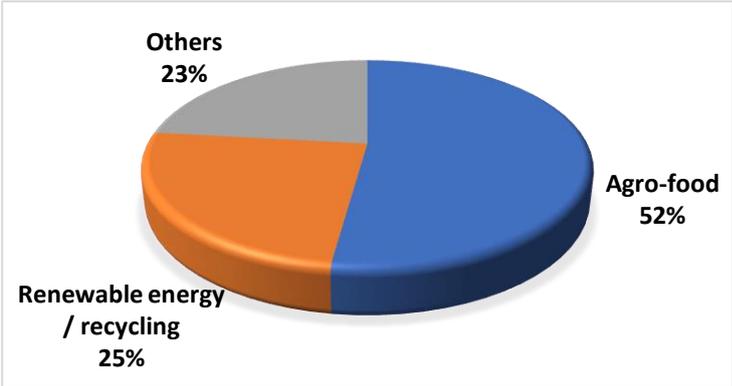
Table 5: Number of application per country – highest scores (round 1 to 4)

	Country	# applications	# approved
1	Uganda*	48	1
2	Kenya	46	2
3	Burundi*	45	1
4	Nigeria	45	1
5	RDC*	44	3
6	Rwanda*	36	3
7	Benin*	31	2
8	Ethiopia	26	2
9	India	25	1
	Ghana	25	1
	Tanzania*	25	1

Country with * are DGD partner countries. Proposals for these countries are “positively evaluated” (phrasing from BPF regulations) in selection.

Over the first 4 rounds, Uganda and Kenya had the highest number of applications. India is the only non-African country in this list (see previous graph). Three Great Lakes region states RDC, Rwanda and Burundi rank high in the list, together accounting for 125 applications or almost 15% of the total number over the 4 first rounds.

Figure 6: Preselected proposals by economic sector (round 1 to 4)



Looking at the different economic sector of the proposals, two sector stand out namely

- Projects in the food and agricultural sector that make up over half of the preselected proposals, and
- Projects related to application of renewable energy sources or to recycling that constitute about a quarter of the pre-selected proposals.

The other projects were of a diverse nature like textile, building, water, hygiene, etc. Similar proportional ratios apply for the set of approved projects in rounds 1 to 4 (i.e. respectively 55%, 24% and 21%).

6. Presentation of findings

In this chapter, the evaluators present their findings under three headings

6.1 Relevance of the BPF set-up and policy coherence – general findings

6.2 Management of the BPF portfolio including selection process

6.3 Effectiveness, efficiency and sustainability of the projects.

The latter sub-chapter is based on the 5 case study reports. The section commences with a brief presentation and concise summary of findings and conclusions of all case studies.

6.1. Relevance of the BPF set-up and policy coherence

Relevance assesses to what extent the intervention objectives and design respond to needs, policies and priorities of beneficiaries, countries and institutions/organisations involved, and whether appropriate strategic choices have been made to realise the objectives. Coherence relates to the compatibility of the intervention with other interventions in a country, sector or institution⁶. Relevance responds here to the set of evaluation questions in the ToR with regard to strategic considerations, such as the relevance for promoting private sector contribution to sustainable development in southern countries, the use of non-refundable grants and its combination with a matching fund, and the added value of the different partnership typologies (see also evaluation question 1 in the evaluation framework added in annex 2).

Relevance of BPF promoting private sector contribution to sustainable development in southern countries

The Terms of reference of this mid-term evaluation state that the *main goal of the evaluation is to answer the question: is the BPF the right tool to foster the development of micro-, small- and medium-sized enterprises, part of the so-called “missing-middle” allowing private sector involvement in achieving the SDGs?*⁷

The chain of thought for assessing the relevance of BPF will be that a clear-cut design guides the strategic choices in determining eligibility and selection procedures (and criteria). These criteria will ultimately be decisive for the composition of the portfolio which (to close the circle) determines the (likely) relevance of the BPF model for realising its overall objective being private sector contributing to realisation of the SDGs in the South.

In this section we will thus consider some core features and strategic choices of and by BPF⁸ and assess its influence and role in shaping and steering the implementation of the BPF and its portfolio.

Private sector Development or Private Sector for Development

The core objective of BPF is clear to all stakeholders⁹ – internal and external – namely to grant financial support for private sector involvement contributing to the Sustainable Development Goals (SDGs) in developing countries.¹⁰ Of the e-survey respondents involved in projects (grantees or partners), 91% states that the objective is *very clear* while the remaining 18% indicated *clear*. However, the interpretation of this general objective or mission statement differs somewhat among the external respondents.

⁶ OECD / DAC

⁷ Quote terms of reference

⁸ Selection that emerged from document study but especially from interviews with internal and external resource persons

⁹ Here and further on we refer to “internal stakeholders” as KBF, DGD and those involved in projects as grantee or partner. “External stakeholders” include jury members and other respondents (see annex 3 for a list of interviewees)

¹⁰ BPF Leaflet – see <https://businesspartnershipfacility.be/wp-content/uploads/2020/12/BPF-leaflet.pdf>

Some external respondents raised the question as to whether the BPF is in principle aiming to support and promote Private Sector Development (PSD) in the South or rather Private Sector for Development (PS4D) initiatives. Or is it both?

Private sector in development (PSD) generally refers to private sector activities that are **part of regular core business operations and that affect development outcomes** and economic growth through **positive impact** such as job creation, provision of goods and services and taxation, and negative impact such as environmental degradation and poor labour practices (Di Bella et al., 2013b).

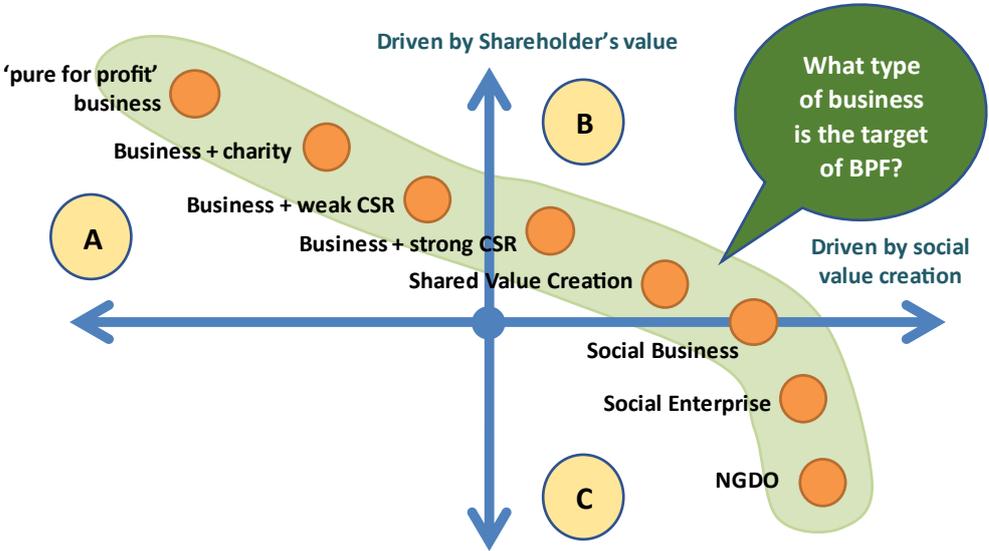
Private sector for development (PS4D) covers initiatives or activities that **involve or engage the private sector in development** in ways that **go beyond their regular business practices**. It is about finding ways to mobilize businesses’ resources – e.g. their expertise, networks, data, and financial, technical and innovation capacity – **in the pursuit of development goals**

It is an important term to **differentiate between regular business activities and their positive and negative development impact on the one hand and business activities with an explicit development dimension on the other hand** (covered by PS4D).

Sarah Vaes & Huib Huyse (2015) PRIVATE SECTOR IN DEVELOPMENT COOPERATION. Mapping international debates, donor policies, and Flemish development cooperation. HIVA Leuven

Differentiating between PSD and PS4D is not trivial but has consequences for the type of enterprise that BPF is (or is supposed to be) targeting. As a matter of fact, when characterising business models by either *driven by shareholders’ value* or *driven by social value creation*, a wide spectre of entrepreneurial models can be distinguished ranging from purely-for-profit to not-for-profit, as presented in the graph below. Some respondents assumed that BPF is (or should be) primarily focused on the categories of social businesses or social enterprises given its mandatory objective of contributing to SDGs. These enterprises could in fact be regarded as being oriented PS4D. But other respondents considered BPF to be focused on a wider range of business models including profit-oriented enterprises with a strong CSR profile and component. This would thus mean a coverage in both PSD and PS4D.

Figure 7: Typology of enterprises



A quick scan of 14 projects (based on their latest annual progress report) indicated that in the majority of projects, **Blended Value Creation** (PPP) is perceptible but not always strongly explicated in their business model. Looking at the 14 projects studied (5 case studies and 9 desk study), following mix of typology of enterprises emerges.

Table 6: Overview of typology of projects and assessment of additionality of BPF grant.

Typology	projects	Comments on additionality
Profit with strong CSR	<ul style="list-style-type: none"> - Wakapou Benin - Magiro Kenya - Guavay Tanzania - Coldhubs Nigeria 	Weak: profitable business that can attract loans or (social) investors, or invest with own profit. Grant often used for specific investments (accelerating investment) or training of farmers
Shared Value Creation	<ul style="list-style-type: none"> - Gallier Côte d'Ivoire - Tropic Coffee Rwanda - Ethiquable Peru 	Medium: profitable business, grant often used for training of new farmer groups (up-scaling) or plantation, i.e. activities that are not very 'bankable'
Social Business	<ul style="list-style-type: none"> - African drive Benin - GTAI Ethiopia - Congetrix Zimbabwe - BUN Nepal 	Strong: young businesses with ample attention to inclusion of specific target groups and environmental considerations in business model, not yet fully profitable. Grant used for upscaling or consolidation of new business model or for innovation.
Social Enterprise	<ul style="list-style-type: none"> - Terra Nova Mozambique - GNI Nepal 	Medium: NGO-ish type of project, weak profitable business model. Grant used for investments and training. Funding can be attracted from traditional ODA funding.
MFI (not included in typology)	<ul style="list-style-type: none"> - KivuKick RDC 	Weak: Grant used for guarantee fund. Other donors and social investors also support this

The assessment of the additionality of the BPF grant along the different typologies shows that additionality is the strongest for projects situated in the categories social business and medium for shared value creation and social enterprises. These three categories have in common that the business model itself combines people, profit, planet features. For example, the social businesses include specific target groups in their business model (i.e. employing poor women and/or men, disabled persons, people living with HIV), or market environmentally friendly products and services, while looking for a profitable business model. For such truly innovative business models, the grant element in BPF is of greater "value", say more functional and more beneficial than for projects in upscaling. Grants indeed create space and opportunity for exploration and experimentation in a business environment that carries considerable risks and uncertainties. Furthermore, whereas businesses types 'shared value creation' usually have already a

proven track record and can access other grants, loans or invest own profit, social enterprises are hardly profitable and more NGO-ish of nature (and apply for typical ODA funding).

A number of respondents argued that BPF should primarily focus on businesses in the PS4D sphere as this involves not only the creation of positive impacts in terms of development outcomes (people planet) but also that the business model is adapted beyond regular settings and practices specifically and purposely in pursuit of development goals, which is typically covered by the typologies from social enterprise, over social business to shared value creation.

To **illustrate** the point: how to embed social value creation in the business model?

- Employ men and women that have fewer employment opportunities in strict commercial settings implying (initially) lower efficiency, higher cost for training and coaching, more staff needed to compensate for lower efficiency, extra expenses for adapted utensils and tools, etc.
- Source from marginal areas further away or more difficult to reach than other possible supply areas
- Use environmentally-friendly technology that is more expensive in acquisition and use technology used by competitors,
- Invest purposely and at extra cost in advanced measures to reduce pollution or organise waste management over and beyond the minimum legal requirements

Belgian/European or southern ‘private sector’ contribution to sustainable development

Was BPF not meant to support Belgian private sector contribution to development in the South and should a Belgian orientation not be (re)considered? The subject of Belgian character was raised in a critical manner by a number of resource persons and raised in all but one or two interviews / group discussions. There are a few deviations among respondents in recapping the ‘historical’ background of the BPF in relation to whether the fund was or was not initiated in the wake of the Belgian SDG charter with a view to promote the role of *Belgian* private sector in development in the South. The evaluators decided not to pursue this historical discussion but rather adhere to present-day perceptions and opinions of resource persons on the matter.

The practice shows that both Belgian and southern based businesses are eligible for BPF-funding. From the interviews, it is learned that stakeholders involved in the selection process have implicit preferences for either model. A clear strategic choice based on solid arguments is currently lacking at the BPF, leaving room for these diverse interpretations.

A few resource persons strongly suggested to consider a re-orientation of BPF in the last 2 years of operations towards PS4D with and for Belgian private sector actors contributing to SDGs in the South. Arguments raised in favour of a *stronger Belgian¹¹ touch*:

¹¹ Or possibly *European*

- ✓ It creates a robust support base (draagvlak) for a development orientation in the Belgian policy and programme of PS4D
- ✓ More Belgian private sector actors commit themselves more strongly to international cooperation and solidarity and the realisation of SDGs
- ✓ It augments the national and international visibility of Belgian efforts and achievements in PS4D
- ✓ own funding brings more guarantee of sustainability
- ✓ It creates opportunities (here and in the South) for employment generation, learning, internships, innovation, build-up expertise and knowledge development,
- ✓ It facilitates access to new markets two-ways
- ✓ It creates opportunities for cooperation with related Belgian initiatives such as OvO, the Shift, Ex-Change, and so on
- ✓ It would create opportunities to focus more e.g. to support due diligence in international value chains

KBF puts a lot of emphasis on a Southern focus – for some respondents, seen as being at the expense of the interest of Belgian actors. But by and large, the vast majority of respondents supports this strategic focus. Arguments raised in favour of a focus on South:

- ✓ It makes local embeddedness of the projects and investments more likely
- ✓ It reinforces local ownership and responsibilities
- ✓ It creates space for local & south-south dynamics
- ✓ Offers contextualised solutions to social / development challenges
- ✓ Local organisations (as incubators) have in-depth knowledge of the context – emerging business models will accommodate local opportunities and challenges
- ✓ Getting small companies ready for investment is support for southern emerging private sector
- ✓ This is in line with Enabel's Private Sector Engagement support strategy

Either model has its advantages and disadvantages, but it is clear that a stronger Belgian focus is politically difficult to accept because of its risk to lead to forms of *tied aid* that remains a no-go area for many actors in the (public) development sector (unlike in many EU countries like the Netherlands, Luxembourg, UK and so on).

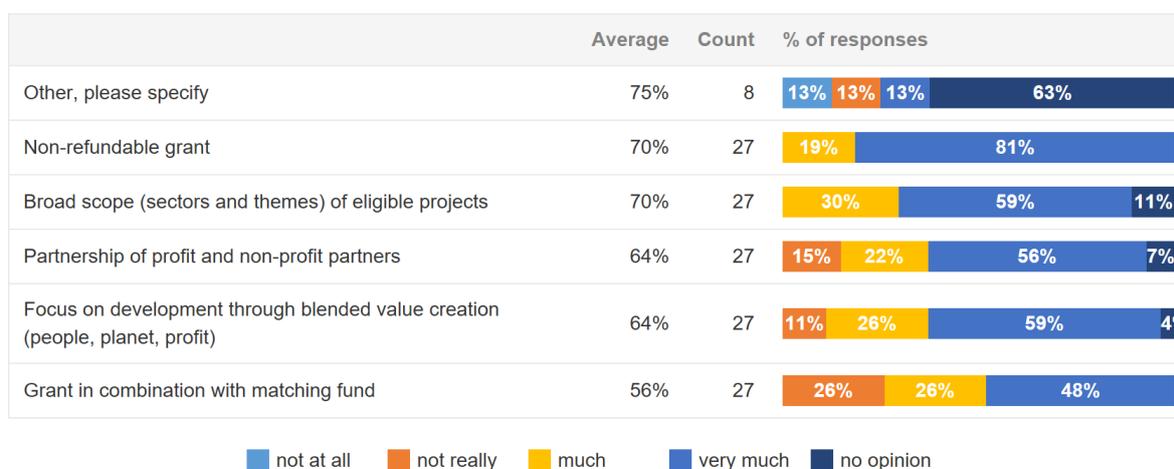
Appropriate strategic choices

The fund's modalities

Even though detailed features of the funding model may not be sharply specified, the general model and its application is generally well appreciated by grantees and partners. In the survey, the respondents indicated that the provision of non-refundable grant is most attractive feature of the BPF's model, while the broad scope of sectors and themes was equally considered to be an appealing feature.

Understandably, the required match with private funds is less appreciated (26%) but still allowing for a vast majority of 74% of respondents who do appreciate this feature.

Figure 8: Features of the model that make up the added value of BPF as compared to other funding facilities to promote private sector contribution to development ?



N 27

For BPF, a non-refundable grant was the preferred choice of mechanism because it was thought to be the most manageable and least cumbersome mechanism in terms of control and follow-up. Its potential risks are minimal, possibly misallocation of funds is the most likely one (but that would equally apply to other funding mechanisms). Respondents saw grants as a good vehicle for start-ups and a good opportunity for more risk taking in innovation. Grants were rarely seen as a financial compensation for efficiency losses that may be caused from embedding social features into a business model, or in other words grants as a way to pay for the cost of creating social value in the way the business is modelled and running.¹²

All respondents thought that the requirement of a matching fund is a good and relevant choice as funding mechanism. Such a match encourages ownership and puts management and partners under pressure to design and run commercially viable business models. Moreover, the use of public funds to *subsidise* private sector investments may hold a risk of creating market & price distortion. The match may not entirely reduce such risk but the need to generate sustained return on investment on your own financial contribution (once the grant money is depleted) will be an incentive to develop sustainable (no-distorted) market and price strategies for the business.

A few respondents suggested to allow other funding models, e.g. loans, blended finance models, guarantee funds (that trigger multiplier effects), lease arrangements, etc. Some of those mechanisms would allow for a longer lasting impact (e.g. revolving funds) and / or a broader coverage (in terms of number of supported projects). But by and large most respondents thought that the present funding modality is indeed a good – if not the best – choice for BPF given its vision, objective, the total available amount of money and the size of the targeted enterprises.

¹² For example one could think of using the grant for employing less well-trained staff from marginalised groups who are (at least initially) less productive and require additional investment in skills training.

Partnership: the value added of not-for-profit participation

As far as the necessity of a non-profit or not-for-profit partner is concerned, in pre-design stage (read: in the 2016 policy note of DGD & Cabinet) it was stated that: *“Applicants can vary from at least one company in partnership with at least one not-for-profit institution or organization (public, such as a municipality or a service provider, CSOs or otherwise) to other useful set-ups¹³.”*

In the later *“Agreement of financial contribution – Business Partnership Facility”* between the Minister De Croo and KBF, confirmed the necessity to have at least one private sector actor by stating: *“Partnerships can be between different actors from the private sector, civil society, academia and/or the public sector (Belgian, European or developing countries), but always with at least one actor from the private sector and with a primary objective of development in developing countries¹⁴.”*

But then the partnership models that were sought – and thus presumably would be deemed eligible in the selection -- became rather more diverse -- not to say and complicated for that matter.

- *Cooperation between (Belgian or European) **company(ies) and company(ies)** in a developing country, where the former invests in developing countries and makes a long-term commitment with the local partner(s), in order to contribute to the achievement of sustainable development objectives in developing countries (multiplier effect of private sector funding);*
- *Cooperation between **companies** (Belgian, European or from developing countries) **and non-governmental and/or governmental actors** to make value chains more sustainable and inclusive (financial leverage for better marketing of a product or service for the benefit of producers);*
- *Cooperation between **companies** (Belgian, European or from developing countries) and **NGOs and/or universities** (Belgian, European or from developing countries) to develop an innovative product or service that specifically contributes to the achievement of sustainable development objectives¹⁵.*

Eventually, in day-to-day practice it appears that KBF has been seeking and approving partnerships that include 1 private company (or more) with -- at least 1 -- not-for-profit entity, by and large an international NGO, local CSO or academic institution. The option of having only private sector actors in a project was not withheld by KBF, even though evaluators have the impression that DGD would possibly be more lenient in accepting B2B investment proposals. The perception of resource persons centred around the question of added value and / or role of the non-profit entity in the partnership. A question that is not explicitly addressed or answered in the available documentation or regulations (e.g. eligibility and selection criteria). The arguments and opinions differ – a few observations.

- Some resource persons pointed at a possible assumption that the presence of a non-profit partner would be an incentive for or cause of a larger social impact. However, it was stated that there is no hard evidence to support this assumption while numerous actors in the private sector (from micro enterprises to mighty multi-nationals) are implementing corporate social responsibility strategies that create substantial social and environmental impacts.

