

# Final evaluation of the Business Partnership Facility



## Consortium partners:

TechForce Projects B.V.



Akvo Foundation



Diligent Consulting Ltd.



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## List of Acronyms and Abbreviations

BPF:	The Business Partnership Facility
BPF Lux:	Business Partnership Facility Luxembourg
CNCD:	Centre National de Coopération au Développement
CSO:	Civil Society Organizations
CSR:	Corporate Social Responsibility
DGD:	The Directorate-General for Development Cooperation and Humanitarian Aid
ESG:	Environmental, Social, and Governance
EU:	European Union
FAQ:	Frequently Asked Questions
FGD:	Focus Group Discussions
FTE:	Full time employees
GHG:	Greenhouse gas emissions
GiZ:	Deutsche Gesellschaft für Internationale Zusammenarbeit
HR:	Human Resources
ISO:	International Organization for Standardization
KBF:	The King Baudouin Foundation
KII:	Key Informant interviews
KPI:	Key Performance Indicator
M&E:	Monitoring and Evaluation
MSME:	Micro-, Small and Medium Enterprises
MTE:	Mid-Term Evaluation
MTR:	Mid-Term Review
NGO:	Non-Governmental Organizations
ODA:	Official Development Assistance
SDG:	Sustainable Development Goals
SME:	Small and Medium-sized Enterprises
TA:	Technical Assistance

## 2 Executive summary

The main goal of the final evaluation of the Business Partnership Facility (BPF) « Enterprises For Sustainable Development Goals (SDGs) » 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?”***

Based on the findings, **the evaluators conclude that the BPF is the right tool to foster the development of the MSMEs and can conclude that the use of Belgian public funds have been adequately used to drive forward the objectives set by projects and the mission of the BPF and strategy of the King Baudouin Foundation (KBF):**

- The BPF grant played **a pivotal role in the creation of new jobs** and the implementation of decent work policies among the surveyed projects.
- A majority of grantees were able to **leverage the BPF grant to attract additional financing.**
- The **BPF application process itself has been a valuable exercise**, helping grantees prepare for other funding opportunities.
- BPF positively influenced grantees across development of gender equity policies, resulting in **increased representation of women in the workforce and economic empowerment.**
- **20% of the projects achieved improved income for their respective beneficiaries.**
- **BPF projects have fostered numerous collaborations and partnerships**, both South-South and North-South between profit and non-profit organizations.

The KBF has been doing a good job in managing the BPF. Acting as a convener and facilitator, as a philanthropic foundation, the KBF managed to successfully foster collaborations between the private and public sectors. This has resulted in impactful outcomes that benefit both realms. Since its conception in 2019, a total of nine rounds of calls for proposals were launched and 50 projects were awarded with a grant. Out of the 50 projects, 37 projects were surveyed in this evaluation.

**100% of the respondents in the grantee survey would recommend BPF to others.** This overwhelming positive response indicates that the role and value of BPF in being able to provide financing, in this underfunded environment of projects seeking to blend financial with social or environmental goals, is very strong. Key reasons why respondents recommend the BPF grant:

- Respondents generally praised BPF for their **straightforward grant process** and its **understanding of the challenges faced by businesses in Africa.** BPF has a good reputation among those who have interacted with it.
- Many respondents emphasized that BPF's grant funding targeted their businesses' most significant needs, allowing them to **address critical issues and achieve their goals.**
- **BPF's grant size, focus, and flexible reporting requirements were highlighted as unique** and supportive factors that made it recommendable. Particularly the focus of BPF to also include agricultural projects was highlighted as a real strength. The funding amount was considered reliable and manageable for achieving impact.

This narrative paints a picture of the BPF grant not just as a financial boost, but as a catalyst for further investment and an instrument of capacity-building for its beneficiaries. Overall, BPF's grant was seen as a valuable opportunity for social and environmental businesses, providing financial support, exposure, and opportunities for growth.

While the KBF team's effectiveness is acknowledged, **there is a need for additional staff and resources**. Concerns were raised about the KBF's capacity to coordinate the evaluation of the large number of applications thoroughly; evaluating 1,712 applications (aggregated amount Round 1-8) is a lot of work for one part-time coordinator. Yet it was **done in a cost-efficient way**. Managing a large number of applications is concluded as challenging and indicates the need for **an even more streamlined selection process** that ensures fair evaluation of each application while effectively managing the workload on the side of both the KBF as well as applicants.

The KBF's process for eligibility assessment, pre-selection, selection, and grant awarding is clearly defined for internal staff, stakeholders, and applicants and is working well for the KBF. This is supported by **well-developed fund management systems** which is bringing structure in the operation and management of all the steps during the funding rounds, from application to grantee contracting.

The Environmental, Social, and Governance (ESG) screening helped the KBF setting a baseline for the projects and identifying red flags at applicants level. BPF used ESG scores as an initial assessment **to gauge the sustainability and ethical aspects of projects**, but not for very much more and the **value of the screening process amongst applicants is unclear**. The input from representatives of Belgian embassies on the pre-selected projects varied. The **embassies' level of engagement was low** due to limited resources and lack of understanding of expectations; yet, they do want to know more and be of more support, if time and budget would allow.

The evaluators conclude that the project selection is largely based on information submitted with the application form. Thereafter, there is no opportunity for the KBF to ask the pre-selected applicant to clarify unclear parts of its application, nor is there an opportunity for the pre-selected applicant to defend weaker parts of its application. Not having such interaction between the KBF and the pre-selected applicant, not optimally using the ESG scores, and not being able to use local resources efficiently is concluded as **missed opportunities in the due diligence of projects**.

The jury meetings were found to be effective, leading to well-rounded project assessments. After project assessments, the **jury members had little to no access to information regarding the progress of projects** assessed.

KBF gives non-selected applicants the opportunity to get feedback on their rejected application upon request. This is concluded as a fair and reasonable gesture. However, **only half of the respondents indicated that they were satisfied** with the feedback given and the timeliness of it.

The KBF did a **commendable job on promoting the BPF**. Online information sessions and webinars are good tools to reach a large, international audience. The effectiveness of promotional activities was evident from the high number of project applications received during funding rounds, suggesting successful dissemination of fund information. Although there is a website dedicated to BPF, listing information on the program and selected projects, especially **the other funders and Belgian embassy representatives were not fully aware** about this.

The reporting standards and requirements of the KBF are in general **light** with focus on open and direct communication lines with the grantees. The majority of the stakeholders interviewed raised their concerns about this reporting approach, particularly on the **presumed lack of accountability and control** associated with it. Ensuring a balance between grantee autonomy and the KBF oversight is crucial to prevent misuse or inefficiencies in fund utilization.

The **matching fund criteria is well described** by the KBF in the BPF guidelines as well as on the Frequently Asked Questions (FAQ) section on the BPF website. Applicants are explicitly requested to fill out a basic matching fund table in the application form. By doing so, applicants are invited to **show their commitment to project success** which reflects the business partnership between the KBF and applicant. Yet, applicants are not required to substantiate matching fund information as provided in the application form.

In terms of **additionality** of the BPF grant from the grantees perspective, the vast majority of respondents overall indicated that the grant was either Very Important or Important to conduct their project, with a clear majority (72%) of respondents confirming that this project would not have been able to start at all without the grant. Although the results cannot absolutely determine why not all grantees needed the grant to start their projects, this should not minimize the importance of the grant, as the vast majority in fact did need the grant. The fact that it can be applied to various business types and stages is concluded as a strong positive.

The results of this evaluation strongly indicate that the grant not only provided financial support, but acted **a catalyst for deeper learning, innovation and improved processes, enabled blended value creation goals**. To expand on this, for each area investigated, elements of additional benefits were seen. The grant was certainly **instrumental in creating new jobs**, and in addition drove the **creation of several policies related to decent work and gender equality**. In terms of SDG reporting, thinking about blended value creation in terms of SDGs and developing impact monitoring frameworks was a newer consideration for several grantees. The grantees expressed needs to learn more about this area and achieve more support, through for instance e-learning courses, which indicates the genuine value that this change in thinking has brought on amongst grantees. At both beneficiary and grantee level, the BPF grant goes beyond the for-profit side of the operations, as **skill development, training on new practices and ways of working are extending beyond the intended project goals**. Both in terms of reach of beneficiaries as well as driving new innovative approaches of expanding business operations.

The provision of **Technical Assistance (TA) services by BPF had a slow uptake** in the earlier rounds. Eventually, seven consultants were contracted and provided TA services to grantees. Still, the TA component has not been a large success. Stakeholders are not able to comment on its effectiveness due to lack of knowledge. At grantee level, only nine out of the 37 (less than 25%) of the respondents in the survey indicated that they had requested and received TA from the BPF. Although grantees in general were satisfied with the assistance given, this still shows that there is potential to do more with these allocated funds. Particularly as the results show that there is a high need to further support grantees with Monitoring & Evaluation (M&E), SDG alignment, external impact evaluations, digital innovation, and more.