¹³ Note that that the provision *“or other useful set-ups”* would not be carried forward or concretised in later documents such as regulations or selection procedures

¹⁴ Translated from French by the evaluator

¹⁵ *ibid*

- NGOs have (more) relevant knowledge and expertise (then private companies) in designing monitoring systems to manage and measure social impacts. Possibly this is largely true but as some respondents observed, BPF is applying a light-touch monitoring approach (see section 6.2) whereby in-depth knowledge and expertise in impact monitoring and assessment may not really be a necessity. Creative business managers can design adapted M&E systems e.g. using the adapted (social) business model canvas, that can help design mechanisms to capture social outcomes.
- An argument in favour of the non-profit element is the observation that NGOs are the entry gate to more inclusive business models as they know, reach out and connect more and better (than companies) with women, youth, marginalised & poor groups, and others. This strengthens inclusiveness of the supported business models.
- Finally, some respondents pointed at the risk (quote one source: *“improper use of BPF fund”*) that NGOs may consider the BPF simply as another potential source of grant funding for their projects, not so different in fact from their ‘classic’ donor agencies (i.e. an opportunity for fund hopping). Some of the projects – for example Equitable in Peru with Trias as partner – are indeed very similar (if not almost identical) in set-up, dynamics and outcomes than other Trias projects funded through ‘classic’ channels.
- A related aspect that was mentioned a few times is the NGO in a role of accelerator, incubator, or innovator. Again going back to the original set-up, the *accord* between Ministry and KBF (see previous page) indicated three modalities of partnership each with a different purpose. In the accord it was stated that NGO-business partnership would serve *product or service innovation* specifically contributing to SDGs.

The target / beneficiary of BPF support

In principle Micro, Small or Medium-sized Enterprises (MSMEs) can apply for a grant. In design (the 2017 policy document) it was stated that: *“Applications to the facility should concern new, innovative, disruptive, experimental or pilot projects. When successful, they should be scalable and become self-sustaining over time.”*

It is understood that

- Investing in **innovation labs** carries high financial risks whereby grants are an appropriate financing mechanism especially so if a non-profit is the driving force behind the innovation.
- Similarly, one refers often to non-corporate actors to support or organise business **incubator** as this requires relatively longer-term processes of business model development support,
- Finally Accelerators are more often linked to corporate actors, as they concern more short-term market-oriented exploration and launch of new value proposition with a view to seek investment funds.

In practice it seems that applicants are often existing companies, many of which start-ups who hope to upscale their business thanks to the BPF (and matching fund). The evaluators did not have the time or space to assess all +850 applications on size and type of investment but from information gathered in interviews and from scanning progress reports of selected projects, it seems that most applicants are small- to medium-sized enterprises. Grantees are mostly medium-sized companies, a few somewhat smaller companies and no micro enterprises. Respondents observed that the minimum grant size of 50,000 Euro (meaning an investment of +100,000 Euro) is indeed a totally unsurmountable obstacle for

micro (and most) small enterprises. Unless this restriction is lifted and smaller amounts are permitted, these categories will systemically remain excluded from access to investment capital from BPF, it was stated.

It was also observed that if BPF would more systematically aim at making start-ups 'ready for investment', it would align more closely with Enabel's vision of Private Sector Engagement. This, it was said, would open space and create opportunities for complementarity between BPF and the PSE unit of Enabel and thus contribute to more **policy coherence** in the Belgian Government support to PS4D. A few respondents were of the opinion that enterprises that are fully embedded in and owned by cooperatives (of farmers) should not be eligible but rather seek financial investment support through specialised networks (like Agricord or Via Campesina, ..) or INGOs (like Trias, Rikolto, Oxfam, ActionAid, ...).

Conclusions on relevance

It can be concluded that there is little doubt that BPF has proven to be a workable and relevant model of supporting the realisation of SDGs in countries in the south. At the same time, some core features of the model have not been spelled out very clearly, creating some doubt about the exact features of the mechanisms and investments models that were supposed to realise this (SDG) objective. This, in its turn, made application of (some) selection criteria more difficult and prone to different interpretations by the actors involved (KBF, DGD, Jury).

First and foremost, relevance was and is to be ascertained by a strong focus on Private Sector **for** Development. This is -- or should be -- realised through blended value creation not only in terms of outcomes (value propositions) but equally and essentially so also through unique features in the business model itself, e.g. related to business practices in responsible sourcing, human resource management, green technology, fair trade, et cetera. The enterprises that BPF is reaching are situated in the range between Social Enterprises (mixed funding models) over Social Businesses to Social Value Creation. All these models are indeed relevant and functional in contributing SDGs but if private sector feature is taken literally, social enterprises (like partly-subsidised cooperatives) may not fit the pure PS4D label. The grant element of BPF can be an incentive to move up the typology latter towards more commercially self-sustained blended value creation (thus working one's way up from social enterprise towards social value creation). Focus on south is key to the BPF philosophy for the main actors KBF and DGD and is certainly a relevant choice for reaching the overall objective. Supporting Belgian private sector actors in contributing to the SDGs in the south could be a relevant alternative but remains politically a no-go area for many actors in the (public) development sector in Belgium

Targeting of BPF is in principle directed towards micro, small and medium-sized enterprise but in practice BPF reaches and supports mainly medium-sized enterprises. This in fact is in line with the intention of reaching out to the "missing-middle" as stated in the main research question of this evaluation (but admittedly this creates some friction with the other stated intention to target up to micro level).

There is general agreement on the relevance and functionality of the funding modality (grant + matching fund). Opinions on the functionality of the grant may differ somewhat among stakeholders depending often on their role in the BPF (KBF, DGD, grantees, partner). Grants are very useful and relevant for supporting innovation (to cover risks) but also in allowing enterprises to adjust business model and practices to more strongly embed blended value creation, at least in an initial (start-up) phase of this transition. Finally, partnership with a not-for-profit entity is relevant and useful, but not necessarily essential or decisive as companies that foster social value creation may also be able to perform similar roles. Nevertheless, partnering with a non-profit remains the preferred option. The partnership will

mainly serve to contribute to inclusivity, strengthen capacities, provide advisory and coaching services to stakeholders and/ or contribute and contextualise knowledge and know-how.

6.2. Management of the BPF portfolio including selection process

This section analyses efficiency aspects and covers the evaluation questions from the ToR with regard to the management and organisational capacity of KBF and the management of the portfolio (see evaluation question 2 of the evaluation framework, added in annex 2). Different dimensions are assessed such as the organisational set-up and capacity at the level of the KBF, the functionality of the management systems and procedures, including the application and selection procedures, and the monitoring mechanism at the level of the BPF.

Functional and efficient management systems and procedures

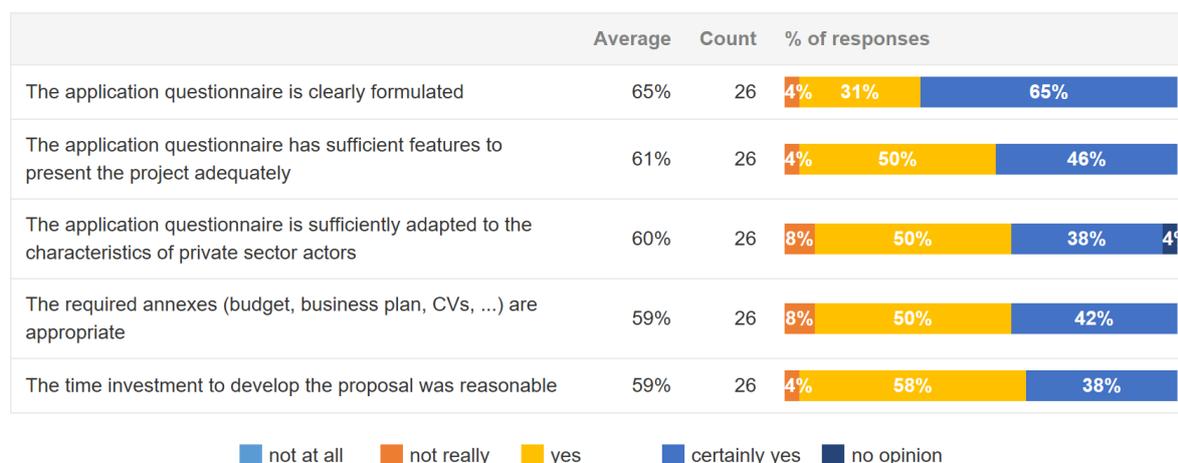
An efficient management system was developed by KBF, with clear regulations and procedures for applying, selecting and managing the projects. Call for proposals are organised two times a year, using a simple and lean application form that translated well the strategic choices of the BPF. The selection process constitutes of different phases (eligibility check, assessment of each project by two officers at DGD and at KBF, based on 10 evaluation criteria, meeting between DGD and KBF to make a ranking of projects and decide on the list of pre-selected projects, ESG screening of pre-selected projects, involvement of Belgian embassies to provide additional contextualised feedback,¹⁶ assessment by external jury and decision on final set of selected projects by consensus in the jury) that guarantee robustness, triangulation and internal control mechanism in project assessment without too much standardisation (e.g. using scoring scales for evaluation criteria) and bureaucratic procedures.

From the interviews and the e-survey, it can be confirmed that the communication on the mission and objective of BPF, application and selection procedures was sufficiently clear for potential grantees. All respondents confirmed that the quality of the communication on the BPF was good to very good. The call for projects was clear, with sufficient information on how to apply for the grant, eligibility and evaluation criteria were clearly communicated, information on BPF is clearly formulated and easy to find. Appropriate communication channels are used to make the facility known. The three most important information sources to find out about the existence of BPF are, according to the grantees, the KBF website, the partners and the BPF website. Only more recently, the facility is being promoted through web platforms such as www2.fundsforngos.org, terravivagrants.org and developmentaid.org. Understandable, only a very few of the current grantees had obtained information through these platforms.

The large majority of respondents of the survey for the selected projects are positive on the relevance and efficiency of the application and selection procedure. All respondents (also confirmed by the survey for non-selected projects) were highly positive about the application requirements, as shown in the Figure 9. Only two out of 26 respondents judged that the application questionnaire was not sufficiently adapted to the characteristics of private sector actors and that the required annexes (budget, business plans, CVs, ...) were not appropriate. Furthermore, respondents confirmed that questions can be asked directly to the KBF coordinator, who is experienced as very accessible and responsive.

¹⁶ Involvement of Belgian embassies since the third round

Figure 9: How do you assess the application requirements ? (grantees)



N 26

The selection procedure, including the eligibility criteria and evaluation criteria were clear to almost all respondents, with a small difference in appreciation between the grantees and the non-grantees, as shown in following Figures. Only for 2 out of the 26 grantees and 2 out of 9 non-selected projects the evaluation criteria to assess the quality of the projects were not clear and for 3 out of 9 non-selected projects the different steps in the selection procedure had not been clear.

Figure 10: How do you assess the selection procedure ? (grantees)

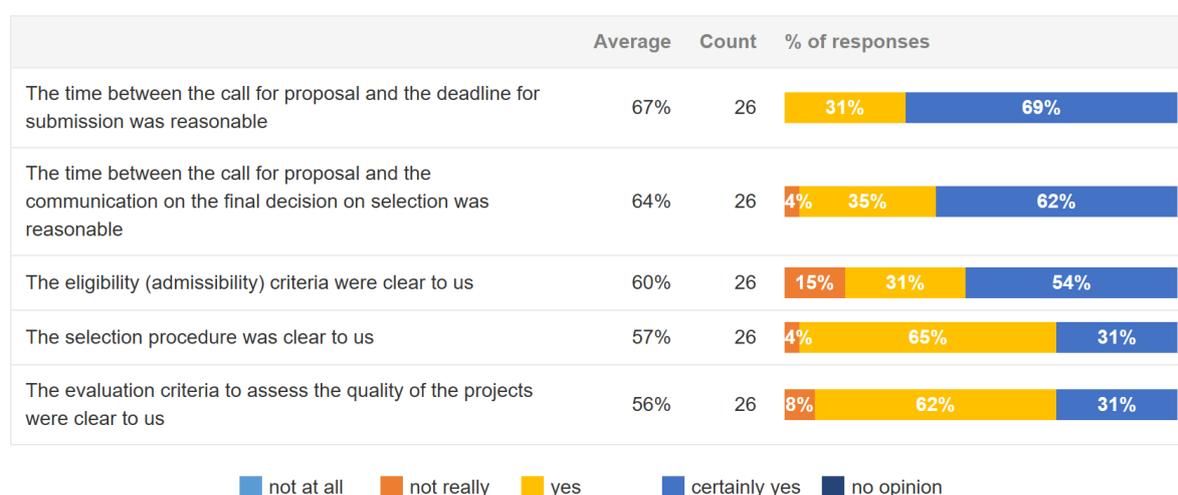
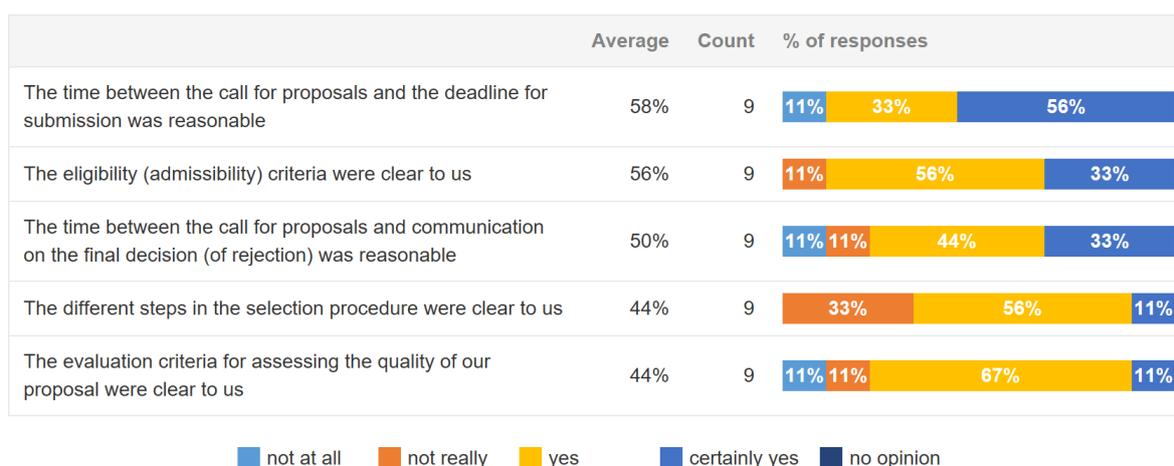


Figure 11: How do you assess the selection procedure ? (non-selected projects)



N 9

Whereas the relevance of the evaluation criteria was positively assessed by the grantees, interviews with DGD, KBF and members of the jury show that several evaluation criteria – although relevant – are difficult to assess, more in particular the criteria referring to development effects, additionality, innovation and impact on the sector. Additionality and impact are also mentioned by a few respondents (#3) as being not relevant (see survey result report in annex 4). 58% of the grantees did not see a need to replace existing criteria. Eleven of 26 grantees highlighted some alternative evaluation criteria such as: local embedding of the project, serving marginalised regions, promoting collaboration between profit and non-profit sector and promoting south-south exchange or collaboration.

A particular feature in the selection process is the ESG-screening, which is outsourced to Ecovadis and Sedex. The two companies differ in approach. Ecovadis adopts a more tailor-made approach, using a questionnaire that is adapted to characteristics of SMEs, whereas Sedex shows less flexibility and does not adapt a customized approach, even though they are reportedly considering to develop a lighter scan that is better adapted to the targets of BPF e.g. in food and agriculture sector. Furthermore, the Ecovadis approach is evidence-based (checking quality and reliability of documents sent, web-based research and triangulation of data provided), whereas the Sedex appraisal depends largely on a self-assessment. Ecovadis adds a list of points for improvement to the assessment and makes staff available for technical support, both during the application procedures and follow-up of the improvement plan (if desired by a project). The evaluators assume that KBF has preferred to collaborate with two certifying agencies, as a large number of projects needs to be assessed in limited time (Ecovadis highlighted the fact that they usually need a longer period to deliver the assessments). Because Ecovadis is applying a tailor-made and evidence-based approach, it is preferable to Sedex.

The ESG screening was positively assessed by the grantees. 73% of the respondents understood well the purpose of the ESG screening¹⁷, 65% found it relevant for their business and 61% found it useful. 61% of the partners indeed indicated that they have given follow-up to the identified action points or are planning to do so. 64% of the respondents confirmed that the data requirements were realistic taking into account their context and capacity. The biggest critique is related to the time investment needed. 6 out of

¹⁷ 6 respondents, or 23%, indicated ‘no opinion’. These are the project partners who, in many projects, were not involved in all steps of the application process.

20 respondents, or 30%, (excluding those with no opinion) find the time investment needed for the ESG screening not reasonable.

Figure 12: How do you assess the ESG screening ? (grantees)

	Average	Count	% of responses				
The ESG screening was relevant for our business	63%	26	12%	50%	15%	23%	
We understood well the purpose of the ESG screening	62%	26	8%	58%	15%	19%	
The ESG screening was useful for us	62%	26	4%	42%	19%	23%	
Data requirements for ESG screening were realistic taking into account our context and capacity	62%	26	15%	46%	15%	23%	
The time investment needed for the ESG screening reasonable	58%	26	4%	19%	42%	12%	23%

not at all not really yes certainly yes no opinion

N 26

The non-selected projects voiced more critique on the ESG screening process, as shown in following Figure, which can be influenced by the fact that the project was eventually not selected.

Figure 13 : How do you assess the ESG screening ? (non-selected projects)

	Average	Count	% of responses				
We understood well the purpose of the ESG screening	47%	9	33%	56%	11%		
The ESG screening was relevant for our business	44%	9	44%	44%	11%		
The ESG was useful for us	39%	9	22%	33%	22%	11%	11%
The time investment needed for the ESG screening was reasonable	36%	9	22%	33%	33%	11%	
Data requirements for ESG screening were realistic taking into account our context and capacity	31%	9	33%	33%	22%	11%	

not at all not really yes certainly yes no opinion

N 9

The evaluators understand that for DGD the ESG assessment is a necessary feature in the selection process and part of BPF’s risk management in order to avoid mis-use of public funds by malicious private sector actors or private sector actors that do not comply with due diligence with regard to decent work and environmental issues. However, to date the ESG score has not been decisive in the selection process, and no red flags have been planned yet on the basis of the outcome of the ESG screening. The evaluators are of the opinion that the little use that is made (if at all) of the ESG screening does not warrant its relatively high cost. While the evaluators understand DGD's position in adhering to this procedure, little evidence was found that the ESG screening provides value for money in the selection process.

The overall transparency of the different phases in the selection process was assessed positively by grantees. 4 out of 25 respondents (16%) indicate that the level of transparency of the assessment by the external experts (jury) is weak to very weak as is the justification of the final outcome. The latter is also confirmed by the survey on the non-selected projects, where only one respondent indicated that the

feedback on the rejection was clearly communicated. This pattern is confirmed by the response on another question asking for the quality of communication, where 7 out of 25 respondents (29%) indicated that information on the outcome of the selection process was not clearly communicated (see survey result report in annex 4).

Figure 14: How do you assess the level of transparency of the selection process ? (grantees)

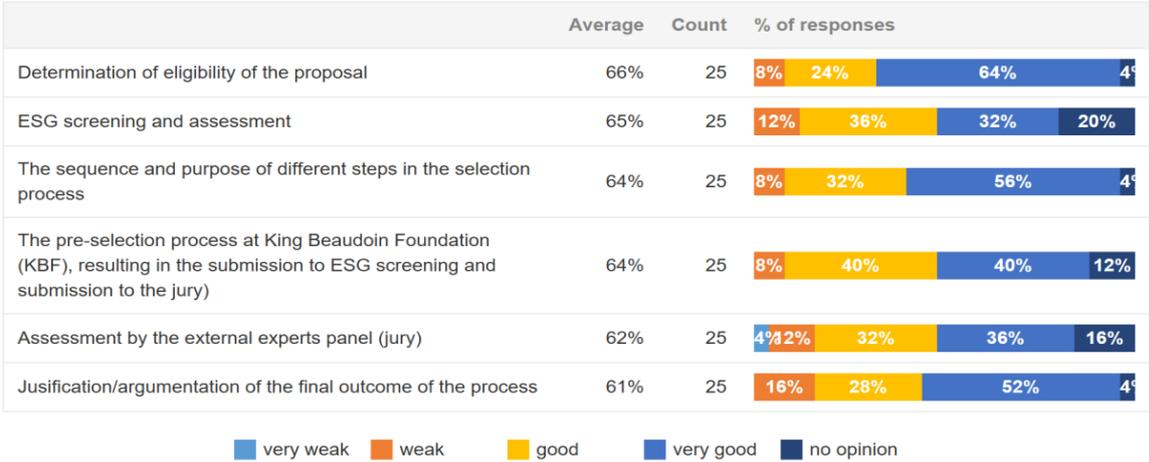


Figure 15: How do you assess transparency of the selection process ? (non-selected projects)

	Count	% of responses	%
We only got mention of rejection but no feedback on the reason for it	4	■	44%
We hardly got information about reason for rejection	3	■	33%
The feedback was informative but rather limited	1	■	11%
The feedback was clearly communicated	1	■	11%
None of the above	0		

N 9

From the interviews, it is learned that limited feedback is communicated with the non-selected applicants. Feedback on the quality of the proposals and reasons for non-selection are not systematically shared with the applicants and are only provided by DGD upon request. From an efficiency perspective this approach is understandable (would require more time investment in documenting assessment and argumentations), but it is to the detriment of transparency and learning.