As such, strengthening the provision of **TA emerged as an area for improvement**. This support is essential for equipping businesses with the necessary skills and knowledge to ensure their sustainable growth and development. BPF's provision of TA could bridge the knowledge gaps and build capacity of grantees, thereby enhancing operational capabilities and contributing to project sustainability. Stakeholders are positive that projects will be financially sustainable whereas the KBF management remains reluctant. Close to 50% of the grantees expressed their **concerns on the future financial sustainability** of their project and business model.

Assessing the real impact of projects beyond quantitative outputs proved to be challenging, particularly in terms of evaluating improvements in employment, the creation of decent work environments and achieved environmental impacts. These **qualitative aspects are complex to measure**, highlighting the need for more nuanced evaluation methodologies. Although the grantee survey certainly highlighted some positive achievements across these areas, **the lack of proper continuous and data driven monitoring of BPF projects**, means they are relegated to point-in time evaluations like done here. True impact assessments are complex with significant distinctions between outputs, outcomes and impact. While outcomes refer to the broader and lasting changes brought about by a project, outputs are the immediate and measurable results. This differentiation is crucial in assessing the true impact of projects.

The interviews revealed that quantifying outcomes, especially in terms of societal, ecological, and financial impacts, is intricate, leading to difficulties in accurately evaluating the effectiveness of these initiatives. As this also necessitates that grantees have this awareness and validated data to back up their claims. Although this may be the case for some, it is beyond the scope of this study to investigate each grantees M&E framework in detail. However, we have highlighted several recommendations on how BPF can start to move forward with this process in a cost-effective and efficient manner.

**Key recommendations are highlighted for two scenarios**, referred to as Model A and Model B, see Table 1. By adopting Model A, the KBF can strengthen the existing structure of the BPF (short term improvements). Model B includes the key recommendations for setting up a new structure for a future funding program (long-term improvements).

Recommendations	Model A: key recommendations to improve existing structure of BPF	Model B: key recommendations for long-term structure of a future program
<b>Fund management</b>		
Change to a 2-stage application process		x
Apply stricter criteria to manage application load		x
Increase capacity to manage the BPF	x	x
Find new destination for TA funds	x	x
<b>Eligibility check and Pre-selection</b>		
Add a virtual Q&A meeting with the pre-selected applicant		x
Use ESG screening data in selection process and clarify use and purpose of ESG screening at pre-selection stage to applicants		x
Conduct local due diligence in partnership with stakeholders		x
<b>Selection</b>		
Include experts in the jury with abundant practical knowledge, expertise, and experience in doing business and on running a SME in all eligible countries of BPF		x
Increase the involvement of jury members during project implementation		x
Pro-actively provide feedback to non-selected applicants	x	x
Revise FAQ section on BPF website.	x	x
Enhance visibility of supporting available tools and processes to potential applicants	x	x
<b>Accountability and Control</b>		
Involve grantees in future information sessions and/or webinars		x
Improve level of detail of reporting	x	x
Involve local actors in project supervision in addition to project reporting	x	x
Continue the matching fund criteria	x	x
Tailor the matching fund request to the size and maturity of the applicant		x
Request matching fund supporting documents	x	
Request applicants to motivate its BPF grant request		x
Request applicants to describe their intention to leverage the BPF grant		x
Request applicants to motivate why the funding needs cannot be secured from other sources		x
Conduct an analysis on grantees' application documents vs progress reports	x	
Enlarge scope of TA services	x	
Dedicate a section on the BPF website on TA	x	
<b>Contribution to impact</b>		
Provide TA to high-potential Micro Enterprises	x	
Define a set of questions and/or criteria to assess to what extent a grantee is able to generate its own revenues and become less dependent on other grants	x	
Conduct a portfolio analysis	x	
Seek synergies with other funders	x	x
Provide clarity on roles and expectations of project partner constellations	x	x
Develop stricter and more focused M&E requirements for applicants and grantees		x
Digitalization of M&E data	x	x
Develop a Theory of Change with a supporting M&E framework		x
Sustainability focus		x
E-courses focused on M&E	x	x
Peer-to peer connection opportunities for grantees on M&E and digital innovation	x	x
Recommendations on trusted external impact evaluators for grantees	x	

Table 1 Recommendations

## 3 Introduction

### 3.1 About BPF

The Business Partnership Facility (BPF) provides non-refundable grants between €50,000 and €200,000 (that represents maximum 50% of the total investment) to support and develop private sector involvement in achieving the Sustainable Development Goals (SDGs) in developing countries. 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 (the KBF), a Brussels-based public benefit foundation, under the Belgian law. Its mission is to contribute to a better society. The KBF 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. Projects can cover a wide range of sectors. Later on, this was further specified as projects must now focus on at least one of these three themes:

1. Climate, environment and biodiversity;
2. Gender and female entrepreneurship;
3. Decent work and social protection.

The projects must contribute to the achievement of SDGs and should be result-oriented. Measurable results are expected on social impact (e.g. inclusion of youth and women, job creation, income improvement, access to affordable goods and services), environmental impact (e.g. saving resources, reducing CO2 emissions, preserving biodiversity) and economic viability (e.g. commercial feasibility and financial sustainability, high level of product and/or process innovation, scalability and replicability) in order to sustain without grant funding once BPF support ends (self-sustainable).

The grant applicants - Belgian, European or international legal entities - are encouraged to apply in partnership, thereby bringing together actors from the private sector, civil society, academia and/or the public sector. Partnerships comprises of at least one for-profit organization.

At the start of the evaluation, 8 selection rounds have been finalized. The first 7 rounds resulted in a total of 50 projects awarded with a BPF grant for a total of €8,193,544. These projects are located in 22 countries (43 projects in Africa, 4 in Asia and 3 in Latin America). Round 9 was launched and its selection process is still ongoing.

### **3.2 Objective of the evaluation**

The main goal of the final evaluation of the BPF 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 similar MSME-targeting facility to get a bigger impact on development/on the SDGs.

### **3.3 Structure of the evaluation report**

This evaluation had to be conducted across different engagement levels of BPF throughout its implementation. The methodology employed by the evaluators, including different but complementary methods of data collection, is described in Chapter 4.

Although the aim of this independent evaluation was to be as comprehensive as possible, the evaluators identified some limitations which are described in Chapter 5.

The findings of the evaluation are presented in Chapter 6. The main findings from the online interviews with BPF’s management and BPF’s stakeholders are presented in section 6.1 as per the following categories: fund management, eligibility check and pre-selection, selection, accountability and control, and contribution to impact. The main findings resulting from the digital questionnaire completed by 37 grantees are presented in section 6.2 as per the following categories: project information, SDGs and project impact reporting, project impact reporting, job creation, gender equity and social inclusion, environmental impact, BPF grant management and support, and financials. A high-level summary of the key trends captured within and between eight projects visited on-site is outlined in section 6.3. Lastly, the main findings resulting from the online survey completed by 92 non-selected applicants are presented in section 6.4.

Chapter 7 presents the conclusions and recommendations resulting from the final evaluation. The conclusions are structured per main topic, following by a set of recommendations. The recommendations made can be considered by the KBF for follow-up in the remainder of the BPF (as long as the selected projects are ongoing) as well as for setting up a new fund in the future.

## 4 Methodology

In order to reach a conclusion on the stated objectives of the evaluation, this evaluation had to be conducted across different engagement levels of BPF throughout its implementation so far:

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

Across each level, the following key aspects had to be investigated.

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

### **Portfolio of BPF:**

- Is the measurable 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):**

- 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, decent work 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 (TA) offered desirable/satisfactory/relevant or should the scope of the TA 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 their living conditions?

In addition, this evaluation investigated the applicants who did not receive a grant to determine to what extent non-selected applicants felt that the application process went smoothly, where BPF could improve on the process as well as looking into whether these projects were successful in finding other sources of funding.

In order to collect and analyse data to make conclusions across these levels and their respective areas of investigation, the evaluators employed different but complementary methods of data collection. These data collection methods helped achieving results that were standardized, individually specific yet allowed for cross-level learnings and conclusions to be drawn.

As this was a final evaluation, the Mid-Term Evaluation (MTE) was a critical resource to draw from. Since the objectives of the MTE and this final evaluation are vastly different in scope, the evaluators decided not to directly follow the methodology of the MTE. However, the report itself served as a key resource to inform this final evaluation. Further supporting this evaluation, a series of additional key documents were reviewed (see Chapter 8).

The methodology employed for each level is outlined below.

**1. Management of the BPF by the KBF**

The objective was to capture as diverse a range of stakeholders as possible and get their differing views on topics including BPF fund management, processes for eligibility checks and pre-selection, processes of awarding of the grant, grantee accountability and control, and finally BPF's contribution to impact.

Through design and planning of a **series of semi-structured interviews**, 14 interviews were conducted lasting 1.5 hours each on average with the stakeholders as listed in Table 2.

	Name organization	No. of interviewees
<b>Management</b>	KBF / BPF	2
<b>Stakeholder</b>	DGD	1
	Jury	3
	NGO sector Belgium: 11.11.11	1
	NGO sector Belgium: Centre National de Coopération au Développement (CNCD)	1
	Other funders: Alterfin	1
	Other funders: Kampani	1
	Other funders: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	1
	Other funders: Business Partnership Facility Luxembourg (BPF Lux)	2
	Belgian Embassy: Nairobi, Kenya	1
	<b>Total</b>	<b>14</b>

Table 2 Stakeholders interviewed

Due to timing conflicts, one representative of the DGD and three representatives of Belgian Embassies (Senegal, Tanzania, Rwanda) shared their feedback by email instead.