Appropriate processes, with sufficient checks and balances, have been installed to guarantee objectivity, triangulation and internal control during the assessment procedure. Because of the deliberate choice to not work with standardised scoring scales, a more ‘organic’ assessment process is taking place, depending on dialogue, discussion and consensus building (both during pre-selection as during deliberation by the external jury). All stakeholders involved in these processes confirmed the effectiveness and efficiency of the approach. Some interviewees referred to the need to decrease the number of evaluation criteria. Some referred to the fact that different interpretations or foci exist among the stakeholders involved in the selection process with regard to strategic choices that however are not explicitly included in the BPF

design (e.g. prioritising or deprioritising certain sectors, importance of the partnerships, North-South or South-South linkages). Other interviewees pointed to the need for more rigour in assessing the quality of business proposals. KBF has tried to respond to some of the challenges by developing scoring guidelines to enhance consistency in scoring and by changing from the 10-point judgment scale to a 5-point judgement scale. From the interviews, it is learned that the quality of the proposals eventually is the guiding factor in the discussions. This organic deliberation process contributes to efficiency but at the same time compromises the level of transparency towards applicants but also to other external stakeholders (like NGOs, private sector actors).

Reporting requirements are light and flexible. Grantees are expected to keep the BPF coordinator up-to-date regularly (at least once every 2 months) and are free in choosing the reporting mean (mail, video, video call, Power-Point Presentation, traditional progress report). This approach seems to work well, to the satisfaction of both the BFP coordinator and the grantees. A narrative report and financial audit (or financial statement) need to be sent after 1 year of implementation and are conditional for obtaining the following payment. The feasibility of the reporting requirements, such as flexibility in reporting formats, information required for narrative reports, required time investment, frequency of reporting and information requirements for financial reporting, are assessed by all respondents as much and very much feasible (see result report in annex 4).

A light reporting format is developed by KBF that, according to the evaluators, provides sufficient information to monitor project implementation. As many projects were confronted with implementation delays, due to COVID-19, not all narrative reports were available yet. It is observed that not all grantees have adopted the BPF format for presenting the first annual report to BPF. From the interviews it is learned that the quality of reporting differs between the projects, often seemingly influenced by the presence or not of an NGO in the partnership.

A specific feature of the BPF is the Technical Assistance modality. A separate budget of € 525,000 was earmarked to make TA available for grantees, managed by KBF. According to the original outline of BPF, the TA was meant for support in 2 areas namely result based management and upscaling. Interested grantees can send a request for TA to the KBF and based on an open competition (looking for 3 bids) a consultant is contracted by KBF. To date only one grantee used the TA modality (even though 3 respondents of the e-survey indicated they made use of TA), and 6 of the survey respondents (24%) have indicated that they are planning to do so. The reasons for this low uptake seem to be a combination of lack of knowledge of the existence of the modality (7 out of 25 respondents, or 28%, did not know the modality exists), the fact that there is no felt need for TA or TA is integrated in the project (e.g. through the collaboration with non-profit partners like academia or business partners that provide business advisory services) and the complicated procedure to apply for TA. Of the 14 grantees that knew about the TA modality, 50% see the lack of free choices in selecting TA as the main challenge for the TA modality. 36% also refer to the cumbersome process to obtain 3 bids. Other challenges are the difficulty to attract locally available TA (3 respondents), absence of relevant TA (2 respondents) and the narrow scope of the TA (2 respondents). Following Figure shows that 64% of the respondents thinks a TA modality is relevant, but with a strong preference of allocating the TA budget to the project budget and have it managed by the company itself.

Figure 16: Is it relevant that BPF provides a modality for external advisory support? (grantees)

	Count	% of responses	%
No, we rather rely on our own network for advisory support and pay ourselves	2		8%
No, we rather include advisory support in the project proposal in the form of partnership	2		8%
Yes, but with a TA budget allocated to the company (select and contract ourselves)	9		36%
Yes, paid for by BPF but selected by the company itself with selection validated by BPF	6		24%
Yes, with the present arrangement which is acceptable to us	1		4%
No opinion	5		20%

N 25

Topics assessed by the respondents to be relevant for TA are ‘scaling up business’ (for 52% of the respondents), followed by ‘social impact assessment’ (36%), ‘result based management’ (24%), ‘inclusive business development’ and ‘business planning’ (20%). Two of these are thus the topics originally earmarked for TA. The three ‘new’ topics relate more to (social) business development and impact assessment (capturing and measuring blended value creation)

Functional organisational set-up for the management of the fund

The management of the facility is assigned to KBF, who provides a coordinator for 0.5 FTE, supported by a back-office for managing the website¹⁸, contracting of grantees, payments, and the contact centre at KBF for responding technical questions.

KBF is well positioned to manage a facility like the BPF. KBF has ample experience in managing private funds and this expertise has been relevant for managing the BPF. KBF’s experience with selection processes, including the collaboration with an external and independent jury, has resulted in the development of lean and mean procedures for the management of BPF, whereas other public funds are often subject of heavy standardised and bureaucratic procedures. KBF can also rely on an extensive network of contacts enabling the mobilisation of a mix of interesting and relevant profiles for the jury. All interviewees agreed that the jury is well composed and representing sufficiently the diversity of knowledge and expertise needed for this facility. The evaluators would like to highlight that there ought to be much appreciation for the fact that members of the jury are providing their services free of charge. All of them being high-level professionals, the opportunity cost of the jury ‘s contribution to BPF is substantial.¹⁹

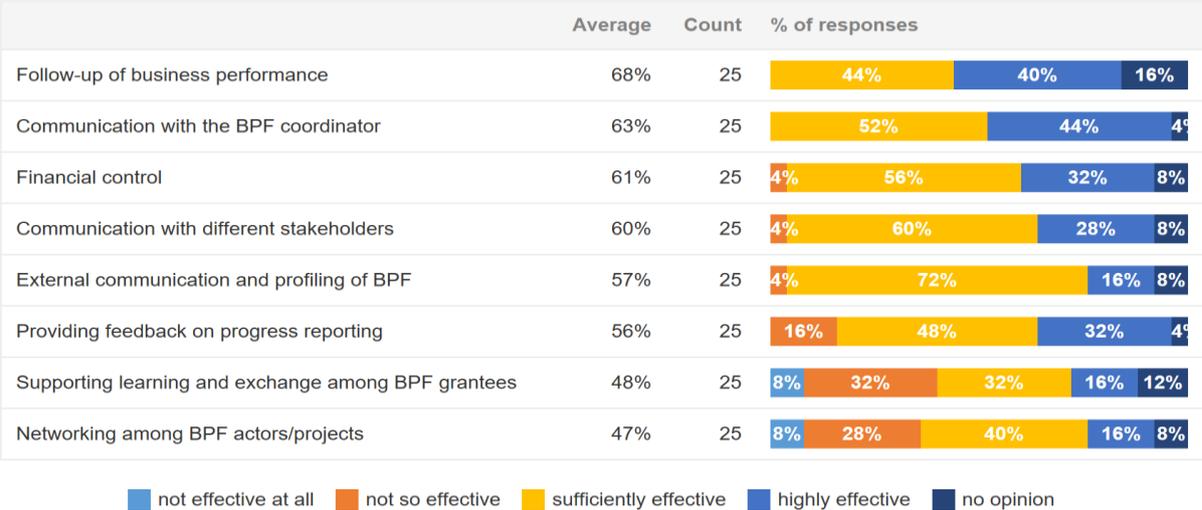
Competent staff at the KBF are engaged by the foundation to manage the fund. All interviewees and respondents acknowledge that the KBF staff has relevant experience in developing appropriate procedures, have shown the ability to think along and be open for suggestions of other. The BPF management was assessed by the grantees as very effective, among others with regard to (in order of importance): communication with the BPF coordinator (all respondents but one (no opinion) assessed this

¹⁸ Website is not with BPF budget but with KBF budget. Management of the website is by BPF coordinator

¹⁹ Assuming 2-3 days of input for each member per round at market-based consultancy rates for senior professionals in the development sector, a very rough estimate of the value of their contribution to BPF would amount to over € 30,000 per round.

as sufficient to highly effective), financial control, communication with different stakeholders and external communication and profiling of BPF. Regarding the latter, 11 respondents (44%) and some of the grantees suggested that more promotion can be done to enhance visibility and knowledge of the facility (see Figure 17). However, given the large (nearing unmanageable) amount of project proposals and the modest funding available, more promotion of the facility might become contra-productive.

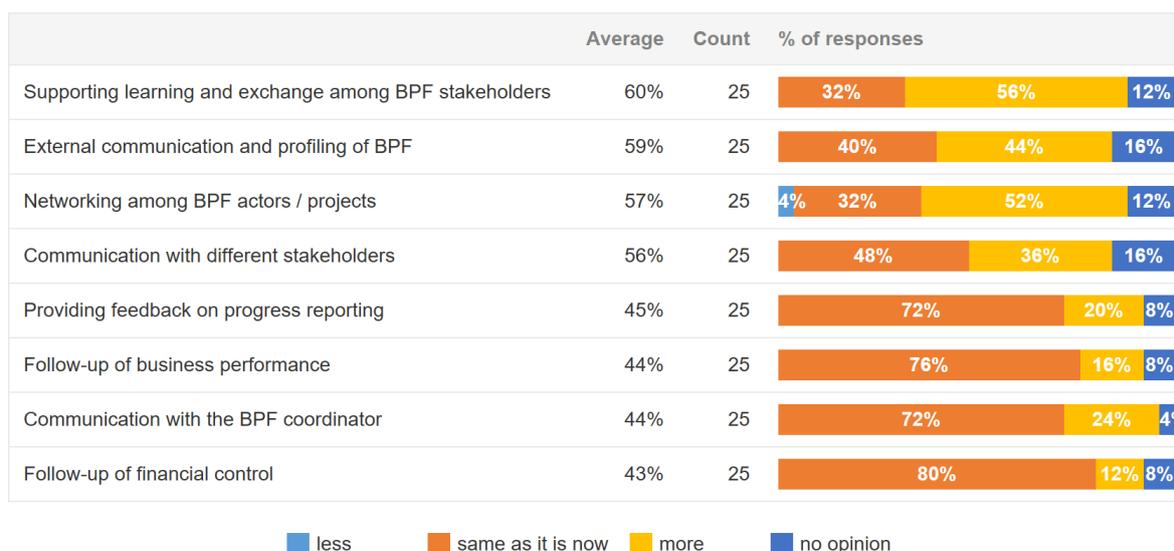
Figure 17: How do you assess the effectiveness of BPF management? (grantees)



N 25

Ten out of 25 respondents (40%) are of the opinion that learning and exchange among BPF grantees has not been effective yet and 9 out of 25 (36%) refer to networking that can be improved. Supporting learning, exchange and networking among BPF grantees did not receive much attention yet in the BPF coordination, as this comes with a cost, which was not foreseen till to date. In the survey, expectations in this regard were probed for (see Figure 18). 14 respondents (56%) would like to see more investment of BPF in supporting learning and exchange among BPF stakeholders and 13 respondents (52%) more networking among BPF projects.

Figure 18: What level of investment do you expect investment by management? (grantees)



N 25

Only 6 respondents (24%) would like to have more communication with the BPF coordinator. Answers on a separate question on this topic confirm this result. 16% of the respondents have seldom contact with the BPF coordinator, 56% now and then and 28% monthly. 32% or 8 persons would like to have more frequent contact with the BPF coordinator.

Management of the portfolio

As described in the above, the grantees and non-selected applicants confirm that the communication on the BPF is clear and of good quality and that information on the BPF can be easily obtained. Appropriate communication mechanisms are in place for communication between project applicants and between projects and KBF. The BPF website has been further developed and is providing more information on granted projects, which might inform applicants on the type of projects that are eligible for BPF funding and which will enhance transparency of the BPF. To further improve efficiency of BPF management, automatization of several processes was looked for, in particular regarding the communication of the BPF. The website was further developed and a set of 'Questions and Answers' with regard to the application process was added to the website, in order to relieve the task of the BPF coordinator and the KBF contact centre.

KBF also invested in information sessions, for example at the FRDO-CFDD (Federal Council For Sustainable Development) targeting private sector actors, trade unions and NGOs. Some interviewees would like to see more external communication on the facility to inform private sector actors, trade unions and NGOs in Belgium on the relevance and effectiveness of the facility.

A deliberate choice was made to install a light and simple reporting mechanisms (see in the above), based on the principles of trust and confidence. This seems to be working well for the grantees. Furthermore, it lowers the administrative workload of the BPF coordination and contributes to efficiency.

The analysis of the project reports by the evaluators confirmed that the quality of information provided is varying, which complicates the ability of the BPF coordinator to monitor economic and social impact, and flag potential risks. The Key Performance Indicators provide some info on annual turn-over and net-profit of the business, number of employments created, number and type of financial services subscribed and a set of project specific outcome indicators. The question can be raised whether these KPIs are the most

relevant to monitor for all types of projects (start-ups, innovation, scaling-up). Furthermore, it might also be relevant to identify a set of KPIs that enable monitoring of specific strategic features of the BPF, i.e. innovation, types of businesses supported, upscaling or acceleration of business activities, making businesses investment ready, etc.

A scan of the business plans added to the project proposals shows that the quality of these business plans is varying, confirmed through the case studies. In the annual reporting, financial information on project expenses is provided (often only limited to the expenses of the grant and not providing insight in the use of the matching fund) but limited information is provided to enable assessment of the financial sustainability of the projects.

This 'light' accountability system puts the BPF coordinator in a position of a 'partner or supporter' rather than one of a 'controller'. The evaluators are of the opinion that these choices are legitimate for keeping the overhead of the facility small and that sufficient checks and balances are in place, such as the financial audit or statements that need to be provided by the grantees.

Conclusions on efficiency

Organisational efficiency²⁰ - The management of BPF by KBF is lean and mean and appears to be truly efficient with very modest amount of financial resources used to manage the facility (1 part time facility coordinator that can rely on administrative support from within the Foundation). A few challenges are:

- while reporting by project holders is somewhat inconsistent in terms of quality and content, relatively little time is or can be spent by the BPF coordinator KBF in follow-up on the progress reporting (enhancing its quality by asking detailed questions and missing information),
- similarly there is no true learning happening at portfolio level even though the BPF coordinator must have gathered a wealth of potential learning experiences in her day-to-day management of and communication with projects.

Apart from the 2 observations above, there seems to be no need to adjust any of the existing management procedures. Furthermore, KBF can mobilise human resources in a flexible manner according to the needs.

Process efficiency²¹ - Generally speaking, the entire process of the BPF from application to contracting is well organised. Many elements in the process are organised in manner that is lean and mean, i.e. using only what is necessary in terms of resources, and determined to work effectively. A few worries emerge though:

- The most critical issue in terms of efficiency is the fast-rising number of applications of which a vast majority never gets approved. Over the first 4 rounds, 95% of the applications did not make it, or stated differently: of the 623 applications 29 were eventually approved – that means a staggering 594 applicants who put in - often considerable - time and effort to present a proposal but to no avail. Even apart from the rising work pressure and substantial resource requirements at KBF and DGD to process such huge number of applications and the risk of becoming less accurate in the selection process because of resource pressure, first and foremost this situation represents an enormous waste of human and financial resources among prospective grantees.

²⁰ Organisational efficiency of and at KBF concerns the way in which KBF is managing the BPF, and the procedures and processes to ensure, monitor and manage the efficiency of its work

²¹ Assessing process efficiency of BPF operations concerns the good and efficient use of human, capital and other resources in the sequential processes that together make up the operation of the BPF. These processes include application, eligibility assessment, pre-selection, selection, and contracting.

There is an urgent need to halt the rising trend in applications and set mechanisms in motion that will reduce the number of applications drastically (see recommendations)

- The evaluators are of the opinion that the little use that is made (if at all) of the ESG screening may not warrant its relatively high cost. While the evaluators understand DGD's position in adhering to this procedure, little evidence was found that the ESG screening provides value for money in the selection process. Possibly a lighter, less costly but still formal screening system may serve the same purpose?
- Although efforts were done to improve consistency of project appraisal, this has not been translated yet in transparent communication of the results of the selection process to the external stakeholders. The challenge will be to balance between heavy bureaucratic procedures and rigid procedures and the organic way of working, taking into account the workload of all people involved in the selection process on the one hand, and the accountability and learning needs on the other hand.
- The way the TA modality currently is organised is not efficient (cumbersome process, unclarity in procedure, lack of free choice). As a result, the TA resources remain largely untapped.

Programme efficiency at portfolio level looks at the overall outcomes and impact of the entire portfolio in relation to total amount and total cost of resources used to set up and manage the facility and projects and produce these effects. This is the - literally - 12-million-euro question that cannot be answered at this stage but will also be difficult (if not impossible) to answer at the end of the facility's lifetime. But it is worth reflecting on possible inroads to address the question towards the end of the period. A reflection on what type of KPI can be suitable to that end is recommended.

6.3. Effectiveness, efficiency and sustainability of the projects

6.3.1. Case studies – summary of findings and conclusions

Scaling-up of innovative micro-enterprise model and eco-friendly brick technology across Nepal

National consultant : Mr. Krishna Prasad Acharya

Building-Up Nepal (BUN) has been implementing the project named “*Scaling-up of innovative micro-enterprise model and eco-friendly brick technology across Nepal that provides long-term local jobs and safe, affordable housing for low-income families, women and youth*”. BUN promotes Compressed Stabilized Earth Bricks (CSEB) through creation of enterprises which produce these bricks locally, provide employment to local people and help poor families build houses by providing technical ideas and linking the customers with trained masons.

BPF provided a grant of Euro 130,000.00 to Build Up Nepal (BUN), an engineering consortium working in Nepal since 2015. BUN gets matching funds from Build Up Nepal AB svb, a private company which is based in Sweden.

BUN has used the fund for technical training, support, awareness raising, training to the engineers of local governments and business training. BUN also uses the grant to pay salary to the locally hired engineers who provide technical training and support to the entrepreneurs and the masons. BUN has covered thirty four districts (out of seventy seven) of Nepal so far with its activities and supported seventy six entrepreneurs which is sixty nine (69) percent of the project target for 2020-2021.

Relevance

The set up and strategic choices of BPF are quite relevant for achieving the mission of realising sustainable development goals through private sector development. BUN has clear understanding of the mission of BPF. BUN started off as a not-for-profit but converted into a private company for regulatory reasons. BUN through its technical support in creation of micro and small entrepreneurs in Nepal has helped generate long term sustainable jobs for poverty reduction, construct low and safe houses for low-income families and reduce emission of carbon dioxide in the environment. These outcomes have direct linkages with sustainable development goals. The indicators which the project has set for two years are consistent with the national development policies of Nepal. The fifteenth five-year plan of Nepal Government puts emphasis on *poverty reduction, employment creation, and safe and comfortable housing*²². The mostly small enterprises that are being supported, can be considered social enterprises as their set-up and business model has clear social motivations while outcomes cover benefits for people (housing for poor families, reduced migration, income), planet (eco-friendly brick production % CO2 reduction) and profit (commercial profit). The projects attract a good proportion of younger people as entrepreneur or mason. Despite some concerted efforts to raise interest among women, this has proven to be difficult to realise.

Effectiveness, sustainability and impact

Creation of enterprises, generation of long-term employment within own locality, safe and eco-friendly houses for poor families and gradual acceptance of Compressed Stabilized Earth Bricks (CSEB) by the local governments indicate that the project is realising its objectives and contributing to long term impact on poverty reduction, local development and environmental protection. Despite challenges caused by Covid 19, so far 76 enterprises have been set up through under the project (target 110) and over 550 jobs were

²² Fifteenth Plan 2019/20 – 2023/24, Government of Nepal, National Planning Commission, p.49, 53

created (target 1210). Increased demand of CSEB technology and eco-friendly housing as well as the willingness of local government to collaborate with the entrepreneurs and BUN can lead the enterprises and the outcomes being generated by them to further growth and sustainability.

The Grant of BPF has allowed BUN to strengthen sustainability, and upgrade and accelerate business operations. Thanks to the grant, BUN could organise technical training, business training, lobbying and quality control much faster and at larger scale. This will also contribute to continuing longer term demand for CSEB. At present BUN has few donors - some of them even individuals from Sweden. They do not have major donors who are assisting them for their activities. Yet, securing support from other donors might be possible given BUN's good track record so far but obviously this would have taken more time. Sustainability of the enterprises is enhanced by the adoption of CSEB in construction norms by 12 districts and interest shown by other local authorities in the technology. On the other hand, sustainability might be threatened by poor quality of produce (that lead to cracks in walls), poor maintenance of machines and lack of continued training to the masons. Hence the need of improved quality control and continuing skills training in order not to be losing the market for the entrepreneurs and/or losing Government interest in building norms.

Efficiency, TA, and local embedding

BUN has been managing the project efficiently and with good quality standard. The local entrepreneurs, however, often lack knowledge and skills to adequately manage their businesses, hence efficiency losses occur further up in the project chain. The grant from BPF and technical assistance from the Swedish partner organisation *Engineers Without Borders* have been very useful to expand the activities in western region of Nepal and provide support to entrepreneurs for smooth operation of their business. BUN with its existing staff has been supported in developing quarterly plans and budgets to implement activities and monitor the performance in the districts. Also thanks to the grant, BUN is able to develop activities for longer-term market/product promotion. BUN did not get any technical support from the BPF yet and it has not asked for any technical support from them. BUN does not have clear information on "what" kind of technical support it can ask for and "how" it can get the support from BPF. Initial enquiries by BUN were interrupted because of lock down in Nepal, and BUN did not follow up again. It depends solely on the partner EWD for technical assistance. Local embedding is part and parcel of the business model and thus sufficiently realized, also through engagement by and with local governments. Few (negative) externalities were observed apart from some loss in turnover among local cement suppliers (as some enterprises source directly from the factory).

African Drive - Benin

National consultant: Ms. Tania Attiba

African Drive is a social investment company based in Belgium that supports the creation of new businesses in Africa (starting in Benin) that are economically and socially sustainable. The first investment project resulted in the creation of Baobab Express, providing privatised public transport to thousands of passengers in Benin. Baobab Express currently employs 260 persons and is managed by a young and dynamic local entrepreneur. With the project presented to BPF, African Drive aims at creating Baobab Energie, just like Baobab Express a locally based company, which will build a new ecosystem that will use high-capacity batteries to help to improve air quality and access to electricity. The goal of Baobab Energie is to form the basis of an ecosystem in which batteries are tradable.

Baobab Energie puts a universal battery at the heart of an electrical ecosystem. The battery is rechargeable on solar energy via the built-in charger, but also via the regular electricity grid. The battery can be used for all possible 48V (like electric motorbikes) and 12V devices (like light, smartphones, computers, fridges,...) within the range of available power. With support of the BPF grant, prototypes of such batteries have been developed, 50 batteries and several applications (mopeds, fridges, radios, mobile phone charging modules, etc.) are being tested (pilot) in order to map out the exact business potential. BPF grant amount to 200,000.00 EUR, matching fund is provided by African Drive. African Drive collaborates with multiple partners, such as IMEC (Leuven based, for technological support), Made With Love (Belgian based company, supporting start-ups), Innate motion (international company supporting business development, with offices in Africa) and is looking for a local partner for batteries connection, e-motorbikes devices sale and local investor.

Relevance

African Drive fully aligns to the mission of BPF, supporting local business development that contributes to blended social value creation and that supports innovation. The start-up phase of the project is focusing on the technological innovation aspects, by developing and producing prototypes of batteries that can be charged by solar power and used for multiple purposes. In the pilot phase, the use of the battery for e-motorbikes will receive priority attention. As such, African drive would like to complement public transport in buses, provided by Baobab Express, with alternative transportation modes like e-motorbikes.

As the project still is in the development stage (prototype development and testing), not much advancement has been achieved yet in the creation of Baobab Energie. At the moment, one project member is being paid by the project to coordinate the project in Benin, to conduct a market and feasibility study and develop a business model for Baobab Energie, once it has become clear that there is potential for such a business.

The project contributes to several sustainable development goals: (1) no poverty: by facilitating access to cheaper energy; (7) affordable and clean energy: by facilitating energy to solar charged batteries that are rechargeable as an alternative for imported and expensive fossil fuels, (8) economic growth: creating Baobab Energy with the intention to create employment, (11) sustainable cities: by combatting air pollution and providing clean energy alternatives and by improving access to public transport through affordable e-motorbikes, (13) climate action.

The project aligns to national policies that support local governments to take actions regarding air pollution and to decrease green gas emissions. Moreover, according to the World Bank, more than 50% of the people in Benin has no access to electricity.

Interviewees said that the BPF fund has been a leverage to attract other investors and engage partners like Vlerick College and Humasol.

Effectiveness and sustainability

It is too early to assess the effectiveness, sustainability and potential impact of the project. The piloting phase has not finished yet. One prototype of battery has been tested and based on these results, a second prototype was developed (development phase).

The evaluation points reveal the need to conduct a good market study, including a segmentation of the clientele. Challenges were reported with regard to purchasing power of taxi-moto's (low income) and by extension, of poor and marginalised groups (people not having access to electricity). Prices have not been set yet for the purchase of the batteries or for charging the batteries. A clear business plan is not existing yet. It is understood that the development of a business plan is foreseen after the piloting phase when it becomes clear that the project can be interesting for investors (African drive and local investors). African Drive has a good reputation in Benin, because of the success of Baobab Express. But reputation alone will not be sufficient to attract (local) investors.

Efficiency, TA, local embedding, externalities

The project is still in the development phase, that is taken place mainly in Belgium. At the moment, the grant is mainly used for the research and development of the prototypes. It was noted that the development phase was confronted with some delays, which is common in innovative projects. Every innovative research has a potential risk of failure, which also justifies the limited investment so far in Benin.

It is foreseen to create a new locally owned enterprise, Baobab Energie. Some preparatory work has been done, like the engagement of two local employees that coordinate the project in Benin and that are interested to establish the local enterprise. The choice to link the enterprise to Baobab Express, by using the same brand name, seems to have been appropriate and can be a leverage for attracting other investors and for putting the new product in the market. However, contrary to the establishment of Baobab Express, Baobab Energie aims at putting a new product in the market. Marketing will become much more important so to convince potential buyers of the added value, quality and safety of the new product. Furthermore, some negative externalities need to be examined. For example, the product will come in competition with the multiple informal petrol fuel vendors.

No technical advisory support was attracted through BPF. African drive has attracted several technical assistances directly, through the collaboration with the university of Leuven, IMEC, Vlerick college and collaboration with experiences companies like Made with Love and Innate Motion that provide business development advisory support.

Ethiquable – Peru

National consultant: Daniel Rodriguez

The project "*Improving the income of family producers*" is managed through a collaborative alliance between the French²³ cooperative Ethiquable and the Belgian NGO Trias, who have been collaborating for several years. Ethiquable has extensive experience in the collection, processing and marketing of different products in the French, Spanish, German and Benelux markets. Trias is a Belgian NGO with extensive experience in strengthening the capacities of cooperatives and small enterprises of small-scale producers. In the search for new options - after working on products such as quinoa and bananas - Trias and Ethiquable explored new possibilities with other value-added products. They saw in cocoa for chocolate a motivating case for a new venture and looked for new organisations in new territories, exploring the south of Peru where cocoa production is carried out mostly by small, organised producers and in a territory with a low level of cadmium. Three key project outcomes are:

1. Improved sustainable and value-added production processes of the producers of the Alto Urubamba cooperative.
2. Commercialisation of the products in fair trade and organic niche markets.
3. Strengthening the organisational and entrepreneurial capacities of the cooperative.

BPF provided a grant of 75.000 EUR to Ethiquable. Matching fund is provided by Ethiquable (75.000 EUR). Trias is engaged as partner to provide technical capacity building services for the quality organic production of cocoa beans and their commercialisation in differentiated fair trade and organic niche markets, which have been growing steadily for years in terms of international demand.

The project aims at improving the income of cocoa and maize producing families through innovation processes in production, harvest and post-harvest, value added, social inclusion and organisational strengthening in two organisations in the Peruvian Andes: Alto Urubamba (Quillabamba province) and IMILLAY (Anta province) agricultural cooperatives, both in the department of Cusco, Peru. For the case study, the Alto Urubamba cooperative was visited. The Alto Urubamba cooperative has been in existence for more than 50 years; it has worked for many years in the coffee chain and more recently in the cocoa chain. It has about 113 members dedicated to coffee and cocoa production.

Relevance

The private sector partner of the project, Ethiquable, is promoting in alliance with the Alto Urubamba cooperative a business model with social responsibility, promoting better incomes for members and their families, sustainable agricultural practices and improving the future organisational capacities of the cooperative.

A significant link with the Sustainable Development Goals (SDGs) is perceived both in the design of the project and in its initial implementation (the evaluation took place after nine months of project implementation). As in most cases, the Alto Urubamba cooperative aims to improve the quality of life (economically, socially and culturally) of its members, ensuring better marketing channels for their products and advisory services for the production, harvesting and post-harvesting of quality products, as such contributing to SDG 8 (economic growth) and 12 (responsible production). The cooperatives are constituted by small-scale farmers of high Andean origin and of local indigenous communities (although these in smaller numbers). In both cases, these are social groups generally excluded from development

²³ Also present in Belgium and Germany

policies and therefore with limited access to services such as health, education and housing. In some of the producer groups, the participation of young people has been observed.

In terms of the environment (SDG13, climate action), the project strategy is appropriate to the fragile ecosystem of the tropical forests where it is being implemented. The project promotes agroforestry cocoa production for commercialisation in the organic market, including the promotion of diversified and resilient agriculture and adaptation to the effects of climate change.

In terms of gender equity (SDG 5), there is a significant participation of women in the activities linked mainly to cocoa farming. This is not yet the case for women's participation in the Alto Urubamba cooperative's governing bodies.

The project is aligned with the National Agrarian Policy (Supreme Decree N° 002-2016-MINAGRI) that promotes improving the income and livelihoods of agricultural producers, prioritising family farming, developing their capacities and assets, and with a sustainable use of agricultural resources in the framework of processes of increasing social and economic inclusion of the rural population, contributing to food and nutritional security.

Effectiveness and sustainability

The project is implementing an effective business model for cocoa produced by the cooperative's members, which has been working satisfactorily for the moment for all stakeholders, even in difficult times generated by the Covid 19 pandemic.

The cooperative's cocoa producers, either independently or in groups, supply the Alto Urubamba cooperative with cocoa beans. Trias provides technical assistance and training for the duration of the project, ensuring quality beans. The cooperative buys the cocoa and processes it centrally (carrying out fermentation and drying), converting the cocoa beans into dried cocoa beans, which it delivers to the Norandino Cooperative for processing into cocoa liquor for export to France to the Ethiquable Cooperative. The Alto Urubamba Cooperative and Ethiquable have previously agreed on the price and signed a contract; Norandino performs the processing service. The model is expected to be sustainable due to three important factors: Ethiquable's intention to maintain a long-term relationship as a buyer; the continuity of the technical assistance that will be financed by the cooperative through the fair trade seal award and, the projected sustained increase in demand for fine flavour cocoa and its by-products.

The most important results so far, after nine months of project implementation, are: (1) *technological* - through technological innovation (e.g. pruning techniques), cocoa production is increasing (expected to increase from 10 quintals/ha to 37 quintals/ha by the end of the project) as is the quality of the cocoa. Organic production techniques have been enhanced, that are valued by the markets they are targeting. (2) *Commercial*: farmers interviewed testified of increase in organic cocoa sales volumes, with Ethiquable as the main client and obtaining better prices (e.g. from 200 soles for a quintal to 500 soles for a quintal). (3) *Organisational*: improved financial and administrative management of the cooperative, women's participation in technological activities and in assemblies and set-up of women's committees. Other changes reported refer to the training of young leaders to prepare for the generational change needed for the sustainability of the cooperative. Interviewees pointed out to delay in the implementation of the organisational capacity building component of the cooperative, as well as a weak commitment of the cooperative's board in the management of the project. There is also a perceived need to reinforce the technical assistance component, as one person, who also has responsibilities in the organisational component, is insufficient for the high number of remote and dispersed producers.

Efficiency, TA, local embedding, externalities

The project is properly being managed, even under the difficult Covid-19 pandemic. Field trips have been restricted to the technical support so to ensure the quality of the grains for marketing. A proper M&E system has been established but has not yet delivered the first six-month report (at the time of the evaluation).

The main costs covered by the project are technical-commercial support (Trias field engineer), equipment for the production-commercial part (post-harvest equipment, cocoa guillotine, bio-factories and laboratory equipment). It also covers the costs of the organisational strengthening component (advice and training on internal management, governance, leadership and inclusion). The provision of one person in charge for both the technical and organisational components of the projects appears to be insufficient. The development of virtual training programmes (e-learning) and technological accompaniment, using remote methods such as internet and mobile telephony, should be taken into account. Efficient management of the cooperative still deserves further attention.

No extra TA support was requested from BPF as technical advisory support is being provided by Trias, the project partner. Local embedding is part and parcel of the business model of Ethiquable, who operates as a European based cooperative through partnerships with more than 48 cooperatives in 26 countries from the global south. Among the externalities reported are the fact that producers' organisations have started to train themselves, to improve their structure and functioning so to include social and environmental approaches in their work; and the enhanced respect for the fragile ecosystem (Amazon rainforests). No (negative) externalities were observed.

Scaling-up organic fertilizer production for sustainable avocado agriculture in the Southern Highlands of Tanzania . – Tanzania

National consultant: Mr. Alvin Uronu

The Tanzanian registered Guavay Company Ltd (GCL), a private for-profit fertilizer production company and the Kenya-based Kilimo Trust (KT), a non-profit facilitating organisation, jointly developed a proposal *Scaling-up organic fertilizer production for sustainable avocado agriculture*. The project objectives are:

- i. Scaling-up the annual production of organic fertilizer by Guavay Company to 1,500 MT per year.
- ii. Create a vibrant market for organic fertilizer with at least 25 SME agro-dealers while creating 90 formal jobs.
- iii. Build capacity on Good Agriculture Practices (GAP) and linking at least 1,688 smallholder avocado farmers (of which 40% women) in Njombe and Mbeya regions to rewarding markets.

The project is contributing to strengthening and positioning the avocado value chain in the Southern Highlands as a local hub of sustainably produced avocados. The GCL a lead partner had the task as a private entity to invest into scaling-up the annual production of organic fertilizer and KT had the tasks to build capacity on good agriculture practices (GAP) and create a demand for the organic fertilizer market among smallholder avocado farmers. The project is funded with a grant amounting to € 199,900 from Business Partnership Facility (BPF) and a matching fund of € 200,000 from GCL. Of the grant, Euro 49,975 is allocated to KT for the empowering the targeted farmers and creating linkages to sustainable avocado markets. The investment includes acquiring new machines and equipment, facilitating application processes to acquire international organic fertilizer certification and improvements in fertilizer marketing strategies.

Relevance

It has been evidenced that the supported project is consistent with the BPF mission and the strategies. The business model aims to enable the Guavay company to scale up production of Hakika fertiliser and generate profit from sales to avocado farmers through agro-dealers, while creating economic, social and environmental values to farmers and their communities. For this to happen, there should be continuity of production and supply by the company, knowledge and trust in the fertiliser product among farmers, availability of the product with agro-dealers in the farming area, and an ability for farmers to buy the product. The investment is expected to lead to improved productivity and access to rewarding national and international markets. If this succeeds, the avocado farmers will experience a possibly substantial increase in their income. This will improve their livelihood and is expected to have many indirect benefits for them and their families, e.g. in food security and diet, in health, in education etc. Increased application of organic fertiliser and promotion of Good Agricultural Practices (GAP) such as in integrated pest management and in soil fertility management will contribute to sustainable management of natural resource base and environmental preservation. The investment will in the nearby future lead to a factual increase in fertiliser production with a possibility not only to serve and expand markets among avocado growers but also to farmers engaged in other value chains like coffee and vanilla crops. Not only farmers might see their income increase, also agro-dealers might benefit from higher turn-over and improved income. Finally, improved livelihood among an important group of community members might bring benefits for the entire community.

Stakeholders indicate that the project has a clear link with several SDGs. These include the SDGs 1 – no poverty, 2 – zero hunger, 5 – gender equality, 8 – decent work and economic growth, and 13 – climate action. The Tanzania national development plan advocates strengthening fertilizer production by local industries, therefore, the BPF strategy and support are consistent with national development policies.

Effectiveness and sustainability

The progress so far includes:

- The GCL has initiated the procurement processes leading to acquisition of the equipment and machinery.
- The Hakika fertilizer was already certified internally. An immediate benefit of BPF support was support in acceleration of international certification which will help assure external markets. The certification for European and American markets has been recently secured and this has given a greenlight to linking targeted smallholders to the companies exporting avocados to global markets.
- KT has implemented a series of planned activities including facilitating development of avocado production manual, facilitating development of avocado cropping calendar and conducting baseline study survey.
- The Grant has enabled the GCL and KT to enter into collaboration with Local Government Authorities (Agricultural Department) to develop the GAP manual.
- Inception meetings have been organized at Njombe and Rungwe districts to introduce the project. Various stakeholders have participated. They include Local Government officers, private sector representative, agro dealers, avocado buyers and development programmes like Agro connect who are funded by EU to support agribusiness initiatives in southern highlands.
- KT have identified and conducted ToT training to 38 (15F & 23M) lead farmers who will be conducting farmer to farmers training.
- KT identified 152 locations where the demonstration plots will be established. The demonstration plots are owned by the farmers who have been selected by their respective group members.
- A multi-stakeholder platform with stockists, fertilizer producers, KT, farmers representatives has been formed in the project. Stakeholders agreed to have periodical meetings that provide an forum to share best practices, discuss any problems in farming and jointly seek remedy actions.

Challenges to be addressed include unorganized crop markets, low input credit, limited knowledge of soil fertility management and poor marketing practices in the avocado value chain.

It is still far too early to observe even indications of impact of the investment especially on social and environmental aspects.

Efficiency, TA, local embedding

Both GCL and KT have set up institutional systems that ensure effective financial and operational management as per contractual agreement. Furthermore, at the programme implementation level, KT has developed a monitoring tool to track demonstration results for the 152 (100 in Njombe and 52 Rungwe) demonstration plots of which each trained lead farmer will be provided with the tracking form to record the events and the results. The GCL and KT staff have secured the collaboration from the District local government whereby the Agriculture Extension staff is present during Training of Trainers. Their knowledge on GAP in avocados will thus be strengthened and find resonance in the extension services that they will provide to local farmers. In GCL, the senior management is composed of five personnel and among 40% are women, while operational staff is made up of 12 staff including 5 women. During the peak production which is between October to March they employ 10-15 part-time labourers, men and women.

Young entrepreneurs' partnership for enhancing Fair Trade and organic coffee value chains with small farmers (also called 3Coffee 4Export) – Rwanda

National consultant: Mr. Cyusa Mucyowiraba Leandre

Three young Rwandan coffee entrepreneurs have teamed up to address key bottlenecks in their coffee supply chains. They plan to have small coffee farmers trained and certified under Global GAP and Fair Trade (FLO) which eventually will improve their yields and income.

“The 3 coffee partners” Tropic Coffee Ltd, Green Mountain Arabica Coffee Ltd and Woman Coffee Extension Ltd have received a grant from BPF amounting to € 199,479 to help them achieve their goals. From Jan 2020 the 3 coffee partners have been operating under a total budget of € 408,258 with € 199,479 as a grant from the Business Partnership Facility (BPF). The grant is mainly for the financing of farmer-related activities such as farmer mobilization, training, inspections, and audits for the organic and Fair-Trade certification (€ 107,849), installation of wastewater treatment at coffee station (€ 44,100) and staff training certification at the company level, and events (€ 47,530). The partners contribute € 105,252 towards the hardware costs, each will also contribute € 30,000 from their own resources for different operational activities.

The project was built on 4 milestones as follows: First, organize farmers into cooperatives and increase coffee production through capacity building, secondly, improve infrastructure at processing units to improve quality of the processed coffee, thirdly, increase sales of certified coffee and so improve farm income, finally, initiate farmer social enterprises to keep focusing on the farmers social life transformation.

Envisaged of the projects results are :

- Improved productivity of 3,000 small farmers (65% women) with 50% and improved income with €499 per year based on 0.1 ha average plot size per farm.
- Six coffee cooperatives strengthening their business and financial management.
- Three washing stations (capacity 400 tons per year) equipped to meet the Fair Trade and organic standard requirements.
- Export of 385 tons of Fair Trade / organic certified coffee with a total revenue of € 1.8million
- Working together with 816 coffee farmers, the tree partners planted 75,621 indigenous trees.

The 3 coffee partners have done rehabilitation works at processing units such as warehouse renovation, they built 210 drying tables; and installed 1 wastewater treatment unit for environmental protection. All those activities were done purposely to improve the quality of processed coffee for the market. Members of cooperatives have benefited from provision of goats, sheep, and chicken. Jobs for young enumerators were created to work on survey and registrations. In partnership with local government, some infrastructures were rehabilitated and payment of health insurance were introduced for the communities.

Relevance

The set up and strategic choices of BPF are quite relevant for realizing sustainable development goals through private sector development. The three coffee partners have clear understanding of the mission of BPF that promotes and involves the private sector. The 3 coffee partners play an important role in their communities. With the grant and matching fund they received, there came a boost of activities in terms of trainings, extension, and economic growth, and last but not least a repositioning of their brands. Representative of all three companies confirmed that benefiting from the grant was a big step for them to hire more people, to work on the quality of coffee and contribute to strengthening the local community. The new wastewater plant provides safe treatment of wastewater from the coffee washing station.

Intreated wastewater no longer pollutes neighbouring areas. Natural traditional trees were planted on each site to preserve the environment. Through adhering to good agricultural practices, the project supports climate-smart interventions on smallholder farms (eg. mulching, agroforestry), improving soil fertility, pest and disease management and farmer resilience for climate change. Improved return from coffee indirectly helped farming families to pay school fees for children, medical insurance and purchase domestic animals such as goats, sheep, pigs and chicken.

With its multi-faceted approach, the project contributes to SDG 1 (No poverty); SDG 2.3 (productivity and income of small farmers) and SDG 2.4.(Agricultural resilience); SDG 5 Gender Equality; SDG 8 (Decent work and economic growth); and SDG 15 (Life on land). Indirect benefits may have contributed to realising other SDGs related to health, education and habitat.

Effectiveness, sustainability and impact

The project effectively created benefits for smallholder coffee growers. They have been trained in 2020 on coffee planting, weeding, pruning, mulching, fertilizer and pesticide application and harvesting practices. In total 2476 coffee farmers have been engaged in certification process for UTZ and Organic. 1525 farmers were able to get UTZ certificate and sold 4 containers of certified coffee; while 951 were able to get organic certificate and sold 1 certified container. Farmers working with the project were able to get income (indicatively doubling to tripling the return from one Kg of coffee) from 5 certified containers.