## 2. BPF supported projects: grantees

As grantees are the main drivers of outcomes and project implementation, their feedback was critical to this evaluation. At the time this evaluation started in June 2023, there were a total of 50 grantees in the BPF portfolio across the globe. As the scope of this assignment required the evaluators to investigate a diverse set of topics and geographies, the evaluators decided that a **digital questionnaire** would be the best way to acquire this information. Administered via Akvo Flow (a web-based survey form) and available in both English and French, the questionnaire covered eight general topics and was sent to the main contact person of each lead partner of the 50 BPF-supported projects. To meet the stated objectives, the following topics were covered:

- General information about organisation
- General information about the project and role of partners
- Grantees contribution to SDGs
- Grantees contribution to decent job creation
- Grantees contribution to gender equity and social inclusion
- Grantees contribution to environmental impact
- Grantees perception of BPF grant management and technical support
- Grantees financial overview, importance and contribution of the grant, longer term financial sustainability and importance/challenges of blended value creation

Totalling 143 questions and taking about one hour to complete, the evaluators aimed for a 50% response rate. In the end, a total number 37 grantees completed the questionnaire which resulted in a 74% response rate. Data from this survey was complemented by data obtained from grantee project reports as well as data from BPF that they have collected from grantees.

### 3. BPF-supported projects: grantees and final beneficiaries

As interviewing all project grantees one on one was outside the scope of this assignment and this method could also not reach final beneficiaries, the evaluators decided to complement the results from the questionnaire with site visits to eight projects. After discussions with BPF, a group of projects were selected Table 6 demonstrating a breadth of projects across sectors, geographies and project phases. During the site visits, in-person **Key Informant Interviews (KII)** were conducted with three project staff for each supported project. This was complemented by **Focus Group Discussions (FGD)** with a maximum of ten final beneficiaries for each site-visit. Site-visits were conducted by staff across the three organizations part of the evaluation team. Where it was not feasible to be directly conducted by a staff member, known and trusted locally based external enumerators and consultants facilitated those site visits. All local teams were supervised and trained by one of the evaluators. In order to ensure consistency and have representative sample sizes from across all the site-visits, a site-visit guide was developed by the evaluators, outlining the requirements and protocols of the site visits whilst ensuring a fair, diverse and equal participation of people across visits. Moreover, the evaluators developed a semi-structured interview template for the KIIs as well as for the FGDs. Across both KIIs and the FGDs, the purpose was to ascertain the perceptions of people involved across the following areas:

- **Project impact.** Is it clear what the project aims to achieve, are you seeing the benefits?
- **Unintended positive or negative consequences of project implementation.** Has anything happened during the course of the project that you did not expect? What have you seen on the ground?
- **Project and BPF support.** Is the grantee committed to supporting training or other activities for final beneficiaries or project management staff? Are there gaps in support that you would like to see implemented to improve effectiveness from either BPF or the grantee?
- **Lessons learned from Projects.** Where do participants across the organization and beneficiaries see as key lessons learned in order to increase success and effectiveness of project implementation.

In addition to these shared areas of investigation, during the KIIs, grantees' staff were also asked specific details concerning their views on the financial sustainability of the project. In order to minimize the time-burden of the grantees, FGDs and KIIs were conducted on the same day as often as possible, with a few exceptions where they took place on separate days. In order to ensure that final beneficiaries felt free to speak their mind, grantee project leads and other project staff were not allowed in the FGDs whereas the KIIs were conducted one-on-one and separately. KIIs lasted about 1.5 hours per participant and FGDs were scheduled to last no more than three hours. All grantees supported the evaluators with this task and supported with organisation, logistics and outreach to ensure that staff and final project beneficiaries were available for these tasks. No details of the interviews were sent to any of the grantees ahead of the visit. In total, 24 interviews were conducted as well as feedback from 75+ final beneficiaries, which was used to inform the other evaluation results and are also summarized separately for each site visit, see Annex 1.

#### **4. Non-selected applicants**

An **additional shorter survey** was sent out to applicants that had not been successful in securing the grant. The main purpose was to get their perspectives on key topics related to the application process, potential improvements based on their experiences as well as their success in finding additional funding (and also whether their BPF application process had been useful to find other sources). Focusing on the last two rounds of applications, 300 surveys were sent out to non-selected applicants. Given that these organisations have no current ties to BPF, the focus was to keep this survey short and focused on the feedback that they were best placed to give. Totalling only 25 questions and taking no more than ten minutes to complete, the evaluators were nevertheless expecting a low response rate of 10%. In the end, 92 applicants responded out of 300, meaning about a 30% response rate.

#### **Final feedback**

Once all the data analysis was complete from the above activities, pre-liminary findings were presented to the KBF's stakeholders, representatives of the DGD and the Ministry for Development Cooperation during **two online validation meetings**. The additional insights and reflections shared by participants were captured and incorporated into the final evaluation report.

## 5 Limitations

Although the aim of this independent evaluation was to be as comprehensive as possible, investigating the BPF grant at all levels from stakeholders, to grantees as well as impacts on beneficiaries in project country locations, choices had to be made in terms of the nature and reach of data collection.

Some of the key limitations of our approach include:

- We were limited in our selection and time we were able to spend on site at the various project locations across Africa. Although the aim was to have a good diversity between project sectors and geographies, only visiting eight out of 50 projects, comes with obvious limitations in the types of projects BPF have supported. Further, by respecting the time of beneficiaries and not scheduling lengthy site-visits, we relied on the grantees to support in finding personas for KIIs and FGDs. Although results indicate a mix of both positive and critical feedback, it cannot be excluded that had we been able to spend more time and interviewed more people, the results may have been different. But such an approach was out of scope for this study.
- The surveys to the grantees had a high response rate and went above expectations. That said, having a 100% response rate would have given more insights. Further, it would have been beneficial in some cases, to investigate in detail some responses given by grantees through one-on-one interviews with grantees. But this was unfortunately outside the scope of this study and would in addition have taken more time away from grantees.
- Due to some limitations in the data collection by BPF, we were not able to cross reference information such as job creation generated as part of this study with internal BPF data.
- To the best of our ability, data from this study has been validated with supporting information from across areas of our investigation as well with external sources, such as website information of project leads and partners, as well as with support of the KBF staff and internal data. Although we are confident in the accuracy of the information presented, there may be discrepancies beyond our control.
- All information presented is based on a synthesis of interviews and survey data. Although we have strived for a diverse and representative sample size across areas, there may be inherent biases amongst people approached that cannot be fully accounted for with regards to perception of the BPF programme as a whole.

## 6 Findings and analysis

This chapter presents the main findings, analysis and results of the evaluation and is divided across the main areas outlined in the methodology:

- The main findings from the online interviews with BPF's management and BPF's stakeholders are presented in section 6.1.
- The main findings resulting from the digital questionnaire completed by 37 grantees are presented in section 6.2.
- The main findings from in country site-visits are presented in in section 6.3.
- The main findings resulting from the online survey completed by 92 non-selected applicants are presented in section 6.4.

### 6.1 BPF's management, stakeholders, and portfolio

This section describes the main findings resulting from online interview with BPF's management and BPF's stakeholders. The findings are presented in the following categories: fund management, eligibility check and pre-selection, selection, accountability and control, and contribution to impact.

#### 6.1.1 Fund Management

##### **Strategic alignment BPF-KBF**

The importance of having a clear strategy alignment between the BPF and the strategy implemented by the KBF for the success of the fund was highlighted in all interviews. Initially, there were challenges in ensuring a complete understanding of the strategy, particularly among jury members. This lack of perfect clarity led to varying interpretations of the main evaluation criteria and project priorities. However, stakeholder interviews revealed that over time, efforts were made to refine and articulate the strategy more comprehensively. This alignment was crucial not only for the DGD and jury members to have a unified understanding but also for applicants to accurately tailor their submissions to the fund's objectives. Clear strategy implementation thus emerged as an essential factor in driving successful project selection, as it established a common framework against which projects were evaluated and selected.

Although the other funders indicated to know little about the strategic alignment between the KBF and BPF, they did find the concept and the mission of BPF to be 'very good'. Overall, they have a positive impression of BPF's management who was described by the other funders as 'professional and effective' and 'quite experienced with the missing middle'. Three embassy representatives mentioned to have generally positive views of the BPF's mission and strategy, albeit with concerns about beneficiary numbers and reservations about the selection process.

## Overall management

The overall management of the BPF was assigned to one part-time coordinator, responsible for:

- Promoting the program and informing potential applicants that have questions;
- Checking on eligibility of all projects coming in;
- Coordinating the pre-selection of projects that have a reasonable potential to be granted;
- Preparing the advisory committee (jury);
- Informing applicants about approval or rejection of their application;
- Monitoring approved projects by self-reporting (portfolio management);
- Starting up new rounds of applications.

The part-time coordinator was supported by a back-office for drafting contracts for grantees and making payments to grantees. Although the workload increased significantly as the BPF rounds progressed, only one additional part-time support staff joined the KBF in 2023.