Other major outcomes of the project are creation of enterprises, generation of long-term employment within own locality, and establishment of safe and eco-friendly coffee washing stations.

Moreover, the coffee partners identified and strengthened two existing cooperatives. The latter received training on different subjects such as cooperative management and organisation. These cooperatives have a membership of 188 coffee farmers located in South (Koabaka Murehe) and Western Province of Rwanda (Kopikuga). All these coops registered with Rwanda Cooperative Agency. Another 3 cooperatives have been created upon initiative of the farmers themselves and are in the process of being registered legally. Those cooperatives help their members in their daily coffee farming activities in order to increase coffee production and income.

The project is realizing its objectives and contributing to long term impact on poverty reduction, local development, and environmental protection. Introduction of international standards on coffee production and treatment and product certification creates added value to their products and the market and is contributing to the sustainability of the farmers cooperatives.

Efficiency, TA and local embedding

The project is strongly embedded in local communities as it works exclusively through the local cooperatives that are owned and managed by the farmers. In addition the project has deployed a number of community-based initiatives such as on livestock promotion, health insurance and contribution to public infrastructure.

The 3 coffee partners together with cooperative leaders organise farmers through manageable trained groups of 30 to 35 farmers. Each farmer group chooses a nearest coffee plot where the three coffee partners staff join them for trainings. Tropic Coffee, Green Mountain Coffee and Women Coffee Extension developed a framework. The project partners have signed a Memorandum of

Understanding, defining the framework for collaboration. So, while some activities are being implemented separately, the partners aim to achieve efficiencies and synergies through a joint approach to technical training, certification, marketing and export. For monitoring the project progress in a uniform way, each

company has an accounting system and a farmer registration system that delivers most of the data for the reporting.

The project results will be monitored at the farmer (cooperative) and at the company level using KPI related to that

- number of small farmers (M/F) that were trained and who obtained certification on Global GAP, Fair Trade certification and / or organic certification
- number of farmers effectively implementing good agricultural practices
- Yield increase achieved and additional income generated by small farmers (M/F)
- Quantity of coffee purchased by coops from small farmers and sold

6.3.2. Reflections on effectiveness, sustainability and impact of projects

The following reflections are based on three elements of research

- i. the major source of information and inspiration were the 5 case studies
- ii. a quick cross-sectional scan of 14 out of 29 approved projects (including the 5 cases) for which at least one progress report was released at the time of research. The scan covered the original application and the progress report and was done for a set of project-related aspects / keywords.
- iii. observations in interviews by the BPF coordinator and the senior coordinator international programmes at KBF.

On a cautionary note: the case study selection was not a truly representative sample of the entire portfolio and the cross-sectional scan consisted of a rapid and rather superficial appraisal of the original project proposals and one single annual report for roughly half of the ongoing approved (the other half did not yet release its first annual progress report). It must therefore be noted that findings from these 3 research elements as presented in following sections mainly serve to inform the assessment of the portfolio in general terms. Conclusions should **not** be interpreted as the outcome of a fully comprehensive analysis and assessment of the complete set of projects.

Effectiveness - strengthening private sector contribution to SDGs

Generally speaking, the projects set out clear targets in terms of envisaged outputs and to a differing extent also envisaged outcomes. The specified outputs were generally fairly concrete in nature and mostly concern outputs directly generated by the business activity e.g. yield increase with Guavay (Tanzania), increase in production volumes with GNI or GTAI (Ethiopia), sales volume with Rugofarm (Burundi), processing volumes as with Galler (Ivory Coast), people employed at processing / washing stations with Tropic Coffee (Rwanda), hardware installed or constructed as with Coldhubs (Nigeria), number of SMEs established by BUN (Nepal) or number of community bakeries installed (Zimbabwe). Outputs were also well specified for the supporting (service) delivery by the partners, especially in case of a NGO partner, e.g technical advice and extension services in projects in agricultural sector.

In its communications and regulations, it is stipulated that BPF-funded projects are expected to demonstrate social impact and economic viability. The communication further stipulates that social impact (with a view to contribute to the SDGs) can be:

- Creation and maintenance of decent jobs,
- Improvement in average income for low-income families,
- Accessibility of affordable goods and services,
- Inclusion and economic development of women and young people,

- Positive impact on the environment through saving resources, reducing emissions and/or preserving biodiversity,

In terms of economic viability, the projects are expected to:

- Become sustainable
- Show competitive financial performance
- Show signs of scalability and replication potential

Scanning through the proposals. It is observed that the envisaged outcomes in many cases focus on income generation from increased production or processing, or new job creation. Obviously, (as this is a requirement) all proposals specify linkages to specific SDGs to which the investment is expected to contribute. In all cases, the most obvious connections emerge from expected outcomes in terms of increased income and job creation, claiming linkages to SDG 1 No Poverty; SDG2 Zero Hunger and SDG 8: Decent work and economic growth. Many projects have environmental dimensions or expect direct or indirect outcomes related to environment or addressing climate change related challenges especially so in the sectors of food & agricultural, renewable energy and recycling. They understandably assume to impact on SDG 7: Affordable and clean energy; SDG 9: Industry, Innovation and Infrastructure and SDG 13: Climate action. Finally about half of the scanned projects indicate to pay specific attention to social and economic position of women (and youth) implying a link to SDG 5: Gender Equality.

The business models mostly specify, quantify and monetise the economic value propositions, but seldom or not the social or environmental values that the investment is expected to create. Projects that have a not-for-profit partner like Ethiquable (Peru) have in general (but not as a rule!) tried to capture non-economic value creation in qualitative terms, but again seldom or not in quantitative let alone monetary terms. Presumably, there is limited knowledge and expertise on social impact assessment methods among the stakeholders that would allow them to develop impact models that can capture and present blended value creation in quantitative / monetary terms e.g. such as the use of Social Return of Investment. Admittedly, many of these methods are complex and one may not expect such capabilities to be wide-spread among non-profit practitioners (like staff of NGOs or coops) or private sector actors. The challenge would be to explore “user-friendly” approaches and methods to capture and present blended value creation in (social) business development (i.e. SROI-like approach to social impact assessment²⁴)

As indicated in the limitation to this study, most projects are still in an early stage of implementation and developments in outcomes are as yet difficult to perceive and capture. What could be captured were often aspects of the dynamics and progress in establishment of the envisaged business features, be it the introduction of improved cultivation practices through GAP or certification schemes as in Guavay (Tanzania) or Tropic Coffee (Rwanda), construction of infrastructure of establishment of improved machinery as in Coldhubs (Nigeria) or GTAI (Ethiopia), or the introduction of new technology as in Farmerline (Ghana), but also *soft features* emerging from capacity building and or technical advisory services such as with Ethiquable (Peru), GNI (Nepal) or Rugofarm (Burundi).

Unexpectedly, **Covid** became the elephant in the room that set back many of the projects as covid-related restrictions hampered operations and progress in each and every project. Major setbacks were caused by restrictions on movements of people and goods, ban on face-to-face meetings, obstacles in service delivery like in training or agricultural extensions, ban on international travel impeding partners to deliver technical or managerial support in start-up activities, and so on. Nevertheless, many projects tried to find

²⁴ SocialvalueUK.org (professional body for social value assessments)

ways around the restrictions e.g. with distant communication technology. Often however, this could not prevent drawbacks and delays in implementation.

Economic viability and sustainability

In the original project proposals, most projects (case studies and quick scan) sustainability is generally – and quite logically so – linked to the commercial performance and viability of the enterprise. Some of the companies like Guavay (Tanzania) and Ethiquable (Peru) are well established, and can build on their own extensive track record and experience e.g. in other markets or with similar products and services to ensure that the BPF supported investment will sustain. A similar observation is that projects seeking to invest in well-established value chains and markets and/or in upgrading through existing certification schemes, like Guavay (Tanzania), Tropic Coffee (Rwanda), GNI (Nepal) or Wakapou (Benin) can “borrow” existing - often long-standing - expertise and know-how from other actors in the sector to develop and roll out a viable business model.

Ensuring sustainability is more challenging for projects that invest in innovative technology or approaches like African Drive in Benin, innovative value propositions like CSEB bricks in Nepal or that explore as yet relatively unknown market segments or marketing strategies like Congetrix in Zimbabwe. For such truly innovative business models, the grant element in BPF is thus of greater “value”, say more functional and more beneficial than for projects in upscaling. Grants indeed create space and opportunity for exploration and experimentation in a business environment that carries considerable risks and uncertainties. In relation to grants: stakeholders in the 5 cases and respondents in the e-survey confirm that the opportunity to access non-refundable capital for investment is an important incentive as it eases the burden on equity financing and allows faster returns on investment (less burden of pay-back on loans).

Role of the not-for-profit partners

This section builds further upon a related section (6.1) where observations and findings from the interviews at BPF level about the not-for-profit partners were presented. Here we quickly zoom in on the findings of the cases studies and especially the quick scan.

In practice, with a single exception, all projects (that were subject to in-depth case study or quick cross-sectional scan) have a not-for-profit actor /partner who is either an international or local NGO / CSO (around 50%), an academic / knowledge / technical institute (around 20%) or a member-based organisation or cooperative (about 25%).

The roles that they are playing are mainly one of more of the following:

- Contribute to the inclusivity of the project by reaching out and connecting to women, youth, poor people, marginalised groups, and so on
- Strengthening capacities and providing advisory and coaching services to stakeholders in the projects such as smallholder farmers, micro-entrepreneurs or labourers
- Contributing knowledge and know-how and/or contextualising this knowledge and know-how in local project-based applications,

Often, the grant or at least part thereof is used to fund the interventions of the not-for-profit actor or partner (this does not refer to a possible role as supplier in case of – for instance – a farmers’ cooperative). As grants are of a temporary nature, one hopes / expects that as the business matures over time, the funding of such supporting interventions will increasingly be generated from the business itself. As it is argued in earlier section on sustainability, longer term viability indeed implies that the company should be able to cover the such expenses from recurrent business revenues or may not need the NGO support any longer.

Additionality

Of the 5 cases studies,

- African Drive (Benin) has a strong focus on innovation, introducing electric motorbikes, experimenting with technology and investing in the development of prototypes of batteries.
- BUN (Nepal) has introduced an innovative technology of brick making. The BPF project is aimed at upscaling as the technology past its infancy and may face some challenges e.g. with quality control of constructions (houses), management of the micro & small construction companies and skills training of the masons,
- Tropic Coffee (Rwanda) is all about upscaling admittedly in combination with innovation (for the coffee farmers) in terms of certification (UTZ & organic)
- Guavay (Tanzania) is introducing a new organic fertiliser product with support of BPF but the company itself is a well-established actor in the market, so here again the project is rather on upscaling (and an accelerator for the new product)
- Ethiquable (Peru) finally is more of a NGO-ish investment in a Cooperative that is supporting smallholder farmers and link them to fair trade and organic markets for cocoa.

In four out of five cases visited, BPF grant was used for upscaling (new) products, technologies or services. The quick scan of 14 approved projects yields a similar picture. Many projects are either about upscaling of a (possibly innovative) technology, product or service or – in the agro-food sectors – about introduction with farmers of improved cultivation practices often in combination with introduction and roll-out of certification schemes and/or local value addition through introduction or upscaling of processing facilities. There are now relatively few projects where innovation is really and predominantly at the core of the investment. Examples of such outstandingly innovative ventures are African Drive-Benin (in its technology) and Congretix-Zimbabwe (in its approach). In the original design of BPF²⁵, the scheme was aimed at promoting product and service innovation contributing to SDGs. In practice, not many projects invest in the development of innovative products or services but more often than not BPF-supported investments serve to promote or up-scale innovative products and services.

Appraising the various documents, guidelines and reports of BPF, it was found that

- (1) a clear definition of the term innovation is lacking,
- (2) as a result, the innovation criterion was difficult to assess and an intuitive approach is therefore used to assess innovation the selection process,
- (3) the original mandate of BPF²⁶ puts emphasis on the promotion of innovation while in practice it seems that often projects concern more up-scaling than innovation.

In the earlier chapter on relevance, it was also argued that the grants element in the BPF modality is particularly suited to support innovation as investors are often more hesitant to extend loans to highly innovative projects (risk aversion). In that sense, innovation could be considered to be the preferred (but not necessarily sole) focus and niche for a facility like BPF.

²⁵ – see the text of the agreement between the Ministry and KBF –

²⁶ In the original *accord* between the Ministry and KBF it was stated that BPF supported partnerships are meant to serve *product or service innovation* specifically contributing to SDGs.

Local embeddedness

Reportedly, local embeddedness is increasingly given appreciation in the selection process especially so in the final round²⁷. This is in line with the stated ambition and vision of the BPF to support development and realisation of SDGs in the South. An implicit assumption behind the BPF is that a partnership with a southern based business or non-profit actor has more guarantees for local embeddedness. While the participation of a “Northern” partner should in principle not be a hindrance for robust local embeddedness, it seems plausible that projects that engage with local (or regional) partners may more easily and strongly connect to the local reality.

Two out of the five cases namely Guavay in Tanzania and Tropic in Rwanda have a Southern partnership constellation and are – if by the mere nature and features of the project actors – well integrated in the local economy. The study however could not provide robust evidence that these two projects indeed perform better in terms of contextualised dynamics and local multiplier effects than projects with North-South partnership.

In the case study of Ethiquable (Peru), it was found that if the for-profit entity partners with a local member-based organisation such as a farmer cooperative, this might be a trigger for a broad-based local embeddedness that connects the business (and the cooperative) to local stakeholders such as local government and local service providers. The case of Trias and Ethiquable in Peru shows that such a combination of Northern partner with Southern (cooperative-like) partner can indeed be a successful formula for local embedding of the project.

A similar consideration may be valid for the Coops-GNI (Nepal), Yeyasso Coop-Galler (Ivory Coast) and Tunado-Trias (Uganda) partnerships (not proven though as these were not assessed in detail).

GTAI (Ethiopia) and Coldhubs (Nigeria) might be interesting examples of a combination of local (Southern) and Northern partnership supporting the business development whereby managerial and technological inputs and know-how from the North are ‘enriched’ and contextualised by Southern (academic or other) partners and thus integrated in the business model. This creates opportunities for higher-level learning loops for both Northern and Southern actors. African Drive (Benin) might – as yet – be less embedded in the local economy and community but given (Covid-related) delays in implementation, it is too early to assess whether and how the business will succeed in a more contextualised setting and model.

BUN (Nepal), finally, has an interesting perspective of embeddedness having supported the establishment of (so far 75+) local micro and small enterprises, creating 500+ new jobs for local people, and having local authorities increasingly interested in adopting the CSEB in construction norms which may well lead to a multiplier effect in the stated outcomes.

A question that was difficult to assess at this early stage is whether the projects are also triggering local development dynamics beyond the immediate sphere of influence of the project. None of the cases that were studied or scanned had hard evidence of such effects. Notable exceptions were projects such as BUN (Nepal) whereby *igniting* and fostering small local economic initiatives – like the micro and small construction companies – are indeed at the very heart of the business model and thus a core objective of the project itself. Nevertheless, many- if not most – project holders have firm hopes that in the longer run, their project and business will indeed trigger such new local dynamics.

²⁷ An observation / conclusion based on interviews with jury members

Therefore, generally speaking, the 16 projects that were assessed (in-depth or quick scan) perform fairly well in terms of local embeddedness. In that sense, BPF has clearly been able to realise its objectives. Achievements in this respect are very much linked to the professional and personal determination and enthusiasm of partners, whether north or south, to co-create a viable (social) business model and establish a true level-playing field in the realisation and implementation of the business model.

Impact

As stated in earlier section (limitations): the short time span of the BPF-supported investments implies that longer term effects of BPF could not yet be captured. It was too early in the programme's lifetime to assess changes which projects may have triggered in transversal areas such as youth and gender inclusion and economic empowerment, environmental sustainability or resilience in the face of climate change.

Efficiency

Organisational efficiency at project level: National evaluators of the 5 cases have carried out light touch on-the-spot check of management practices in the project. No irregularities or major deficiencies were found and even though contextual improvements and efficiency gains would certainly be possible in some of the projects. Identifying and assessing such potential issues, however, was beyond the mandate and scope (time, resources) of the evaluation (no audit).

Project efficiency concerns the relationship between the effects (outcomes & impacts) of an intervention and (the value of) resources used to produce these effects. It is hardly possible to assess efficiency at project level at this stage as in most projects, effects still have to materialise at outcome level, let alone for impact. Given the focus on blended value creation, establishing efficiency may require impact assessment approaches and methods that enable capturing social and environmental value creation and integrate such assessment with the 'normal' financial cost-benefit analysis. It is suggested to carry out a cost-benefit assessment of blended-value creation of a few projects in the context of the final evaluation.

7. Conclusions and recommendations

BPF has proven to be an appropriate and relevant instrument to grant financial support for private sector involvement contributing to the Sustainable Development Goals (SDGs) in developing countries. It has thus succeeded in realising its overall objective. At the same time, some core features of the model have not been spelled out very clearly, creating some doubt about the exact features of the mechanisms and investments models that were supposed to realise this (SDG) objective. This, in its turn, made application of (some) selection criteria more difficult and prone to different interpretations by the actors involved (applicants, KBF, DGD, Jury).

BPF is a successful model that is responding to a clear need and interest of private sector as shown by its enormous success. Strategic choices will be needed to reduce the number of applicants.

I : Private sector development (PSD) or private sector for development (PS4D)

Differentiating between PSD and PS4D (see definitions on page 19) is not trivial but has consequences for the type of enterprise that BPF is (or is supposed to be) targeting. BPF is now serving projects in both 'sectors'. According to the evaluators, relevance of BPF is to be ascertained by a strong focus on Private Sector for Development. This is realised through blended value creation not only in terms of outcomes (value propositions), but equally and essentially so also through unique features in the business model itself, e.g. related to business practices in responsible sourcing, human resource management, green technology, fair trade, et cetera. Blended value creation is reflected in most BPF projects primarily in the (actual or expected) outcomes. Few examples were found where social value creation is also inherent to and explicitly embedded in the business model.

When looking at different types of business models, the definitions used by the evaluators are presented below.²⁸

Description of different types of enterprises

- **Business + strong CSR** – a management concept whereby traditional profit-oriented companies integrate social and environmental concerns in their business strategies and operations, and interactions with their stakeholders.
- **Social value creation** – enterprise situated in the profit sector, when economic value is created in such a way that society benefits as well. A win-win situation with shareholder value creation and societal impact but in case of friction, shareholders win
- **Social business** – the realisation of social, environmental and political / institutional change is the main objective of the business. Focus is on blended value creation in a commercially and financially sustainable manner.
- **Social enterprise** works mostly on the basis of a blended finance sources, e.g. commercial profit, subsidies, social capital, donations, etc. They focus their activities and spend possible profits entirely on a social goal.

The enterprises that BPF is reaching are situated in the range between Social Enterprises (mixed funding models) over Social Businesses to Social Value Creation, and extending to commercial businesses with strong CSR. All these models are relevant and functional in contributing to SDGs but the consultants are of

²⁸ Van der Velden F. (2014) and www.unido.org

the opinion that ODA funding primarily should support PS4D as this involves not only the creation of positive impact in terms of development outcomes but also supporting business models that are adapted beyond regular settings and practices in pursuit of development goals, which is typically covered by business typologies from social enterprise over social business to shared value creation. Moreover, additionality of the BFP grant seems to be the strongest for social businesses, medium for social enterprises and shared value creation, low for businesses with strong CSR and MFIs. Furthermore, if the private sector feature is taken literally, some social enterprises (like partly-subsidised cooperatives) may not fit the pure PS4D label. The grant element of BFP can be an incentive to move up the typology latter towards more commercially self-sustained blended value creation (thus working one's way up from social enterprise towards social value creation).

BFP also aims at supporting the so-called 'missing middle' to contribute to sustainable development. In terms of targeting, certain features of the process such as the minimum grant amount of € 50,000 and the complex ESG screening hamper (if not block) chances for micro and small enterprises to be awarded a grant. As a result, applicants that make it through the preselection are by and large medium-sized companies. The present practice that the facility mainly serves medium-sized enterprises can be accepted and consolidated. Therefore the 50,000 to 200,000 grant range can be maintained.

Recommendations:

1. By preference, BFP will be targeting for-profit entities in the spectre between social business and social value creation. BFP support can act as a leverage for a social business to develop towards social value creation (moving up the typology curve).
2. Blended Value Creation (PPP) must be perceptible and explicated in the business model as well as in the outcomes that the business creates. BFP will seek to select projects whereby the business model is adapted in pursuit of development goals and thus different from 'normal' business.
3. It should not be the grant element that creates blended value, but rather the business model. The 'Grant' element will serve innovation (as stated as a priority in the current agreement between the ministry and KBF) or initial deployment and establishment of such adapted business features (or both).

To **illustrate** the point – possible business model adaptations could be

- To employ men and women that have fewer employment opportunities in strict commercial settings implying (initially) lower efficiency, higher cost for training and coaching, more staff needed to compensate for lower efficiency, extra expenses for adapted utensils and tools, etc.
- To source from marginal areas further away or more difficult to reach than other possible supply areas
- To use environmentally-friendly technology that is more expensive in acquisition and use technology used by competitors,
- To invest purposely and at extra cost in advanced measures to reduce pollution or organise waste management over and beyond the minimum legal requirements

II : Funding modalities

The funding modality of BPF, being the non-refundable grant with a matching fund from a partner serves the overall objective and strategy of the facility well. It is functional and is appreciated by grantees. It is an appropriate approach also in view of effectiveness of the modality.

Grants are very useful and relevant for supporting innovation (to cover risks) but also in allowing enterprises to adjust business model and practices to more strongly embed blended value creation, at least in an initial (start-up) phase of this transition. So far, the grants have been a leverage mainly for upscaling of (mostly) medium-sized companies. Many projects are either about upscaling of a (possibly innovative) technology, product or service or – in the agro-food sectors – about introduction of improved farming practices often in combination with introduction and roll-out of certification schemes and/or local value addition through introduction or upscaling of processing facilities. There are now relatively few projects where innovation is really and predominantly at the core of the investment.

Finally, partnership with a not-for-profit entity is relevant and useful, but not necessarily essential or decisive as companies that foster social value creation may also be able to perform similar roles. Nevertheless, partnering with a non-profit remains the preferred option e.g. for contributing to inclusivity, strengthening capacities, providing advisory and coaching services to stakeholders and/or contributing and contextualising knowledge and know-how.

Recommendations:

4. The combination grant and matching fund should be maintained. Allowing other financing modalities with more of a multiplier or revolving effect might in principle be possible but this is not a preferred option for reasons of effectiveness and efficiency.
5. In principle, partnering with a non-profit partner remains the preferred option but other options might be considered.
6. The preference given to innovation is already integrated in the BPF modalities, although not many truly innovative projects could be attracted yet. Priority should be given to awarding projects with truly innovative features in the proposed investment that are relevant to PS4D e.g. in technology, business operations, outcomes or other features.

III : Application and selection process

The sheer number of rejected applications is a waste of resources (time, energy, possibly financial) for applicants (in North and South) and puts an increasingly heavy burden on KBF and DGD. It also threatens accurateness and quality of the selection process. There is an urgent need to halt the rising trend in applications and set mechanisms in motion that will reduce the number of applications drastically. Narrowing the scope of the facility can result in a decrease in number of applications, which should be guided by a set of clear strategic choices for the BPF (see also conclusions I).

Recommendation:

7. Targeting at more narrow range of enterprises, with a focus on social businesses and social value creation (see above)
8. Other strategies to decrease the number of applicants may be narrowing the thematic and/or geographic scope.

9. Reduce the number of selection criteria and replace the present list of 10 by fewer selection criteria that thoroughly reflect the strategic choices. (see box)

Proposal for revision of selection criteria

Abolish use of existing 10 selection criteria.

Selection to be based on the following 2+1 'aspects' that must be presented in the proposal:

1. What features of the business model give rise to blended value creation and how?
2. How blended value creation is realised in outcomes and impact of the business ?

The jury will score each aspect in a range 1 *not realised* to 5 *exceptionally well realised*

Extra *bonus points* are rewarded to

3. Truly innovative features in the proposed investment that are relevant to PS4D e.g. in technology, business operations, outcomes or other features.

Proposed scoring for innovation from 0 no particular innovative features to 3 highly innovative (and relevant in PS4D context)

For the application and selection process, the consultants propose to make use of the business canvas model, as this obliges to be explicit on the features of blended value creation both in the business model itself as in the outcome, and which includes a sound financial business plan to ascertain economic viability of the business. During the selection processes (after the eligibility check), the quality of the business canvas model will be assessed as suggested in the above: scoring in a range of 1 to 5 on two criteria (instead of scoring on 10 current evaluation criteria) + innovation. Several of the current evaluation criteria are embedded in the business canvas model.

Suggestion for application format

It is proposed to ask applicants to make use in their proposal of a **(Social) Business Model**

Canvas (see annex) that is adapted from the *regular* format in featuring

- Value propositions – not only economic/commercial but also social and environmental value proposition (= outcome)
- Resources and costs: include financial and non-financial resources (i.e. specific target groups among employees, technologies used, etc.) –
- Other model features (in other cells of the canvas, like key activities, channels, social & environmental costs and benefits) that are distinct from 'regular' businesses, in pursuit of blended value creation
- Positive and negative externalities that may arise from the business

The canvas must be presented together with a concise narrative elaborating on the said distinguishing features of the model.

The application and selection procedure is generally relevant and efficient (light and no heavy bureaucratic assessment procedures). Appropriate processes, with sufficient checks and balances, have been established to guarantee objectivity, triangulation and internal control in the selection procedure. The organic deliberation process contributes to efficiency but at the same time compromises the level of transparency (i.e. communication on scoring and decisions) towards applicants but also to external stakeholders. Little use is made of the outcome of ESG screening while it is an expensive exercise, thus raising questions about its value for money.

Recommendation:

10. Improve communication of the results of the selection process to the applicants and external stakeholders (mainly related to the non-selection of the preselected projects). The challenge will be to (1) find a good balance between heavy bureaucratic procedures and rigid procedures; and the present organic way of working; and (2) take into account the workload of all people involved in the selection process on the one hand, and the accountability and learning needs on the other hand. The application of less evaluation criteria (see recommendation 9) and a reduced amount of project proposals might already be an answer to the workload challenge in informing non-selected projects. An alternative might be to explicitly add the contact persons where information can be obtained about non-selection.
11. Consider adopting a lighter, less costly but still formal ESG screening standard that serves only purposes that the screening is used for at the moment (plant red flags). Ecovadis seems to be preferred above Sedex as their approach is more robust and adapted to the characteristic of the BPF target group. The type of services provided by Ecovadis can be renegotiated (option for a light screening?).

IV : Management system

The management system that was developed by KBF is efficient (at a very moderate cost) with clear regulations and procedures for applying, selecting and managing the projects. KBF is well positioned to manage a facility like the BPF. Two observations were made by the evaluators: (1) while reporting by project holders is somewhat inconsistent in terms of quality and content, relatively little time is or can be spent by the BPF coordinator KBF in follow-up on the progress reporting (enhancing its quality, by asking detailed questions and missing information), (2) similarly there is no true learning happening at portfolio level even though the BPF coordinator must have gathered a wealth of potential learning experiences in her day-to-day management of and communication with projects. There is demand from grantees for more exchange to gain knowledge and know-how among stakeholders in areas such as social impact assessment, business development for blended value creation, and business planning.

The way the TA modality is currently organised is not efficient (cumbersome process, unclarity in procedure, lack of free choice). As a result, TA resources remain largely untapped.

Reporting requirements are light and flexible. Presently used KPIs may not be the most relevant to monitor for all types of projects (start-ups, innovation, scaling-up). The 'light' accountability system puts the BPF coordinator in a position of a 'partner or supporter' rather than one of a 'controller'. These choices are legitimate for keeping the overhead of the facility small. Sufficient checks and balances are provided to meet minimum requirements for good management of public funds.

Recommendations:

12. Adjust the present modality and regulations in order to allow allocation of TA-budget in the project proposal over and above the permissible 200,000 euro with a maximum of 10,000 euro. Project can seek TA locally or elsewhere. KBF will point out the option of seeking support from Enabel's expert roster.
13. Improve communication and public accountability of the facility in general.
14. In order to support exchange of knowledge, experiences and ideas and to foster learning (as foreseen in the current agreement between the ministry and KBF), specific time need to be allocated to that end in the BPF-budget. A learning trajectory on social value creation in business development might be relevant.²⁹ Collaboration can be looked for with Chambers of Commerce in countries with presence of several grantees. Suggestion: employ part-time staff for communication and learning, using (part of) unspent TA budget.
15. Revisit set of KPIs and identify KPIs that enable monitoring of the (partly revised) strategic features of the BPF, like innovation, types of businesses supported, upscaling or acceleration of business activities, making businesses investment ready, etc .
16. Be more stringent in monitoring and reporting requirements. Monitoring and reporting should specifically address issues of blended value creation in business model and in outcomes, inclusivity and innovation.
17. Given the focus on blended value creation, establishing efficiency may require impact assessment approaches and methods that enable capturing social and environmental value creation and integrate such assessment with the 'normal' financial cost-benefit analysis. It is suggested to carry out a cost-benefit assessment of blended-value creation of a few projects in the context of the final evaluation. Such assessments might also be conducive for attracting social investors.

²⁹ The need to learn and exchange of ideas and experiences is also voiced by private sector actors, as confirmed by the e-survey. Also, there exist several examples of learning networks among private sector actors (like the Social Impact house and the Innovatiefabriek, both situated in Brussels), initiatives of Chambers of Commerce, etc.

Annexes

Annex 1 - ToR of the Mid-term Evaluation

BUSINESS PARTNERSHIP FACILITY (BPF) « ENTERPRISES FOR SDGS » TERMS OF REFERENCE FOR THE MID-TERM EXTERNAL EVALUATION

February 2021

Context

The Business Partnership Facility (BPF) provides grants to support and develop private sector involvement in achieving the Sustainable Development Goals (SDGs) in developing countries. During 5 years we will select projects in the context of the '[Business Partnership Facility](#)'.

The BPF is initiated and funded by the [Directorate-General for Development Cooperation and Humanitarian Aid](#) (DGD) of the Belgian Ministry for Foreign Affairs. The operational management of the BPF is entrusted to the [King Baudouin Foundation](#) (KBF), a Brussels-based public benefit foundation, under the Belgian law. Its mission is to contribute to a better society. The Foundation is an actor for change and innovation, serving the public interest and increasing social cohesion.

The BPF was created to stimulate private sector involvement in achieving the SDGs in developing countries. The main goal is a positive effect on the development in developing countries and in order for this impact to be sustainable, only viable business projects are eligible.

To formalize this assignment a royal decree (November 18, 2018) was published, and DGD and KBF signed an agreement in December 2018.

At the time of drawing up these Terms of Reference, 29 projects got a BPF grant for a total of €4.825.788. These projects are located in 19 countries (24 in Africa, 3 in Asia and 2 in Latin America).

Mission

With the results of this mid-term evaluation, we mainly want to learn lessons to improve the remaining BPF selections.

The main goal of the evaluation is:

- To answer the question: Is the BPF the right tool to foster the development of the Micro-, Small and Medium Enterprises (MSMEs), part of the so-called "missing-middle" allowing private sector involvement in achieving the SDGs?
- To make recommendations to improve the management of the program in order to reach the objective
- To improve the BPF to get a bigger impact on development/on the SDGs

The evaluation will be carried out at different levels:

1. Management of the BPF by the KBF
2. Portfolio of the BPF
3. BPF-supported projects and final beneficiaries

Management of BPF by the KBF:

- Is the mission of the BPF clear?
- Is the strategy implemented by the KBF the best strategy to achieve the mission?
- Is the organization in line with this strategy?
- Is the communication to all stakeholders adequate and effective?
- Is the selection procedure appropriate?

- Does the KBF have the right capacities (resources, network,...) to manage the BPF?
- What should change in the KBF management in order to improve the impact on development/on the SDGs?
- Do the financial audits of the KBF and KBF's annual financial report to the DGD make it possible to meet the minimum requirements for the good management of public funds?

Portfolio of BPF:

- Is the outcome and impact of the current BPF portfolio going into the right direction in line with the strategy and objectives of BPF?
- Is the portfolio well managed and are the individual projects properly monitored and supervised by the KBF?
- What should change in the portfolio management in order to improve the impact on development/on the SDGs?

BPF-supported projects (grantees):

Field visits to at least 5 projects should be performed.

- What is the impact of the selected BPF projects on development/ on the SDGs? A special attention should be given to the gender equality, inclusiveness, the environmental impact and social responsibility.
- Are the selected BPF projects economically viable and do they have the potential to become self-sustainable?
- What is the relevance, efficiency, effectiveness, impact and sustainability of the projects?
- To what extent has the grant bootstrapped the project? In other words, would the project not have been carried out without the grant or did the grant shorten the timeline or increased the scope of the project? Described how the grant achieved this.
- Has the company appealed to local initiatives to support their project?
- Is the self-reporting by the beneficiaries on the financial situation of the project sufficient?
- Is the self-reporting on the impact of the projects on SDGs sufficient?
- Does the selected BPF projects have a negative impact on certain aspects (unfair competition, local supply chain, environment, inequality,...)?
- In what way has BPF changed the business?
- What should change at the grantee level in order to improve the impact on development/on the SDGs?
- Is the technical assistance offered desirable/satisfactory/relevant or should the scope of the technical assistance offered change/expand?
- The evaluation must highlight that the Belgian public funds are adequately used for the objectives determined in the convention of the projects.

Final beneficiaries:

- Is there a positive impact on the quality of lives (employees, suppliers, customers, community,...) related to the selected BPF projects?
- What should change in order to improve the impact on development/on the SDGs?

Methodology

The consultant can decide which method is best suited to collect and analyze the necessary information from all parties involved. In concertation with KBF and DGD, a representative sample of projects is decided (minimum of 15% of the total number of projects funded) and a field visit to these projects is

organized for their evaluation. The study should be set up in order to be able to compare the results with the results of former studies, reports and evaluations of similar programs in other countries.

Desired result

After the external evaluation, we should have a clear answer to the questions raised in these Terms of Reference. With the answers, DGD and KBF need to have a clear picture of the outcome and preliminary impact of the BPF. Clear recommendations should also be made to improve BPF: assistance to grantees, monitoring social and ecological impact, financial follow-up, redesign of next calls, etc. The results of the evaluation should be presented in a report and during meetings with the stakeholders (up to 2 days in total).

Qualifications of the consultant

The coordination of all different aspects of the study, needs to be centralized and managed by one organization:

- Proven portfolio of similar evaluations
- Good knowledge of the "Business for Development" theme (social and ecological entrepreneurship in the South)
- Good knowledge of the Belgian development cooperation ecosystem
- Excellent knowledge surrounding subsidies by the federal authorities and their control
- Capacity to understand documents in French, Dutch and English
- Ability to write the overall report in English, French or Dutch
- Network of local consultants (speaking the local language(s)) to perform the field visits

Deliverables and Timing

- April-May 2021: mission and field visits by the local consultants
- June 2021: first draft report, up to 2 days for meetings and discussions
- End of July, early August 2021: final report and presentation of the results and recommendations

Selection process

The selection will be carried out in 2 phases.

Please send us before 10/02/2021:

- Your letter of interest showing you have the right resources and know-how to perform this evaluation
 - o The necessary experiences and references with similar evaluations
 - o Your network and/or your capabilities to mobilize the right human resources in the different countries
- A short presentation of your organization and/or your personal experience (max 1p)
- Profiles and CVs of the senior evaluators (max 1p per evaluator)

Based on this information we will pre-select the top 3 organizations and you will be informed by the 15th of February 2021.

The pre-selected organizations are requested to send us before 26/02/2021:

- Your suggested methodology and timing
- Your best fee for the required consulting job, including a budget detailing the costs per proposed action
- Your suggested staffing for this assignment

Annex 2 - Evaluation Framework

The evaluation framework is composed of 4 evaluation questions related to the six OECD/DAC evaluation criteria. An evaluation framework clarifies how the evaluators have looked at the BPF and the individual projects and how they structured their data collection and analysis.

The evaluation questions were elaborated based on the evaluation questions formulated in the ToR. The evaluation questions consisted of different judgment criteria and guiding questions/topics. These guiding questions indicated what information had to be looked for and as such guided the data-collection and development of interview guidelines. This list was not exhaustive as also unexpected information and results were captured.

EQ 1: To what extent are the set-up and strategic choices of the BPF relevant for realising the mission of BPF ? (relevance and coherence)	
<p>Rationale</p> <p><i>Relevancy assesses to what extent the intervention objectives and design respond to needs, policies and priorities of beneficiaries, countries and institutions/organisations involved, and whether appropriate strategic choices have been made to realise the objectives. Coherence relates to the compatibility of the intervention with other interventions in a country, sector or institution. (OECD/DAC)</i></p> <p>This EQ responds to the set of evaluation questions formulated in the ToR with regard to the management of the BPF by the KBF such as issues related to strategic considerations, management and organisational capacity and communication. Three judgment criteria were identified to cover the research questions from the ToR. Evaluators looked at the extent the BPF is relevant for promoting private sector contribution to sustainable development in southern countries, and as such to contributing to the realisation of one or several SDGs. Further the strategic choices were assessed, among others with regard to the use of non-refundable grants and its combination with a matching fund, the provision of technical assistance, and the added value of the different partnership typologies. A last judgment criterion assessed the appropriateness of the communication and eligibility & selection strategies.</p>	
Judgment criteria	Guiding topics
1.1. The BPF is relevant for promoting private sector contribution to sustainable development in southern countries	<ul style="list-style-type: none"> - Mission of BPF is clear for all stakeholders - Portfolio in line with strategy and objectives of blended value creation - Projects supported show a clear link with one or several SDGs - BPF strategy is consistent with national development policies - Adaptations in BPF's strategies have been relevant and effective for realising its mission - There is added value in this grant system as compared to other funding facilities aimed at promoting private sector involvement in achieving SDGs - The BPF strategy and approach contains implicit incentives that foster a level playing field for Southern and Northern actors in BPF - ...
1.2. Appropriate strategic choices	<ul style="list-style-type: none"> - Non-refundable grants serve as a leverage for inclusive business development - Grants are a leverage for MSMEs to invest in blended value creation

	<ul style="list-style-type: none"> - Grants in combination with matching fund ensure commitment and ownership by the private investors also in the longer term - Added value of the different types of partnerships, in relation to blended value creation - TA offered responds to the needs of the supported projects - Suitable implementation modalities for the TA assistance are in place - ...
1.3. Appropriate selection and communication strategies in place	<ul style="list-style-type: none"> - The BPF is well known by potential parties of interest - Envisaged target groups (MSME) are being reached - Appropriate communication channels and messages are being used to make the fund known - The eligibility and selection procedure has adequate mechanisms to acknowledge, assess and remunerate blended value creation - The eligibility and selection procedure is adequately tailored to (the capacity of) Southern MSMEs - Eligibility and selection criteria are clearly communicated and well understood by prospective grantees - Selection frameworks (especially on ESG) are useful and relevant for prospective grantees / partners - The selection procedure takes into account (and favours) embeddedness in local context - ...

EQ 2: To what extent is the management of the BPF by the KBF conducive for effective and efficient management of the fund? (efficiency)	
<p>Rationale</p> <p>Focus of this evaluation question was on efficiency. <i>Efficiency measures the extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way. This may also include assessing operational efficiency (how well the intervention was managed).</i> (OECD-DAC)</p> <p>Efficiency covers the evaluation questions from the ToR with regard to the management and organisational capacity of KBF and the management of the portfolio. Efficiency at the level of the projects was included in evaluation question 4 that assesses the efficiency gains made thanks to the BPF grants and looked at good use of money/value for money.</p> <p>The first Judgement Criterion analysed the organisational set-up and capacity at the level of the KBF, while the second assessed the functionality of the management systems and procedures. These relate to the application and selection procedures, and the monitoring mechanism at the level of the BPF. The third criterion specifically assessed to what extent an efficient (narrative and financial) monitoring system is in place to monitor the BPF at Fund level.</p>	
Judgment criteria	Guiding topics
2.1 Functional organisational set-up for	<ul style="list-style-type: none"> - Sufficient human and financial resources available for the management of the fund

the management of the fund	<ul style="list-style-type: none"> - Right capacities in place to manage the fund (competencies, resources, networks, ...) - BPF benefits from available expertise and know-how in KBF - Collaboration with the external screeners Sedex and Ecovadis is functional and efficient (resources, quality delivered, ...) - Jury has relevant expertise - ...
2.2. Functional and efficient management systems and procedures in place	<ul style="list-style-type: none"> - Application process is clear for all stakeholders - Overall, the eligibility and selection procedure is functional and cost-effective. Different phases / components have distinct functionalities - Project proposal format provides sufficient information to take informed decisions in line with the mission of the fund - Selection process is transparent - A transparent assessment system is in place that guarantees quality and coherence among the different assessors - Reporting requirements are lean and mean, and clear to all stakeholders - Monitoring mechanism is lean and mean, and clear to all stakeholders - Transparent, adequate and effective communication on the fund and its operations, as perceived by internal and external actors - ...
2.3. Individual projects are properly managed and supervised by the KBF	<ul style="list-style-type: none"> - A result-based management approach is applied (both economic and social) - Monitoring data provide sufficient information to monitor progress and manage risks (at project level and at the level of the fund) - Financial audits of the projects are organised yearly and are of good quality - Financial audits and financial reports of KBF to the DGD make it possible to meet the minimum requirements for the good management of the fund - Appropriate communication mechanisms in place for communication between projects and KBF (both selected and non-selected projects) - ...

EQ 3. To what extent are the BPF supported projects effective in realising their objectives and contributing to impact? (effectiveness, sustainability and impact)

Rationale

Effectiveness is about the extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups.

This EQ addressed the questions from the ToR with regard to effectiveness of the BPF supported projects. The first JC assessed to what extent the BPF triggered changes in the business and on

local embeddedness, as well as to what extent the BPF contributed to strengthening /improving business performance in terms of financial viability as well as of blended value creation.

Linked to the level of effectiveness, an assessment was done of the level of sustainability. As this is a MTR, it was relevant to look at the extent BPF projects have the potential to become self-sustainable. This was covered by Judgement Criterion 2.

The third criterion looked at indications of impact (see also observations in section 1.3 on limitations regarding measuring impact). Evaluators looked at the social and environmental costs and benefits generated by the BPF-grant. Specific attention was paid to the extent gender equality and inclusiveness has been addressed.