A fund management system was developed by the KBF, including regulations and procedures for applying, selecting projects, and managing the projects. The KBF used the method 'call with selection by an independent jury' in the framework of support for projects and initiatives of general interest<sup>1</sup>. The availability of financial means was announced to the general public/target audience via a call for proposals. Interested applicants who believed they met the criteria were invited to respond to the call for proposals by submitting an application form before a certain deadline. The KBF drafted the project application form, regulations, frequently asked questions (FAQ) in close cooperation with the DGD. These documents were translated into Dutch, French and English.

## Applications: statistics and revisions

Since its conception in 2019, a total of 9 rounds of calls for proposals were launched which resulted in 1,949 applications. At the start of this evaluation, 8 rounds have been finalized resulting in 1,712 applications of which 50 were awarded with a grant, see Table 3.

Year	Round	No. of applications	Eligible	Not eligible	Pre-selected	Approved
2019	Round 1	212	132	80	24	11
2019	Round 2	185	113	72	17	6
2020	Round 3	87	63	24	15	7
2020	Round 4	139	81	58	13	5
2021	Round 5	244	167	77	17	8
2021	Round 6	219	169	50	14	6
2022	Round 7	249	164	85	17	7
2023	Round 8	377	106	271	23	9
2023	Round 9	237	179	58	17	not available
	<b>Total</b>	<b>1949</b>	<b>1174</b>	<b>775</b>	<b>157</b>	<b>59</b>

Table 3 Overview of application rounds and number of applicants at each round.

<sup>1</sup> (2020). Business Partnership Facility – Second Activity Report, Annex 10 – Formal briefing for the jury

After almost every selection round, the KBF revised the application form, regulations, FAQ, based on the remarks and feedback from the DGD, the KBF internal staff, applicants, and jury members.

Significant revisions and changes made include:

1. **Checklist criteria.** As the KBF received many non-eligible applications in Round 1 (80 out of 212, 38%) and Round 2 (72 out of 185, 39%), for Round 3 a checklist was added including yes or no questions on the main eligibility criteria. This checklist was to be completed before starting the application form with the aim to help filter the eligible applications from the non-eligible applications. The number of non-eligible applications received reduced after the introduction of the checklist in Round 3 (24 out of 87, 28%), see Table 3. The KBF decided to keep this checklist for the next rounds. However, Round 4 (42%) and Round 8 (72%) included relatively high numbers of non-eligible applicants.
2. **Partnerships.** Round 3 improved the communication on the necessity of a non-for profit partner. A company (for-profit) is eligible to apply without other partners. However, for most projects a partnership (with a non-profit) is preferable.
3. **Eligible countries.** Applicants eligible for a BPF grant, must be on the list of countries where BIO Invest is allowed to invest. BIO Invest published a renewed list during the submission period for Round 3. As agreed with the DGD, it was decided to use the long list for eligible countries, i.e. all countries on the old and/or on the new list. This long list is only applicable for Round 3. For Round 4 only the countries on the new BIO list are eligible<sup>2</sup>.
4. **Matching fund.** For Round 5, applicants were to fill out a table in the application form with details about the origin of the matching fund. In consultation with the DGD, it was decided that applicants who do not fill in this table correctly, will not be considered for pre-selection.
5. **MTE recommendations.** For Round 7, the documents were adapted according to the recommendations of the MTE. The MTE played a pivotal role in fine-tuning project focus. This assessment was not only effective in confirming the existing project direction but also in identifying areas for improvement:
  - a. **The list of eligible countries was shortened** to: Algeria, Benin, Burkina Faso, Burundi, Cameroon, Côte d'Ivoire, DR Congo, Egypt, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mali, Morocco, Mozambique, Niger, Nigeria, Palestine, Rwanda, Senegal, South Africa, Tanzania, Tunisia, Uganda, and Zambia.
  - b. **Three priority themes were introduced:** i) Climate, environment and biodiversity; ii) Gender and female entrepreneurship; iii) Decent work and social protection.
  - c. **Re-categorization of criteria** for clearer communication.
  - d. **Feedback to non-selected candidates.** Candidates who do not pass the eligibility check, pre-selection or final selection now receive specific feedback as to why. The non-eligible and non-preselected candidates are informed right after the preselection, the preselected candidates that don't pass the final selection are informed after the jury meeting.
  - e. **TA.** The procedure to obtain TA was simplified.

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<sup>2</sup> (2020). Business Partnership Facility – Second Activity Report, Annex 10 – Formal briefing for the jury

The recommendations made in the MTE were followed up on as per Round 7, the only round launched in 2022. The second round of 2022 (which was supposed to be Round 8) was not launched as planned. At the request of the DGD, which funds the BPF, Round 8 was suspended for review of certain modalities.<sup>3</sup> The management interviewees mentioned that this was a serious and important challenge to them as, at the time of the suspension, it was not clear to the KBF whether or not the BPF would continue and under which conditions.

The evaluators of the final evaluation expected that the number of applications would decrease in Round 7 as a result of the introduction of the three priority themes as well as by reducing the number of eligible countries. However, Round 7 saw an increase of applications (from 219 in Round 6 to 249 in Round 7) while the absolute number of eligible applications remained more or less the same (169 in Round 6 and 164 in Round 7).

Round 8 was eventually launched in 2023 and generated quite some interest from applicants: a record number of 377 applications were submitted of which only 106 were assessed to be eligible. The evaluators presume that this large number of applications is primarily a result of the suspension of the initially planned Round 8. Also, as the BPF rounds progressed and was reaching its final round, the pool of non-selected applicants increased. Some of them applied for a second and for a third time with the same project which presumably contributed to the large number of applications in Round 8.

### **Engagement of Philanthropy in Private Sector**

Most stakeholder interviewees acknowledged that the KBF is doing a good job in acting as a convener and facilitator, and has been successfully fostering collaborations between the private and public sectors, resulting in impactful outcomes that benefit both realms.

The stakeholder interviews highlighted the role of philanthropic organizations like the KBF in bridging the gap between private sector engagement and sustainable development. However, not all stakeholder interviewees felt that a philanthropic organization is best placed to engage with the private sector. Despite the potential for philanthropic organizations to foster collaboration between the private and public sectors, as highlighted by some stakeholder interviewees, others expressed skepticism about the ability of philanthropic organizations to successfully manage and drive impactful projects which will become sustainable business models within the private sector. They questioned whether such organizations possess the necessary expertise, capacity, and drive to effectively execute initiatives in this domain.

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<sup>3</sup> (2022), BPF website, news section. <https://businesspartnershipfacility.be/eighth-call/>

One of the other funders who were interviewed questioned whether the KBF is sufficiently familiar with the world of impact investing. This is an area within the funding landscape that requires specific knowledge, experience, resources, and set of skills and capacities:

- Financial structures of an organization, corporate finance, funding requests vis-à-vis company's current and projected financial situation;
- Access to local market information, understanding of local context;
- More finance oriented staff and local presence e.g. regional and/or country office, working with local consultants, actively engage with embassies).

This was later on supported by one stakeholder interviewee who explicitly questioned – although this was not part of BPF's objectives – whether the KBF has the capacity to act as a business partner to grantees and as such be able to provide business advice to grantees.

While the KBF's effectiveness is acknowledged by the interviewees, the need for additional staff and resources is mentioned repeatedly. Also, concerns were raised about the KBF's capacity to evaluate a large number of applications thoroughly. Moreover, one stakeholder interviewee considered the program's timeline and duration long which could potentially lead to challenges in managing and following up on projects. The BPF's life span is around eight years, including five years of application rounds and three years' worth of administration after completion of the last application round. The stakeholder interviewee questioned the duration of these three years of administrative follow-up as it seems to be time consuming.

#### **6.1.2 Eligibility check and Pre-selection**

Two KBF representatives evaluated all applications submitted for Round 1-7. An eligibility check was conducted for all applications on country focus, amount of grant requested, matching fund, and completeness of application. The management interviewees mentioned that quite a lot of applications turned out to be ineligible upon completion of the eligibility check. This is supported by the data presented in Table 3: 717 of the 1,712 applications were assessed as ineligible (42%). According to the management interviewees, the main reason was the origin or the lack of applicants' own financial contribution to the project.

The applications were pre-selected by a minimum of two representatives from the KBF and two representatives of the DGD (except for the rounds in 2022 and 2023). In general, it was observed that all pre-selected projects combined per round often represented a total grant request of double the available budget for that particular round. Also, applicants from English speaking countries more often delivered good quality proposals. Moreover, some applicants hired consultants to support them with preparing an application which resulted generally in higher quality proposals.

Pre-selected applicants were requested to comply with the following:

- 1. Video pitch.** Pre-selected applicants were invited to send in a video pitch (except for the first two rounds) of maximum two minutes in which they give a short introduction about their company and their proposed project. The main purpose of the video is to inform the jury

members on the main aspects of the proposed project. The management interviewees confirmed that the video pitches were positively received by the jury. It provided them with a better feeling of the pre-selected applicant's professionalism. It is a good refresher on the key elements of the project and shows the people behind the application. The video pitch was not a formal part of the jury's assessment.

- 2. Screening Environmental, Social, Governance.** The for profit partner(s) of pre-selected applicants were invited to participate in an Environmental, Social, and Governance (ESG) screening. The purpose of an ESG screening in the project pre-selection stage was mainly to detect misconducting and (potential) malicious behavior of the pre-selected applicant (and thus a potential grantee). The ESG screening is conducted as an independent evaluation by a third party. One management interviewee explained that the ESG screening was a completely new element for the DGD and the KBF. The KBF contacted, screened and compared companies with expertise in ESG screening. In close collaboration with the DGD, the KBF selected two companies: Ecovadis and Sedex. In Round 1, the KBF only worked with Ecovadis. In all other rounds, the KBF worked with both Ecovadis and Sedex. In Round 8 and 9, the KBF only worked with Sedex. 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 developing 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.<sup>4</sup>

The collaboration between the KBF and Ecovadis and Sedex went well, but a close follow-up from the KBF was necessary. The KBF was actively involved in contacting all pre-selected applicants and urged them to participate in this screening and to deliver the requested information on time. Moreover, one management interviewee questioned whether the current tools (e.g. Ecovadis and Sedex) were comprehensive enough in the context of developing countries, presuming that companies in developing countries are less familiar and focused on ESG as compared to companies in developed countries.

The management interviewees mentioned that from their perspective, the ESG screening worked well. The ESG screening did point out specific areas where pre-selected applicants could improve on. This did not reduce the chances of the pre-selected applicants of being awarded with a grant. In fact, the KBF explicitly not only selected 'the best in class' but also companies that still had some improvements to make regarding ESG. So far, no grantees were supported where abusive practices occurred. Whether this is really related to the ESG screening is difficult to answer.

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<sup>4</sup> Phlix, G. and Greve de, P. (2021). Mid-Term Evaluation Business Partnership Facility «Enterprises for SDGs». Website BPF

The stakeholder interviews underscored the critical role of ESG frameworks in evaluating projects. The stakeholder interviewees stated that these frameworks were employed as comprehensive tools to ensure project alignment with sustainability goals. The interviews revealed that ESG scoring did serve as a valuable tool for screening applications but was found to be limited in telling much of a story. It was suggested by one stakeholder interviewee that low ESG scores can help identify red flags that might not be immediately evident. As such, the scores aided in distinguishing projects that might have potential problems.

### **Involvement of Belgian Embassies**

On 31/01/2019, the KBF presented the BPF to Belgian embassies on the 'diplomatic days' in Brussels, followed by a 1-on-1 information session. On 20/01/2022, an online information session for the Belgian embassies was organized by the KBF and the DGD. The objectives of these information sessions were to inform all embassies involved on the details of the BPF, the expectations towards them in terms of input during the selection process and follow-up of the selected grantees and projects. During the pre-selection stage, the DGD sent out the summaries of the pre-selected applications to the embassies of the concerned countries for feedback, for example on the track record, reputation, reliability of the pre-selected applicant. Despite these efforts, the level of detail of the embassies' feedback varied. Some embassies scheduled a visit to the respective pre-selected applicant while other embassies did not follow up at all. The management interviewees indicated that they had little to no interaction with the embassies as this was a task assigned to the DGD. From management interviewees' perspective, the embassies did not have a significant role in the project selection process.

The small role of the embassies in the project selection process was confirmed by all embassy interviewees. The embassy interviews revealed that all embassies had little knowledge about the BPF and the project portfolio, despite being informed by the DGD on the final project selection. Budget and staffing constraints limits the embassy's ability to provide feedback in a more detailed manner; visiting a BPF project on-site hardly ever takes place due to the same constraints. Nevertheless, embassies expressed their willingness to collaborate with the DGD and the KBF in the assessment of projects in selection as well as project implementation stages. They remain open to explore how to best provide vital local context, identify red flags, and assess potential project impacts, in a cost-efficient way. The jury members regarded the input from embassy representatives as valuable; however, the DGD stopped requesting feedback from the Belgian embassies in Round 7 which was resumed as per Round 8.

A common understanding between the KBF and the DGD often needed to be reached during internal meetings after which the pre-selected applications, coupled with their video pitch, ESG screening results, and embassies' feedback (if available), were sent to all jury members for evaluation.

### 6.1.3 Selection

An independent, representative jury is responsible for the selection of projects. The KBF composed a well-balanced and independent jury with complementary profiles of the jury members, both Belgian and non-Belgian experts. The KBF briefed all jury members on the objectives of the call and expectations of the jury members and asked them to sign a confidentiality agreement. Members are chosen for their experience and professional qualities. Through their involvement in the subjects covered by the call in question, their mission is to select the best projects.<sup>5</sup>

The KBF representatives handed over the assessment files of the pre-selected applications to the jury members for evaluation on the selection criteria prior to the jury meeting. During the jury meeting, each member has the opportunity to explain his or her choice for each application (positive and/or negative). Based on the evaluation of the members of the jury, the secretariat draws up a comparative table which will serve as the basis for deliberations and discussions followed by decision-making. The decisions of the jury were always taken by consensus. The deliberations of the jury are secret and the decisions cannot be appealed.<sup>6</sup>

The KBF representatives do join the jury meetings; yet, their role remains limited to answering questions (if any) of the jury. The management interviewees praised the added value, effectiveness, knowledge, and expertise of the jury and both consider this as a strength of the BPF.

The involvement of the jury committees was acknowledged by the stakeholder interviewees as beneficial, leading to more well-rounded project assessments. Jury members praised the level of pre-selected projects and the availability of high-quality reporting outputs. This streamlined the evaluation process and ensured that all key aspects were adequately addressed in jury meetings. The majority of the stakeholder interviewees stated that the jury brings together a wide range of diversity, industry insights, and expertise, one interviewee found the committee not diverse enough.

The KBF informed the pre-selected candidates on the outcome of the selection process:

- **The non-selected applicants.** As requested by the DGD, some projects that were not selected were invited to contact the DGD (in the first rounds) and the KBF (for later rounds) for follow up and feedback. The non-preselected applicants were informed by email including the main eligibility or selection criterion not met, aimed to help applicants to improve their application and to re-apply in the next round.
- **The selected applicants.** The KBF contacted the selected projects to discuss a payment schedule including the distribution of the total financial support into different installments and the timing for each installment. The KBF also drafted the agreements and distributed them to the grantees for signing digitally. Lastly, the KBF informs the selected applicants about the reporting requirements, the project specific Key Performance Indicators (KPIs) and its dependency on payment of subsequent installments.

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<sup>5</sup> (2020). Business Partnership Facility – Second Activity Report, Annex 10 – Formal briefing for the jury

<sup>6</sup> (2020). Business Partnership Facility – Second Activity Report, Annex 10 – Formal briefing for the jury

#### 6.1.4 Accountability and Control

##### Promotion and visibility of the BPF

Since the call was publicly announced, the KBF contact center and the KBF project managers were full time available to answer questions for candidates via email, over the phone, online meetings, and face-to-face meetings. Management interviewees indicated that applicants prefer direct and personal communication with the KBF. They often ask project-specific questions (e.g. does my project idea align with BPF criteria?). This is quite time consuming for the KBF; yet, it is an easy way for applicants to get feedback on their project ideas. Similarly, a lot of general questions are asked for which the answer could have been found on the BPF website in the FAQ section.

The management interviewees acknowledged that little attention was given to promoting the BPF in the early days of the program, both internally and externally. Public presentations were given at several events in Belgium e.g. Agoria & Close the Gap (10/01/2019), Diplomatic days (31/01/2019), The Shift CEO event (15/01/2019), VBO & FRDO lunch meeting (28/05/2019), the DGD (04/07/2019). Most stakeholder interviewees highlighted the need to enhance the promotion and visibility of BPF in the developing countries. The KBF made significant efforts to improve this by actively announcing each call for proposals via various communication channels:

- **Hosting KBF webinars** multiple times a year with an increasing number of registrations e.g. 10/01/2020 (39 registrations), 10/07/2020 (80 registrations), 20/11/2020 (140 registrations), 15/01/2021 (83 registrations), 30/04/2021 (150 registrations), 18/06/2021 (171 registrations), 03/12/2021 (160 registrations), 13/01/2022 (Eng – 148 registrations), 13/01/2022 (Fr – 126 registrations), 07/10/2022 (Fr – 153 registrations), 07/10/2022 (Eng, 91 registrations), 09/12/2022 (Eng, 130 registrations).
- **Hosting online information sessions** at various platforms e.g. DARPE webinar (29/07/2019), ULB (10/10/2019), DG DEVCO (12/02/2020), ACP with the Belgian embassy in Colombia (09/12/2020), DARPE webinar (14/12/2020), CBL ACP – Chamber of Commerce, Industry and Agriculture, Belgium, Luxembourg, Africa, Caribbean, Pacific (29/01/2021), IFC Colombia (22/07/2021), African Diaspora Agrofood Forum (17/09/2021), VBO-FRDO (16/11/2021), Belgian embassies (20/01/2022).
- **International network organizations.** Since the third call for projects, the KBF invested time in establishing contacts and expanding its network at umbrella organizations and local networks for social entrepreneurs. The KBF actively contacted organizations that run websites/platforms to publish grant options.
- **Informing non-profits through e-news.**
- **BPF website.** The KBF launched a website dedicated to the BPF to explain in detail the selection procedure and the selected projects. The website has been updated regularly with the aim to communicate transparently to all stakeholders (in three languages).
- **Social media.** The KBF became more active on social media and also asked grantees to post and repost updates on social media.