Judgment criteria	Guiding topics
<p>3.1. The BPF projects contribute to changing business models and business performance thereby strengthening private sector contribution to SDGs</p>	<ul style="list-style-type: none"> - The project proposals set clear outcomes. Evolution of these outcomes is visible - Evolutions reported with regard to one or several elements of the business canvas model - Evidence of enhanced local embeddedness - Collaboration established with local initiatives and actors in support of the project and enhance the blended value creation - Evidence / stakeholder confirmation of the vital contribution of the grant to the realisation of the project goals (counterfactual-deadweight)³⁰ - ...
<p>3.2. Grant as a leverage to enhance sustainability of the project</p>	<ul style="list-style-type: none"> - Combining grant and matching fund enhanced longer term commitment of the investor(s) - Appropriate (financial) management capacity and governance system in place to sustain the business - Positive evolutions with regard to economic viability of the project - Potential to become self-sustainable - ...
<p>3.3. Indications of contribution to impact (blended value creation)</p>	<ul style="list-style-type: none"> - The project's development aspirations are consistent with local and national development policies (inclusive development) - Indication of contribution of the project to enhancing gender equality - BPF support has positively contributed to of the project's environmental impact - Indications of unintended local embedding (in positive or negative sense) - Indication of positive impact on quality of lives (employees, suppliers, customers, community, ...) - indications of negative impact (negative externalities) of the project such as unfair competition, disturbing local supply chains, enhancing inequality,

³⁰ The 'counterfactual' assesses what would have happened in the absence of the grant. Outcomes of the project are established by comparing counterfactual outcomes to those observed with the project.

EQ 4 To what extent are the BPF supported projects efficiently being managed and implemented? (efficiency)

Rationale

Whereas EQ 2 assessed the efficiency at the level of the portfolio, this EQ assessed the level of efficiency at the level of individual grantees. Specific questions in the ToR ask to probe for efficiency gains at the level of businesses and the value for money at the level of individual projects. These were captured in Judgement Criterion 1.

A second criterion paid specific attention to the M&E capacity at the level of the grantees, as stipulated in the ToR.

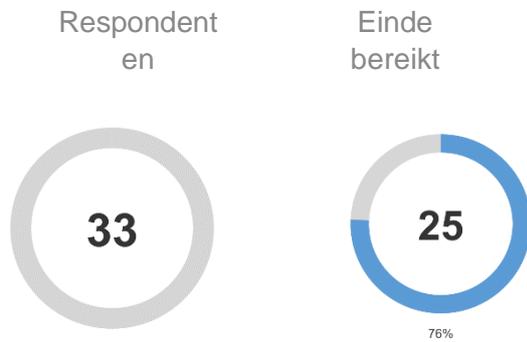
Judgment criteria	Guiding topics
4.1. (organisational) efficiency	<ul style="list-style-type: none"> - Evidence that the grant has bootstrapped the project e.g. shortened the timeline of the project or increased its scope of the project - Sufficient human and financial resources available for the management of the project - The grantee benefits from available expertise and know-how of the partner - TA can be attracted in an efficient manner - Evidence of learning leading to adaptations in business management and implementation processes - ...
4.2. M&E	<ul style="list-style-type: none"> - Self-reporting by the grantees on the financial situation is sufficient - Self-reporting on the impact on development and SDGs is sufficient - Mechanisms in place to monitor efficiency in implementation - ...

Annex 3 - Persons interviewed at Portfolio level

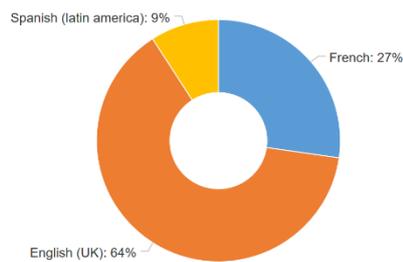
Category	Name
KBF	Mr. Luc Tayart de Borms Mr. Hervé Lisoir Ms. Elke Briers
DGD – in group interview	Mr. Jean-Jacques Bastien Ms. Anne Van Malderghem Ms. Alexia Herwig Ms. Hilde Aerts Mr. Nathan Rasquinet
Jury	Mr. Philippe Lambrecht Ms. Murielle Diaco Mr. Patrick Develtere
Associated experts / ESG	Mr. Saurabh Sabnis – Sedex Mr. Maxim Van Deurzen – Ecovadis Ms. Sarajh - Ecovadis
Belgian Embassy	Mr. Giles Bauwens – Bogota
External	Mr. Pierre Harkay – BIO Invest Ms. Sabine Soetens – Enabel Ms. Femmy Thewissen – 11.11.11 Ms. Antoinette Van Houtte – CNCD Mr. Bjorn Macauter – Ondernemers voor Ondernemers Ms. Lyon Chaudron – BPF Lux Mr. David Leyssens – Rikolto (formerly with The Shift)

Annex 4 – outcome of the e-survey

Evaluation BPF



Taal van de respondent

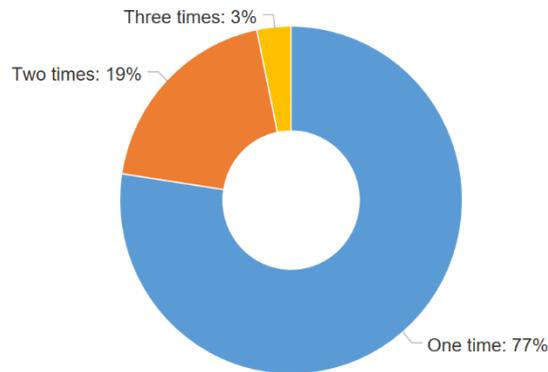


What is your role in the project? - Other, please specify

	Count	% of responses	%
Project leader (from a non-profit organisation)	4		13%
Project leader (from a profit organisation)	16		52%
Partner in the project (non-profit organisation)	3		10%
Partner in the project (profit organisation)	8		26%
Other, please specify	0		

N 31
fy

How many times have you applied for a BPF grant (including non-successful applications)?



N 31

Was the objective of the BPF clear to you during the application process ?

	Count	% of responses	%
Not clear at all	0		
Not so clear	0		
Sufficiently clear	5		19%
Very clear	22		81%
No opinion	0		

N 27

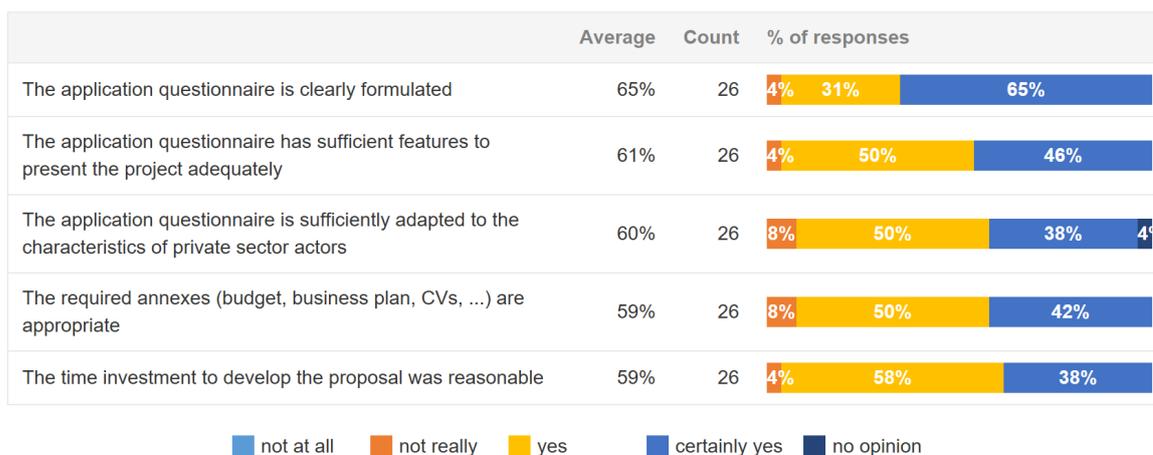
Which of the following features make up the added value (if any) of the BPF as compared to other funding facilities to promote private sector contribution to development ?

	Average	Count	% of responses
Other, please specify	75%	8	
Non-refundable grant	70%	27	
Broad scope (sectors and themes) of eligible projects	70%	27	
Partnership of profit and non-profit partners	64%	27	
Focus on development through blended value creation (people, planet, profit)	64%	27	
Grant in combination with matching fund	56%	27	

■ not at all
 ■ not really
 ■ much
 ■ very much
 ■ no opinion

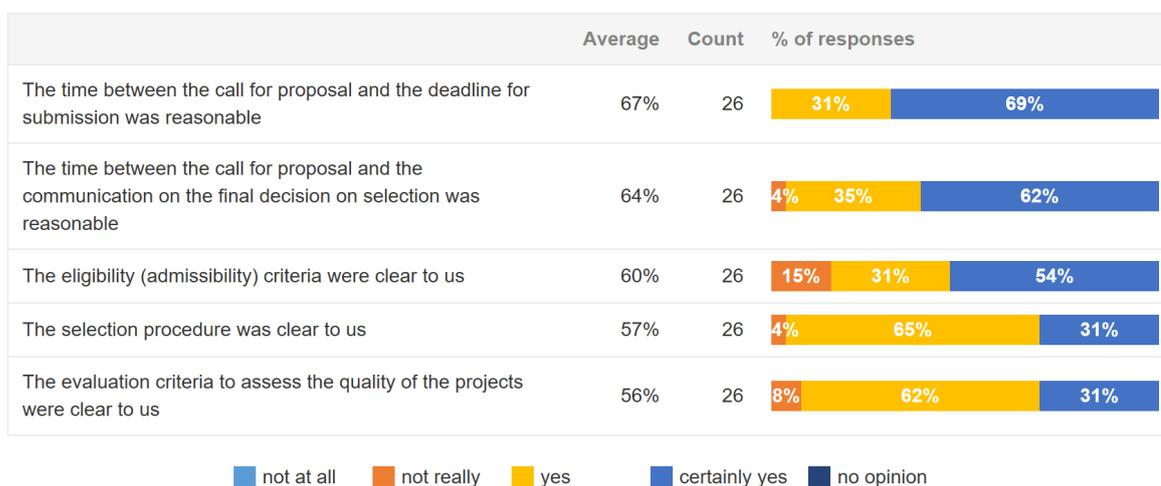
N 27

How do you assess the application requirements ?



N 26

How do you assess the selection procedure ?



How do you assess the relevance of the following evaluation criteria for assessing the quality of projects involving private sector contribution to SDGs ?

	Average	Count	% of responses			
Inclusiveness	71%	26	23%	69%	8%	
Sustainability (economic, environmental, social and good governance)	68%	26	27%	73%		
Development effects	65%	26	38%	62%		
Efficiency	65%	26	4%	35%	58%	4%
Additionality	64%	26	12%	31%	46%	12%
Innovation, reproducibility and scalability	63%	26	4%	38%	58%	
Impact on the sector or the market	63%	26	12%	31%	54%	4%
Experience and capacity of the beneficiary to implement the project	63%	26	4%	46%	46%	4%
Degree of co-financing	56%	26	15%	50%	31%	4%

■ not at all relevant
 ■ not relevant
 ■ relevant
 ■ very relevant
 ■ no opinion

Was it clear for you how the evaluation criteria have been assessed by the jury ?

	Count	% of responses	%
Not at all clear	2	<div style="width: 8%;"></div>	8%
To some extent	8	<div style="width: 31%;"></div>	31%
Fairly	10	<div style="width: 38%;"></div>	38%
Very clear	6	<div style="width: 23%;"></div>	23%
No opinion	0		

N 26

If you could replace less relevant criteria by alternative ones, which criteria would you include given the objectives of the BPF ? (multiple answers possible)

	Count	% of responses	%
I see no need to replace existing criteria	15	<div style="width: 58%;"></div>	58%
Local embedding of the project	10	<div style="width: 38%;"></div>	38%
Serving marginalised regions	6	<div style="width: 23%;"></div>	23%
Promoting collaboration between the for-profit and non-profit sector	4	<div style="width: 15%;"></div>	15%
Promoting South-South exchange or collaboration	3	<div style="width: 12%;"></div>	12%
Other, please specify	0		

N 26

How do you assess the ESG screening ?

	Average	Count	% of responses
The ESG screening was relevant for our business	63%	26	12% 50% 15% 23%
We understood well the purpose of the ESG screening	62%	26	8% 58% 15% 19%
The ESG screening was useful for us	62%	26	4% 12% 42% 19% 23%
Data requirements for ESG screening were realistic taking into account our context and capacity	62%	26	15% 46% 15% 23%
The time investment needed for the ESG screening reasonable	58%	26	4% 19% 42% 12% 23%

■ not at all
 ■ not really
 ■ yes
 ■ certainly yes
 ■ no opinion

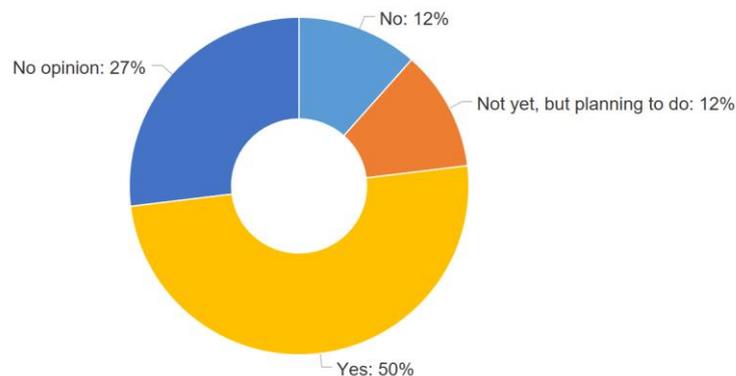
N 26

What company has done the ESG screening for your project ?

	Count	% of responses	%
Ecovadis	12	<div style="width: 46%;"></div>	46%
Sedex	6	<div style="width: 23%;"></div>	23%
Our project was not submitted for ESG screening	4	<div style="width: 15%;"></div>	15%
I do not know	4	<div style="width: 15%;"></div>	15%

N 26

Have you given follow-up to the identified action points in the ESG screening (which is not a requirement of BPF)?



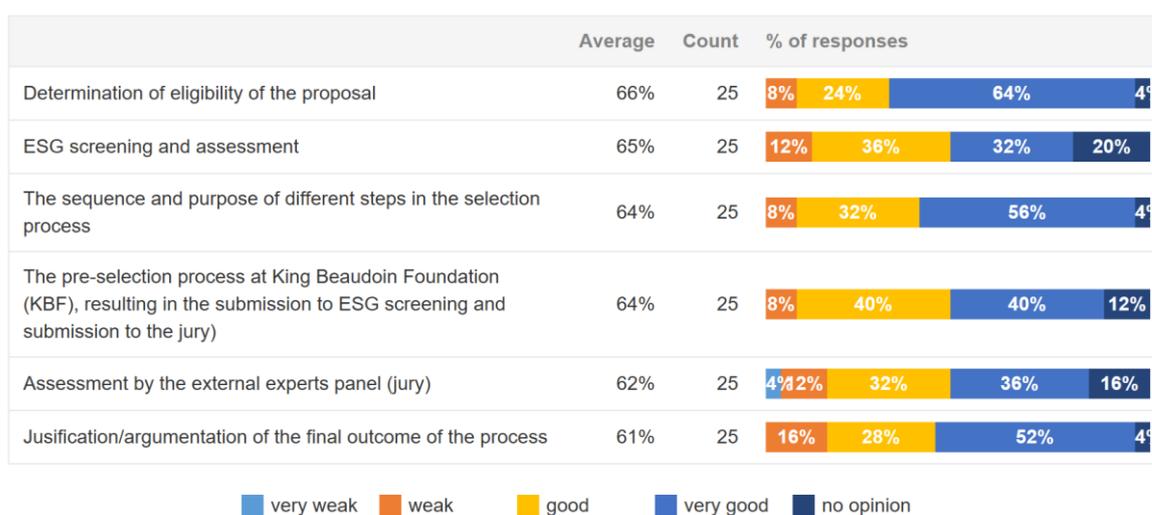
N 26

If no, why not?

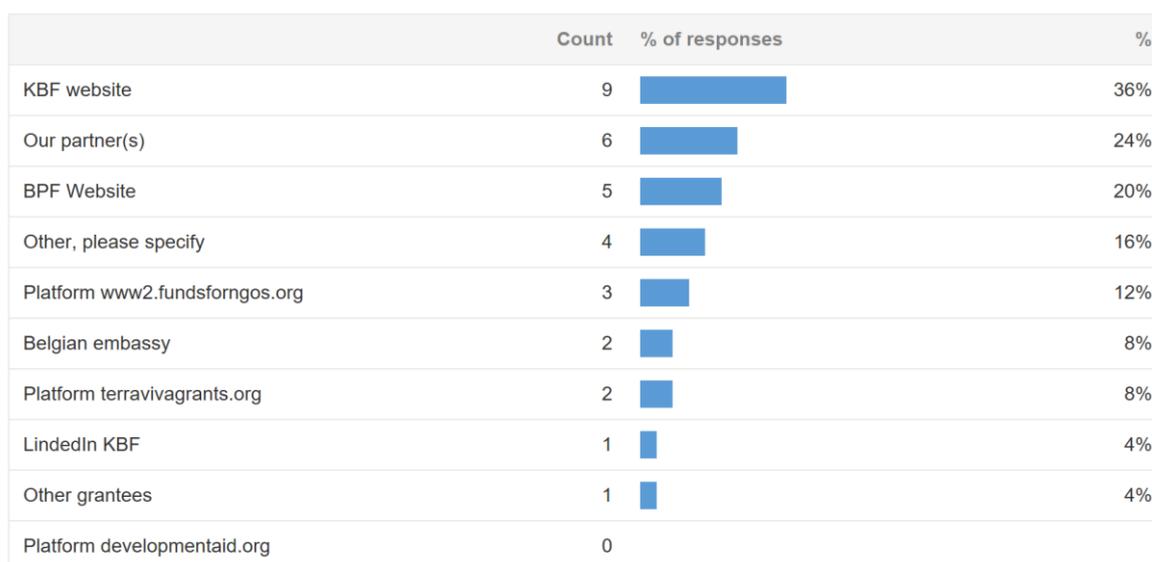
If no, why not?	Rapport
The action points were not well elaborated and clear. So, we didn't know what to follow-up on.	↗
tenemos certificación de comercio justo, orgánica. Somos cooperativa de trabajadores y acreditada empresa solidaria en Francia. consideramos que cubrimos ya muchos criterios de responsabilidad social	↗
Pas clairement formulé et score globalement bon	↗

N 3

How do you assess the level of transparency of following elements of the selection process ?



How did you find out about the existence of BPF? (multiple answers possible)



N 25

How did you find out about the existence of BPF? (multiple answers possible) - Other, please specify

Other, please specify	Rapport
Je ne me souviens plus. En lançant une recherche google sur les financements de projets ou bien sur une plateforme de type coordinationsud.	↗
Dont remember	↗
Global Shea Alliance	↗
Bouche à oreille, network	↗

N 4

How do you assess the quality of the communication by BPF, with regard to following aspects ?

	Average	Count	% of responses
The call for projects was clear, with sufficient information on how to apply for the grant	73%	25	12% 84% 4%
Appropriate communication channels are used to make the fund known	71%	25	28% 60% 12%
Eligibility and evaluation criteria were clearly communicated	69%	25	4% 20% 72% 4%
Information on the outcome of the selection process was clearly communicated	68%	25	4% 24% 68% 4%
Information about BPF is clearly formulated	67%	25	32% 68%
General information on the BPF is easy to find	65%	25	4% 32% 64%

■ very weak
 ■ weak
 ■ good
 ■ very good
 ■ no opinion

N 25 IS

the BPF sufficiently known among potential parties of interest ?

	Count	% of responses	%
Not at all	0		
Not really	6		24%
Yes	13		52%
Certainly yes	2		8%
No opinion	4		16%

N 25

Do you have suggestions for BPF to improve the promotion and communication of the BPF?

Do you have suggestions for BPF to improve the promotion and communication of the BPF?	Rapport
Yes. I think all beneficiaries of BPF should promote it in their promotion materials. Engage more non for profit as it is easy for them to communicate opportunities as opposed to only profit organisations. It should be one of the requirement on how the beneficiary is going to promote BPF once the proposal is approved.	
The existing works better	
I think BPF is doing a great job, compared to other organisations we already worked with... the only thing we would value is to have some more feedback when you don't make it (I know it's additional energy, but even a small feedback could help us to improve our future applications)	
Expand outreach to projects in the developing world	
more presence in social networks (Facebook in Latin America)	
Use of social media	
Another suggestion to improve the promotion and communication of the BPF, is to work with local Belgian Embassies in target countries to spread the announcements in private sector federations or chambers of commerce. This way, more companies will be aware of the opportunity.	
Continue the good work!	
BPF is widely known by public but also could even it better bold by including more updates and pictures of reports of guarantees.	
BPF could be more visible if it usea more channels of communications like google and other grant funding websites.	