The management interviewees are quite content with the way the KBF has promoted the BPF over the years. For example, the webinars and the online information sessions were considered a good way to reach a large international target audience. In one hour, the KBF provided information on the selection procedure, selection criteria and selected projects. There was ample time for addressing questions so the participants also learned a lot from the questions of the others. Stakeholder interviewees appreciated how BPF was utilizing webinars and information-sharing sessions to reach a wider audience and effectively convey the impact of the projects.

The effectiveness of promotional activities was evident from the high number of project applications received during funding rounds, suggesting successful dissemination of fund information. This highlights the significance of clear and comprehensive communication in project selection and the fund's ability to generate substantial interest from applicants.

### **Reporting and communication**

Grantees are expected to report to the KBF on the audited accounts (yearly), narrative and financials (before transferring the next instalment of the grant, minimum every year), and project status and update (short, every 2 months via e-mail, report, video or meeting)<sup>7</sup>. Next to the narrative reporting, all projects have to report on the following KPIs:

- Project specific KPIs;
- Enterprise turnover and net income over the current and last year;
- Number of full time employees (FTE) and FTE created;
- Number and type of financial services subscribed / at disposal of the enterprise & covered amounts for the current year (e.g. bank account, (micro) credit & loans, guarantee).

Before releasing the next BPF instalment, there is a check to see if the grantees have spent with the matching budget at least as much as the BPF tranche previously paid out.<sup>8</sup>

Management interviewees felt that the reporting requirements of BPF are concise and clearly communicated to grantees. The reporting standards and requirements of the KBF are in general light (no financial proofs) with focus on open and direct communication lines with the grantees. The KBF believes that even when grantees would be asked to substantiate certain statements with supporting documents, fraud would still be possible and difficult to verify (residual risks would still remain in the project implementation stage). Lower overhead is also good for the project execution, because administrative requirements are distracting from the project execution ("reporting is not the greatest good"). Therefore, keeping reporting light seems to have been the better option, according to the management interviewees who also stated that most grantees feel the same way. Furthermore, the management interviewees stressed that doing a good screening in the assessment stage of projects is key to be able to apply light reporting requirements in the project implementation stage.

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<sup>7</sup> BPF website, Q&A section <https://businesspartnershipfacility.be/questions-answers/>

<sup>8</sup> (2022). Business Partnership Facility – Third Activity Report

In general, the KBF was provided with sufficient information through reporting to be able to monitor project progress and manage risks at both the project level and the fund level. Most of the fund has been spent well in the projects and no major incidents occurred. Yet, challenges persisted in effectively communicating with grantees and in terms of portfolio management and engagement strategies. For example, the following challenges in communication were observed:

- The KBF mostly needed to send reminders as pro-active reporting barely happened.
- Sometimes grantees just did not respond anymore to any information request. In two or three projects, the KBF had the feeling that the grantees were withholding information.
- Most grantees have received most of the funding as first payment and became more irresponsible later when not so much funds were remaining.

The concept of conditional disbursement was introduced, where disbursements could be tied to specific project milestones or conditions. This approach encourages grantees to be more accurate and timely in delivering complete project progress report, knowing that the disbursement of a subsequent installment might be put on hold in case reported data is inaccurate or unclear. Yet, it also comes with the potential risk that a grantee might not be providing honest information to get access to disbursements.

Following up with grantees on communication challenges was considered to be challenging. The KBF staff conducted ten brief site visits and/or meetings with grantees in Senegal, Benin, Burundi, Democratic Republic of the Congo, Uganda. Also, dozens of meetings between the KBF and grantees took place in Belgium (when grantees traveled to Europe). Yet, travelling to all projects would require a lot of extra costs, and the management interviewees considered whether this would be worthwhile. Instead, it was preferred to spend the operational budget on helping the grantees creating the most impact possible rather than spending it on making admin requirements and checks tighter. The management interviewees do acknowledge that as a result of this trade-off, probably some grantees will not spend the funds responsibly (rather than having all grantees suffering from higher admin burdens).

Most stakeholder interviewees are aware of BPF's reporting standards. Grantees are responsible for updating the BPF about project progress (self-reporting). However, most stakeholder interviewees raised concerns regarding the accuracy and completeness of self-reported data whereas there seemed to have been challenges in effectively tracking and assessing projects after they were approved for funding.

One stakeholder interviewee emphasized that more strict reporting on the use of Official Development Assistance (ODA) funds in high-risk contexts is absolutely necessary, at least for the sake of "doing no harm", which was suggested to entail at least:

- an independent evaluator to monitor each funded project
- a complaint mechanism for local communities
- an ex-ante risk analysis, including consultations with local communities to be affected

The stakeholder interviews highlighted a communication gap on project progress from three different perspectives:

- 1. Jury perspective,** referring to the discrepancy between the comprehensive information provided to the jury during the project selection process and the lack of post-funding updates. The interviewed jury members noted that while they were well-informed during the selection process, there was a noticeable dearth of ongoing communication about funded projects. They expressed a desire for regular progress reports and updates, which would help the jury understand how projects were advancing and if they were meeting objectives.
- 2. Other funders' perspective,** referring to the little external communication on the progress made by the projects. All other funders mentioned to some extent that they do not have proper knowledge about the portfolio of BPF; yet, they indicated to be interested in learning more about the progress made on project level and lessons learned on portfolio level.
- 3. Belgium embassy's perspective,** referring to their limited awareness of reporting requirements, and progress reporting, indicating a need for improved communication between the DGD and embassies.

### **Matching Funds and Additionality**

The BPF provides non-refundable grants between €50,000 and €200,000. Partners must also contribute for an equal or higher amount. The financial contribution to the project by the for-profit partners, for at least the same amount as the grant requested, is called 'matching fund' or 'co-funding'. This matching fund must be a cash contribution.

The role of grants and matching funds in ensuring commitment and ownership by for-profit partners in the long term is considered to be effective. It was mentioned by the management interviewees that the matching fund principle has been effective in selecting projects that are serious about their commitments. While the KBF experienced some complexities in explaining the concept of matching funds to applicants and grantees, the requirement has helped in filtering out businesses that are solely looking for free money.

The use of matching funds was also considered positive by all stakeholder interviewees. One stakeholder interviewee believes the matching fund principle incentivized projects to have a strong commitment and demonstrated financial stability. Another stakeholder interview highlighted to pay close attention to the financial information, budgets, and profiles of applicants during the selection process to ensure comprehensive and accurate assessment.

Additionality refers to the principle that projects funded by the program should create outcomes that would not have occurred without the program's financial support. Management interviewees highlighted its significance in project selection for the program and believed that entrepreneurs were able to focus on the operations and growth while BPF functioned as a catalyst for securing additional funding from public or private sources.

In other words, BPF accelerated the growth of companies while contributing to social and environmental impact. This emphasizes the program's dedication to driving meaningful impact and ensuring that its resources are directed towards projects that truly advance sustainable development and social progress.

While all stakeholder interviewees acknowledged that grants are essential for kickstarting inclusive business development, there was a consensus among stakeholder interviewees that not all projects genuinely required grant funding from BPF. Few stakeholder interviewees considered a grant contribution of 50% too generous. Some projects appeared to have the financial capacity to proceed without grants or with a smaller grant percentage (smaller than 50%), leading to questions about the necessity and additionality of the funding.

The concept of additionality often pertains to funding that brings resources beyond what would have been available without the program's intervention. This suggests that the program aimed to support projects that would not have been feasible without its assistance, thus enhancing the overall impact of the projects. Stakeholder interviewees mentioned the following about additionality:

- 1. Evolution of Focus on Additionality.** The importance of additionality became more pronounced over time for the BPF projects. This implies that as the selection rounds progressed, the jury and stakeholders recognized the need to ensure that the funding was genuinely contributing to positive outcomes beyond what the projects could have achieved independently or with alternative sources of financing.
- 2. Factors Indicative of Additionality.** Several factors could indicate additionality, such as the involvement of equity from other parties, the engagement of diverse partners, the ability of the project to attract other investments due to the initial funding, and the project's potential to scale beyond its initial phase.

Moreover, the stakeholder interviewees acknowledged that grants are crucial for startups to prove their viability and attract equity investors. However, it seemed to some interviewees that the larger, established organizations ('the usual suspects') were best positioned to apply for funding due to their capability to provide matching funding.

In essence, BPF sought to identify projects that bring about genuine and transformative change, rather than merely supporting initiatives that would have happened anyway. However, this has been difficult to assess. In an attempt to assess the additionality, after Round 3, the KBF added questions to the application form regarding the applicant's history of applying for any other grants in recent years and from which organization.

## Financials: budget realization

The agreement between the DGD and the KBF specified a BPF budget of € 12,000,000 for a five-year period. In 2022, an addendum to the initial agreement was signed in which it was agreed to allocate the planned annual installment for 2021 to 2023. Total budget remained € 12,000,000. To date, a total amount of € 9,500,000 has been disbursed by the DGD to the KBF of which € 7,549,136 has been spent, see Table 4.

Budget breakdown	2018	2019	2020	2021	2022	2023	Total budget	Total spent Round 1-7	Remaining budget Round 8-9
<b>Grants</b>	€ 1.935.000	€ 2.235.000	€ 2.160.000	€ -	€ 2.160.000	€ 2.235.000	€ 10.725.000	€ 7.004.998	€ 3.720.002
<b>Personnel cost KBF</b>	€ 15.000	€ 90.000	€ 90.000	€ -	€ 90.000	€ 90.000	€ 375.000	€ 314.574	€ 60.426
<b>Non-financial support (TA - consultants)</b>	€ 25.000	€ 125.000	€ 125.000	€ -	€ 125.000	€ 125.000	€ 525.000	€ 38.572	€ 486.428
<b>External evaluation (mid-term and final)</b>	€ -	€ -	€ 75.000	€ -	€ 75.000	€ -	€ 150.000	€ 57.101	€ 92.899
<b>Miscellaneous (audit, screening of applicants)</b>	€ 25.000	€ 50.000	€ 50.000	€ -	€ 50.000	€ 50.000	€ 225.000	€ 133.892	€ 91.108
<b>Total</b>	<b>€ 2.000.000</b>	<b>€ 2.500.000</b>	<b>€ 2.500.000</b>	<b>€ -</b>	<b>€ 2.500.000</b>	<b>€ 2.500.000</b>	<b>€ 12.000.000</b>	<b>€ 7.549.137</b>	<b>€ 4.450.863</b>

Table 4 BPF budget realization

Twice a year, the KBF is the subject of an internal audit by BDO. Questions on BPF were raised at two occasions:

1. **5 March 2020.** Based on an interview between BDO and the project's person in charge, BDO evaluated the relevant knowledge to be present, both in terms of content and for follow-up (in general). All necessary documents are present (for BPF).
2. **17 February 2021.** Based on an interview with between BDO and the project's responsible, BDO evaluated the relevant knowledge to be present, both in terms of content and for follow-up. For all expenses checked, all necessary documents are present.

During other audits, either no questions were raised on BPF or no requests for clarification were raised by the auditors about the BPF.

The KBF described the justification on the budget spent from Round 1-7 in its annual reports, which is summarized as follows:

1. **Grants.** Slightly less grants were awarded compared to the planning. In total, €8,193,544 has been committed to grantees. The grants are paid in several installments. To date, €7,549,137 has been disbursed to grantees. The budget that has not yet been committed remains available for the next round(s).
2. **Human Resources (HR) at the KBF.** Slightly more was spent on HR. With the popularity of the BPF rising and the portfolio growing, the workload increased as well as HR costs.
3. **TA.** Since the start of BPF, the KBF received only a few requests for TA even though the KBF brought this to the attention of the grantees. Management interviewees stated that with a bit more capacity and more frequent follow-up meetings with grantees, the TA option could have been suggested more often and this could have been beneficial to more projects. In total, the KBF contracted seven consultants and spent in total €38,572 on TA. This is quite an underspending, resulting in a remaining TA budget of €486,428.

In its annual reports, the KBF provided reasons for the underspending on TA:

- a. the scope for TA is too narrow;
  - b. the procedure for appointing a consultant does not work;
  - c. a framework agreement can only be signed with a large international consultancy firm<sup>9</sup> whereas the KBF prefers to work with local consultants.
- 4. External evaluation.** The costs for the MTE was lower as budgeted. The remaining budget remains available for the final evaluation. It is more logical to have a larger budget for the final evaluation because the portfolio will then be larger compared to the MTE.
- 5. Miscellaneous.** This includes not only the expenses for the jury meeting, but also the costs for adapting the application file, translations, etc. There is a small underspending for the miscellaneous costs which is mainly due to reduced expenses for jury's international transport and accommodation as jury meetings were held online during COVID-19.

Stakeholder interviewees mentioned not to have details on the amount of funds disbursed to grantees. Yet, most of the stakeholder interviewees did observe that grantees utilized the funds primarily for vital investments, such as machinery, expansion, and marketing. As per understanding of the stakeholder interviewees, these contributed to the growth and development of recipient businesses.

One of the recurring challenges discussed by stakeholder interviewees pertained to the limited skills and capacity of businesses in developing countries. Many businesses, particularly those in the Small and Medium-sized Enterprises (SME) sector, face significant barriers due to a lack of essential business knowledge, expertise, and resources. This challenge underscores the crucial role of TA in bridging the skills gap and fostering sustainable business growth. While the importance of TA is recognized, stakeholder interviewees acknowledged challenges in providing effective and impactful TA. These challenges include identifying qualified experts, designing tailored programs, ensuring ongoing support, and measuring the tangible outcomes of TA initiatives.

None of the stakeholder interviewees were able to comment on the effectiveness of the TA tool of BPF due to a lack of information, awareness, or involvement.

#### **6.1.5 Contribution to impact**

##### **SDG alignment**

The alignment with the SDGs is an integral part of the KBF's impact assessment strategy that ensures focused efforts and a better chance of achieving significant outcomes. Applicants were requested to describe the link between the proposed project and the SDGs. Yet, alignment between the project's focus and SDGs was not always clear to the management interviewees. In contrast, stakeholder interviewees highlighted that BPF's projects are well-aligned with specific SDGs.

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<sup>9</sup> (2022). Business Partnership Facility – Third Activity Report

The importance of articulating how the projects contribute to specific SDGs was emphasized during all interviews; yet, it was suggested in the management interviews that the program should have had a clearer view on what is expected from grantees in terms of SDG alignment and reporting. This was stressed by one stakeholder interviewee, who suggested that applicants should provide deeper insights into their contributions to SDGs beyond superficial numerical data by articulating clear outcomes on e.g. job creation and societal benefits. This insight would provide a more comprehensive understanding of the projects' actual impact as it was now too easy to select SDGs from a check list without having to provide additional information. One of the other funders interviewed suggested to ask applicants for their plan of approach for contributing to the SDGs. This can either be requested as part of the application form or as a project deliverable to be submitted to the KBF in the early stages of the project. Moreover, it was indicated by all interviewees that the majority of the projects tend to have balanced impacts across both social and economic outcomes due to the nature of business; unless projects focused on the environmental aspects.

### **Private Sector and non-profit sector collaboration**

Partnerships between the private sector, civil society organizations (CSOs), and non-governmental organizations (NGOs) was found to be optimal for project success. The inclusion of NGOs ensured a strong emphasis on SDGs and a robust consideration of social and environmental impacts. On the other hand, private sector participation contributed expertise and domain-specific knowledge that enhanced project viability and overall impact. However, the effectiveness of these collaborations was subject to how well they were structured. Some collaborations demonstrated a clear and meaningful synergy, while others are less organized and, consequently, less impactful.

The majority of the interviewees were of the opinion that NGOs are of added value to a BPF project, supporting the local private sector actor. Interviewees elaborated on the idea that the local private sector actor's capacity can be developed in partnership with an NGO on aspects an NGO is in general more experienced in such as connecting with the local communities, capacity building activities, and aligning project activities to SDGs.

Additionally, one of the other funders explained the added value of partnering with NGOs at program level. NGOs work directly with the program and support the program's management in doing among others local market research, due diligence, and project monitoring. This reduces the workload at program level while gaining in-depth insights on grantee and project level.

Lastly, it was suggested by two stakeholder interviewees to present BPF less business oriented and thereby making it more attractive for NGO partners to apply. This would add diversity to the project portfolio and more balanced partnerships.

### **Reaching target groups**

It was pointed out that the KBF has successfully reached the envisaged target groups. Through the BPF, the KBF definitely attracted SMEs but had less intentions to attract micro enterprises. The evaluators assumed that the minimum grant size of €50,000 and subsequently a minimum matching fund of €50,000 is too large of an obstacle for micro enterprises.

It was admirable that the BPF did not stop its application process in the midst of COVID-19. BPF continued making efforts to reach the target group by continuously providing funding opportunities which presumably helped SMEs while facing the challenges as a result of the pandemic.

### **Negative Impacts and Externalities**

Regarding negative impacts from projects, the potential for unfair competition, especially in competitive markets, was discussed during the interviews. Particularly in the context of projects focused on exporting products, the BPF provided grants to projects that sometimes competed in highly competitive markets. This situation could lead to unfair competition or create disturbances in local supply chains. For instance, if the BPF funded a project that competed directly with existing local businesses, it might negatively affect the livelihoods of those businesses and disrupt local economies. This could contribute to enhanced inequality within the local businesses' landscape.

### **Financial Sustainability**

It is not strictly necessary for project to be profitable when the grant period is finished. However, by the end of the grant period, the project must be financially self-sustainable, without additional grants or subsidies. Due to challenges and uncertainties that businesses face, especially considering external factors such as the COVID-19 pandemic, management interviewees expect only a few projects to achieve become financial sustainable by the end of the grant agreement.