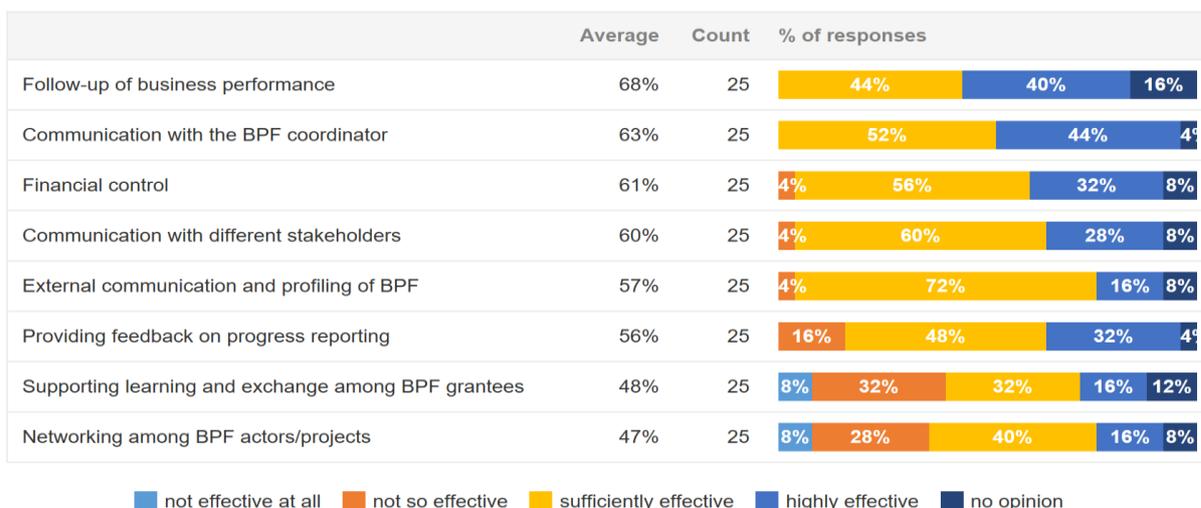
N 10

Are the reporting requirements feasible with respect to the following aspects ?



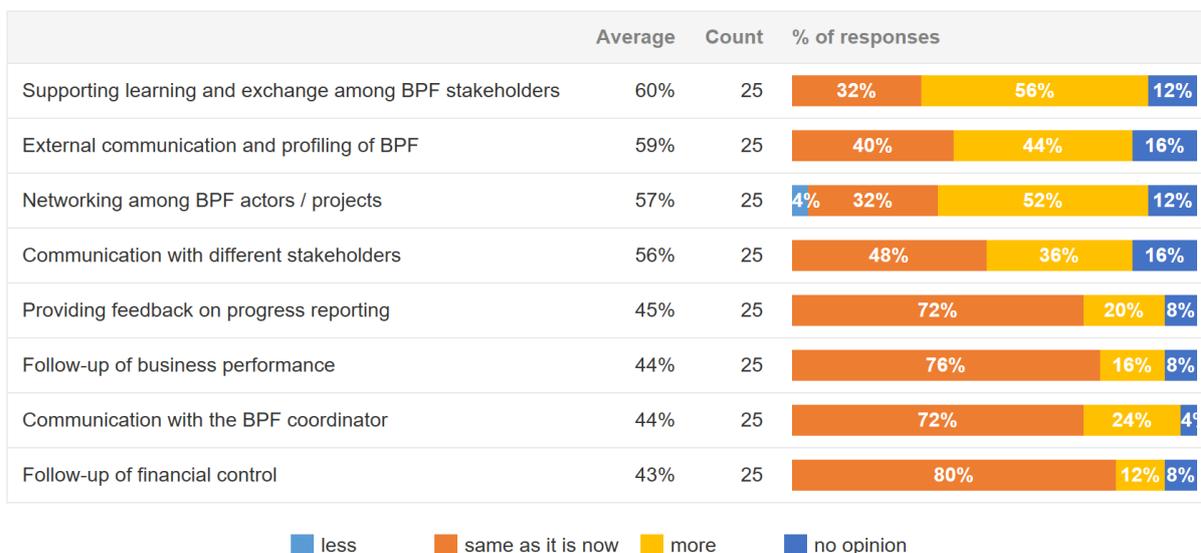
N 25

How do you assess the effectiveness of BPF management in the following areas ?



N 25

Would you expect less, more or the same level of investment of the BPF management in the following areas ?



N 25

Is the purpose of the external Advisory support / Technical Assistance (TA) / Consulting modality provided by BPF clear ?



N 25

On what topics external Advisory Support / TA / Consulting would be relevant ? (multiple answers possible)

	Count	% of responses	%
Scaling-up business	13		52%
Social impact assessment	9		36%
Result Based Management	6		24%
Inclusive business development (gender, youth)	6		24%
None of the above	6		24%
Business planning	5		20%
Operationalising blended value creation	4		16%
Financial management	3		12%
Other, please specify	3		12%

N 25

On what topics external Advisory Support / TA / Consulting would be relevant ? (multiple answers possible) - Other, please specify

Other, please specify	Rapport
We have not yet utilized the TA, it would be good with more information about this.	
May be providing additional support for networking for business	
Local network and consultancy	

N 3

Have you applied for external Advisory Support / TA / Consulting ?

	Count	% of responses	%
No	11		44%
Not yet, but planning to do so	6		24%
Yes	3		12%
I did not know that TA is available)	5		20%

N 25

If no, why have you not applied for external advisory support (technical assistance) ?

If no, why have you not applied for external advisory support (technical assistance) ?	Rapport
We haven't been made aware of its availability	↗
Our project has less scope to acquire technical assistance	↗
El enfoque principal en este fase inicial es garantizar que el coparte ejecuta lo planificado, mientras las restricciones de COVID.	↗
je ne sais pas comment choisir ni comment travailler avec une équipe externe	↗
je ne savais pas que c'était possible	↗
tenemos un equipo en los países de intervención que nos permiten asegurar pertinencia de las propuestas formuladas	↗
Whilst it could have been mentioned earlier Covid-19 pandemic changed a lot on how things developed during implementation.	↗
Pas ressenti le besoin	↗

N 8

Is it relevant that the BPF provides a modality for external advisory support ?

	Count	% of responses	%
No, we rather rely on our own network for advisory support and pay ourselves	2		8%
No, we rather include advisory support in the project proposal in the form of partnership	2		8%
Yes, but with a TA budget allocated to the company (select and contract ourselves)	9		36%
Yes, paid for by BPF but selected by the company itself with selection validated by BPF	6		24%
Yes, with the present arrangement which is acceptable to us	1		4%
No opinion	5		20%

N 25

What challenges (if any) do you see for the TA modality via BPF ? (multiple answers possible)

	Count	% of responses	%
None of the above/no opinion	11		44%
Lack of free choice in selecting TA	7		28%
Cumbersome process to obtain 3 bids/proposals	5		20%
Difficult to attract locally available TA	3		12%
Other, please specify	3		12%
Complicated application procedure	2		8%
Relevant TA is not available	2		8%
Scope of TA being too limited	2		8%

N 25

What challenges (if any) do you see for the TA modality via BPF ? (multiple answers possible) - Other, please specify

Other, please specify	Rapport
We are not aware of the modalities	
Too less information about it. It might be great, but we dont really know what kind of support we can get (we also have not inquired in detail)	
International money transfer to local consultant is not easy	

N 3

If you have comments or suggestions on the BPF that you want to share, you can write them here.

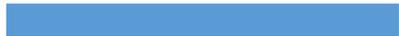
If you have comments or suggestions on the BPF that you want to share, you can write them here.	Rapport
Thanks to BPF. Had it not been BPF, we would have gotten challenges to continue during COVID 19 times in 2020. Luckily enough BPF kept in touch and we worked together on solutions	
BPF is very helpfully for SMEs	
Thank you for your consideration of the BPF grant by KBF. We express our request for continued support in scaling up the project, technical capacity and government-private sector engagement to be strengthened.	
n/a	
Please visit our project once.	
We thank BPF very much for its huge support and consideration especially during these very difficult COVID 19 times.	
The funding and partnership modality ie public - private partnership, is very effective.	
Would recommend that you conduct at least 1 visit to each project to see the work on-the-ground	
Le BPF doit tenir compte des difficultés engendrés par la crise sanitaire et économique sans précédent mise à la COVID-19. Il faut plus de souplesse sur le fund matching qui est rendu très compliqué par le retrait des banques, des investisseurs et des clients.	
I very much appreciate the effort BPF made, and I found it a new move to strengthen the private company contribution to the nation economy. Further support in project management with experienced experts in a given investment type may help the guarantee to be even more successful.	
We thank them for the support!	

N 11

In what country are you based ?

	Count	% of responses
Belgium	4	
Other European country	0	
African country	14	
Latin-American country	2	
Asian country	5	
None of the above	0	

You are ...

	Count	% of responses
Woman	4	
Man	21	
X	0	
I do not want to share this information	0	

Annex 5 – Cross-sectional scan of selected projects - Part 1

Name - Type	Link SDG	Focus South / North / N-S	Value Added Non-profit partner	Additionality
Wakapou Benin Profit with CSR	no info in report, mostly economic focus - increased and secured income for shea butter farmers of which majority women	southern enterprises, based in Cotonou, engaged in partnership with a newly created union	no NGO involved , but no link with existing shea butter unions or multi-stakeholder processes on shea butter. Strengthening the union will be done most probably with GIZ funding	link to export market US; grant used for investment; but enterprise has acquired already twice a loan from the national bank, not clear whether BPF was needed to attract GIZ funding. But also in negotiations with another impact fund to further invest in the company.
Africa Drive Benin Social Business	environment (e-moto), economic because of replacing expensive fuel by cheap energy, impact on health (clean air), access to renewable energy	Northern initiative, African drive is a northern business that operates in West-Africa in the sectors of public transport and energy. In 2013 a local enterprise Baobab Express was created that provides successful public transport (bus). Baobab express will be responsible for the production and commercialisation of the e-motos. Baobab Energy has been created to commercialise the e-batteries and e-motorbikes	no NGO but several academic partners supporting research and development of prototypes	Grant is supporting innovation-experimentation. Possibility at medium term to attract other investors
Gallier Cote d'Ivoire Social Value Creation	Clear link to environment: planting cocoa trees but evolving from monoculture to agroforestry; socio-economic: job creation (154 cocoa producers directly, 400 women indirectly through diversification of activities including training)	North: chocolatier Galler (20% of the investment), No nonsense marketing (NL), FT Belgium and collaboration with universities of Gembloux and Liège; South: Yeyasso cooperative	No NGO but collaboration with yeyasso, Fair Trade Belgium and FT International for training farmers, like female leadership training; and 15 members of Yeyasso will follow up the 154 supported farmers that participate in the project (among other in applying the farm record tool of FTI)	20% investment by chocolatier Galler , also in own interest to obtain good and fair-trade certified quality chocolate; fund used for cocoa trees and training. But creation of new plantation that would not have been created without KBS support
Coldhubs Nigeria Profit + CSR	income - food security - solar power = environment	strong in South - Northern partner is to install and advice on technology - no further info	technology + TA	strong - without grant probably difficult to recover investment - has to charge farmers much more to store produce = questionable if willing and able

Name - Type	Link SDG	Focus South / North / N-S	Value Added non-profit partner	Additionality
KivuKick RDC MFI Not classified in typology	not specified. Mainly economic, income for young entrepreneurs and job creation in SME benefitting from credit	southern initiative. Kikukick is a local initiative of mainly local entrepreneurs	collaboration with MFI SMICO , no collaboration with NGO, difficulties mentioned that are typical for MFI (refer to weak business plans and reporting). no reference made to follow-up and support provided to entrepreneurs. no info on reimbursement rate	Not clear. But support BPF increases the capacity of the fund. It is a guarantee fund that gives credits up to 9,000 USD, through the MFI SMICO. Has various local and international investors. BPF is one of them. The website says that by 2020 they will be able to guarantee up to USD 200,000. NGOs such as ICCO/TRIAS/SOS Faim also support guarantee funds.
GTAI Ethiopia Social Business	poverty - hunger - environment -wildlife -	good focus on South with Northern support in knowledge transfer and as buyers	knowledge transfer by academic (university) + promotion and support to local communities of beekeepers	Grant used for hives, honey processing machines and research
Tropic Coffee Rwanda social value creation	weak linkages mainly related to poverty and to environment	only and strongly on the South. No northern actors	not applicable	hard to prove for investments in coffee processing plants that in principle could have been done with loans. Hardware was paid for mainly by matching fund. Training farmers & baseline in certification is paid for by grant. Hard to cover this from return on coffee = income of farmer and operating cost coops - so yes - additionality =proven
Ethiquable Peru Shared value creation	economic and social: income generation, sustainable agricultural practices; focus on women and youth	North and south; North Trias and Ethiquable (French cooperative); south involvement of several cooperatives	NGO (TRIAS) provides technical capacity building for quality organic production of cocoa beans and facilitation of access to fair trade and organic markets. important role of the TA of the project in providing training, but judged too limited by beneficiaries. No attention to organisational governance strengthening of involved cooperatives	not clear. typical NGO project

Name - Type	Link SDG	Focus South / North / N-S	Value Added non-profit partner	Additionality
Magiro Kenya Profit + CSR	many linkages = logic from connection electricity SDG 1 No poverty SDG 5: Gender equality SDG 7: Affordable and clean energy. SDG 8: Decent work and economic growth SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable Cities and Communities SDG 13: Climate action	strongly south - all southern actors	A non-profit incubator supporting the young entrepreneurs.	Business incubator for young entrepreneurs starting electricity-powered businesses. The consumers will not be charged for recovery investment cost but only running and maintenance. In that sense yes additionality assured. Grant used for turbine installation, connection cost 500 hh & incubator young entrepreneurs
Terra Nova Mozambique Social Enterprise	SDGs linked to environment	no info	no info	Not clear. Risk of commercialisation of public service (waste management) but agreement with municipality. Seems that it is difficult to attract other funding for his kind of initiative.
Congetrix Zimbabwe Social Business	economic - improved income (inclusion disabled and HIV +), no hunger (affordable bread price)	Southern African but locally created bakery (factories and bakeries)	no info	Seems to have access to a variety of funders, incl. Zimbabwean government Grant used for up-scaling the business model of community bakeries. Now looking to attract funding from other impact investors
BUN Nepal Social Business	fairly well established linkages to specific SDG related to decent work, poverty reduction and reduction Co2 emissions.	Focus strongly on local development. Some North-South support but primarily local dynamics	substantial and needed in short & medium term. Capacity strengthening, quality control, technical advice.	Likely to be important until such time that other donors /investors get interested in the brick technology. - NGO-ish setting
GNI Nepal Social Enterprise	mainly poverty - income generation	good southern focus - all revolves around local coops	important in beginning - awareness, mobilisation, capacity building	yes - investment in milk processing infrastr, van, and coop strengthening - could this be done through loan? maybe yes
Guavay Tanzania Profit + CSR	fairly well established with income for smallholder and application organic fertiliser	strong south focus - also sales now focus neighbouring countries but ambition is Europe	important role - in training & awareness raising farmers - to help promote sales and use of product	yes - for software part (training) but sustainability is question. Will company be able to take over TA to farmers form own income?

Part 2

	Type of Investment	Quality of info/ M&E	Local embedding	Sustainability
Wakapou Benin	construction of shea butter transformation factory; not really innovation or upscaling nor accelerating; just another financial opportunity	focus on construction progress with sufficient info; info on challenges regarding the (governance and ownership) of the newly created union of cooperatives), limited financial info in general rubrics,	seems OK, locally registered enterprise (managed to get all permissions, etc.), employing 5 FTE (no info on nationality, I assume Beninois), in partnership with local union of cooperatives, majority women members of cooperatives. I understand union has a share in the profit, when there will be profit (delays in international orders due to covid	seems guaranteed because of pro-active exploring markets and orders had been placed (but withdrawn because of Covid) + relation with union of cooperatives for guaranteed delivery of quality primary products. Small company keeping overhead small
Africa Drive Benin	Innovation - introducing electric motos; experimenting; investment in developing prototypes of batteries, mainly	video and description of activities implemented. Did not follow the format KBS. Only info on the prototype development; no business info	weak. northern driven, two local staff members engaged	at risk, not sure to attract sufficient clients; weak business model; weak risk assessment (incl buying power of target group, interest of target group, etc)
Gallier Cote d'Ivoire	Innovation (?) because of alternative for mono culture - investment in a new plantation of cacao trees, but including diversification of agriculture and evolution to agro-forestry. products will be marked through Yeyasso cooperative and bought by Galler	follows KBS format and provides more. Good quality of info	is a northern driven project but locally embedded through collaboration with yeyasso cooperative	not clear yet because trees just planted. Sustainability can be assumed but no business model presented. cost FT certificate, branding, marketing, not clear ? prices set in a sensitive cacao sector,... ?
Farmerline Ghana	Upscaling + innovation. IT technology (blockchain) that give farmers access to inputs (e-shop), and relevant information.	good financial reporting. Limited social/ environmental	very much so apparently	average service cost lowers as # client farmers rise / selling high margin products / selling through renowned agro-dealers
Coldhubs Nigeria	innovative technology / start-up for cold stores - upscaling for the 2 social businesses / grant used for hardware investment. Match used for recurrent costs = OK.	good but limited social & environmental	very good - women are trained to manage cold stores	from business operations
KivuKick RDC	financing guaranty fund, not clear whether the fund has started with KBS funding or was already existing	good report, following the KBS instruction. No info on reimbursement rate. financial info is limited	yes, fully	yes, but the guarantee fund depends on the performance of the MFI SMICO. SMICO exists since 2012 with expat ceo

	Type of Investment	Quality of info/ M&E	Local embedding	Sustainability
GTAI Ethiopia	innovation = beekeeping + biodiversity + research / mainly start-up support company to reach level where upscaling is possible with profitable business model	poor reporting	strong - main actors are local. foreigners in knowledge transfer	after 2 years - honey company profitable business and 1600 beekeepers also earning sufficient income to maintain + interest newcomers will expand
Tropic Coffee Rwanda	upscaling - coffee processing infrastructure and machines - UTZ / organic certification - farmers capacity building	relatively weak reporting - quantitative data on farmers and volume of coffee - little data on financial performance or income - no indicators environment or social (decent work)	very much so - only local actors	commercially sustainable after 2 - 3 years
Ethiquable Peru	typical NGO project funding: training, provision of TA, maybe upscaling?	use traditional Trias M&E frameworks that are of good quality; no use of KBS format	guaranteed, collaboration with local cooperatives	good indication of sustainability, link with Ethiquable for export, sustainable link between Ethiquable and the cooperatives
Magiro Kenya	mix of upscaling for electricity and incubator for SME + innovation in the technology	fairly weak - limited 3 KPIs	strong - good focus on women and youth	local households to pay for maintenance and running costs
Terra Nova Mozambique	no innovation, or upscaling, etc. Unless processing compost is new. No info on type of investment. presumably investment in infrastructure (containers, compost plant)	not much info, report does not follow the headlines BPF	no info	weak, lack of risk analysis and management ex. problems due to rain that damaged roads and compost infrastructure. Though increase in volume of recycled waste reported
Congetrix Zimbabwe	innovative approach - installing a system of community bakeries, provided by own bakery factory outlets. Idea is to upscale up to national level, and to attract retired returnees from diaspora to invest in community bakeries.	BPF indicators? Turn-over, FTE (incl HIV+ and people with disabilities), other loans, + indicators production, income, wages. OK. But no other social indicators	yes, local enterprise established, 19 women working at bakery and 7 bakery factory outlets and 19 bakeries in townships, that will give work to 280 people, mainly women. Locally produced bread, sold below the market price (I hope of imported or industrial bread)	yes, financially , institutional and social

	Type of Investment	Quality of info/ M&E	Local embedding	Sustainability
BUN Nepal	- start-up of large number of micro & small enterprises (building contractors) + upscaling operations of BUN - accelerating investment	good quantitative and qualitative monitoring. - through Swedish partner	Fairly strong - local enterprises created with local employees. Also local authorities increasingly interested and engaged	establish 600 commercially viable micro-construction enterprises as sustainable drivers for local development. + leverage a long-term multiplier effect (jobs, safe homes and resilient communities). + solve bottlenecks in market system =replication of model at scale. Improved machines = higher efficiency, less maintenance and lower costs, increasing profitability
GNI Nepal	NGO-ish project with smallholder for income generation from dairy farming	good reporting on economic and social	embedded in existing coop + local government is involved . multiplier effect locally to be expected form income generation	commercially viable business + income farmers = continuity. Coops management is strengthened by GNI. Wil it be able to sustain without support? Benefit of doubt
Guavay Tanzania	fairly well established with income for smallholder and application organic fertiliser	strong south focus - also sales now focus neighbouring countries but ambition is Europe	important role - in training & awareness raising farmers - to help promote sales and use of product	yes - for software part (training) but sustainability is question. Will company be able to take over TA to farmers form own income

Annex 6 - Documents consulted (portfolio level)

- 11.11.11 (2020) De private sector als actor in ontwikkelingssamenwerking: noodzakelijke ingrediënten van een overheidsstrategie
- Belgian SDG Charter
- BPF (2021) Call for projects “enterprises for SDGs” - Regulations
- CNCD & 11.11.11 (2016?) Gezamenlijke reactie van CNCD en 11.11.11 met betrekking tot Business Partnership Facility. Brussel
- DGD (2016) Belgian International Development Policy for Private Sector development (PD): Framework and Strategies. Ministry of Development Cooperation. Brussels. Belgium
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Various internal working documents and reports of DGD, KBF and the BPF-Jury

Selected Project applications

Progress reports of approved projects

Annex 7: Business Canvas Model