This low expectation was underscored by stakeholder interviewees, who consider assessing the long-term sustainability of the projects as challenging. When asked, only four stakeholder interviewees were able to discuss their expectation on the sustainability of projects in the BPF portfolio. Two embassy representatives (with limited information) mentioned that they expect 100% of the projects implemented in their countries will be financially sustainable. Yet, they were not able to motivate this expectation. One interviewee estimated that around 50% of projects might become fully sustainable by the end of the fund's lifespan whereas another estimated around 60-70%.

### **Blended Value Creation**

The concept of blended value creation surfaced in the stakeholder interviews, referring to the notion that projects should create value not only financially but also in terms of environmental and social benefits. The feedback underscored that the program placed considerable importance on this aspect. Projects were expected to deliver not only financial returns but also contribute to social welfare, environmental preservation, and overall sustainable development. Projects that showcased a clear alignment with these broader goals and that described their KPI process of targeting these targets were regarded more favorably by stakeholders.

## 6.2 BPF-supported projects: questionnaire grantees

This section describes the main findings resulting from the digital questionnaire sent to the main contact person of each lead partner of the 50 BPF-supported projects (grantees). Findings are presented according to the following categories: project information, SDGs and project impact reporting, project impact reporting, job creation, gender equity and social inclusion, environmental impact, BPF grant management and support, and financials.

A total number 37 grantees completed the questionnaire (74% response rate). All results in this section are, unless otherwise indicated, based solely on the responses given in the survey.

### 6.2.1 Project information

37 projects were surveyed in this evaluation, with a good spread over the different countries, see Figure 1. Most projects are located in East Africa (Kenya, Tanzania, Rwanda). Most projects identify as social enterprise or SMEs, and all projects are still operational today.

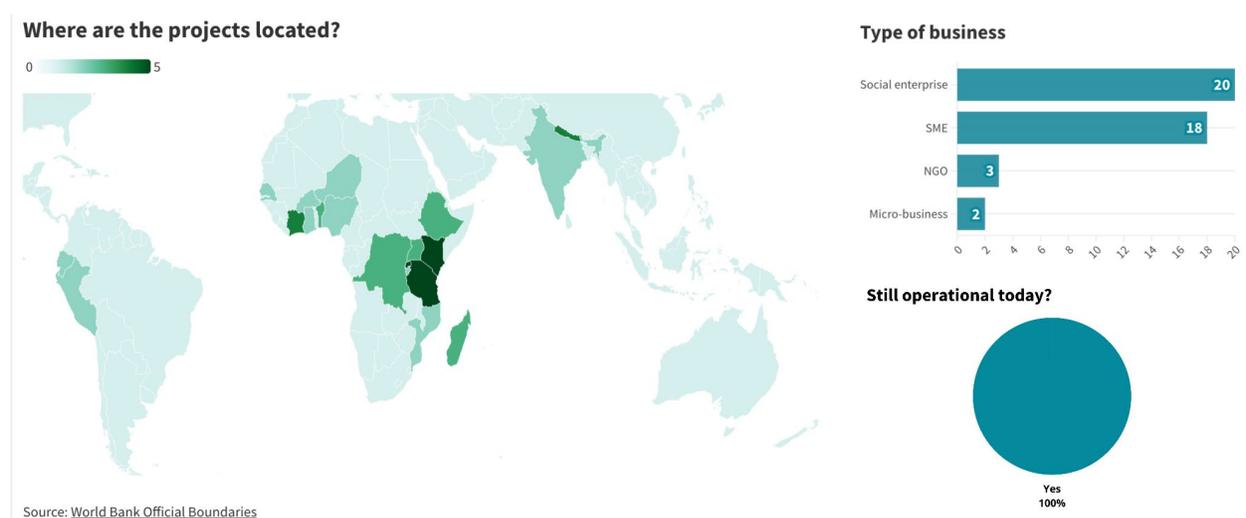


Figure 1 Overview of country project locations that responded to survey

Most projects have a length of 1-3 years, with two years being most common, see Figure 2.

### Planned project duration (in years)

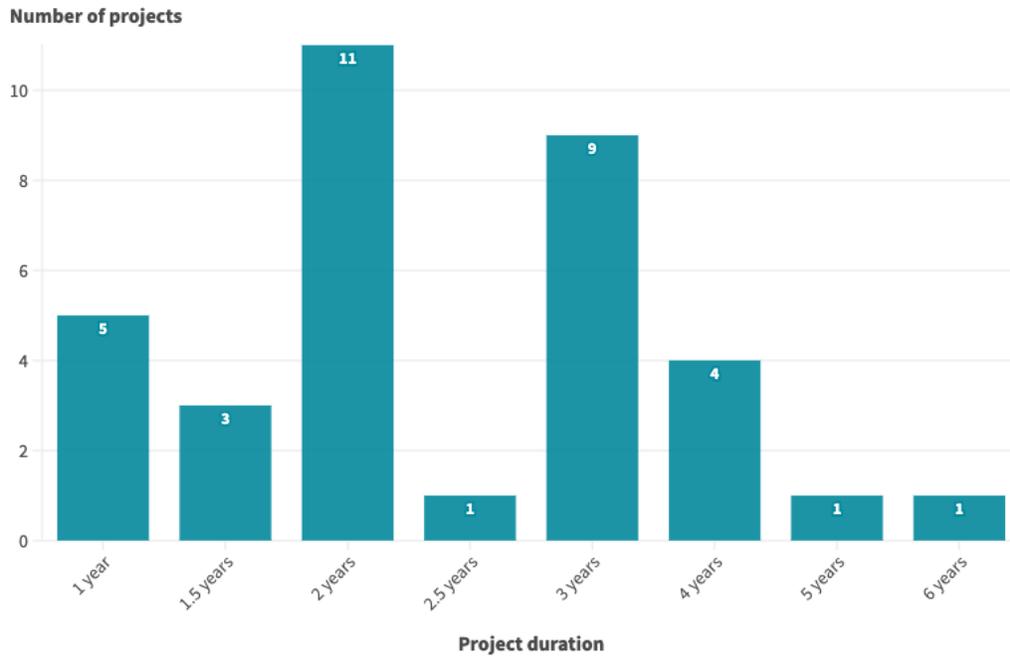


Figure 2 Overview of planned project duration of projects in survey

Climate, environment and biodiversity are the main topics that grantees state they are associated with, see Figure 3.

### Priority theme of the projects

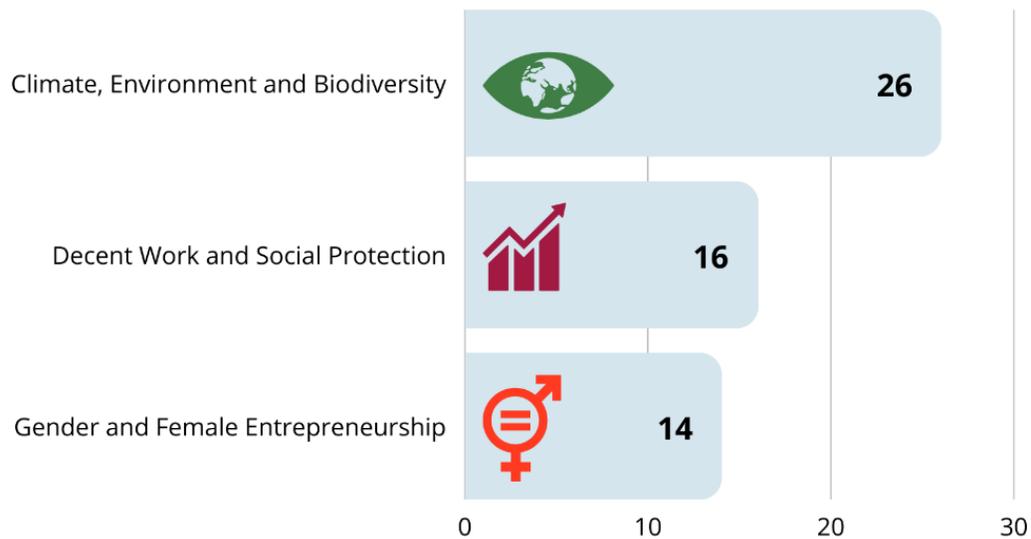


Figure 3 Overview of the priority theme of the projects in the survey

### 6.2.2 SDGs and project impact reporting

The grantees were asked to report the SDGs that their project mainly contributes to. On average, a project reported five to six different SDGs. Figure 4 represents the frequency of occurrence of each SDG. Note that all projects contribute to more than one SDG.

#### To what SDG's do the grantees contribute to?



Figure 4 Overview of SDGs that grantees in survey state they contribute to

The top 3 mentioned SDGs are:

1. SDG 8 - Decent Work and Economic Growth
2. SDG 1 - No Poverty
3. SDG 13 - Climate Action

SDG 16: peace, justice and social institutions is mentioned by none of the grantees.

Most grantees believe it is important, or even very important to align with the SDGs (73%) (Not shown).

The benefits of aligning with the SDGs are mostly related to funding opportunities, external communication, increased company vision and impact. The full list of benefits is shown in Figure 5.

**Benefits of aligning project impacts with the SDGs**

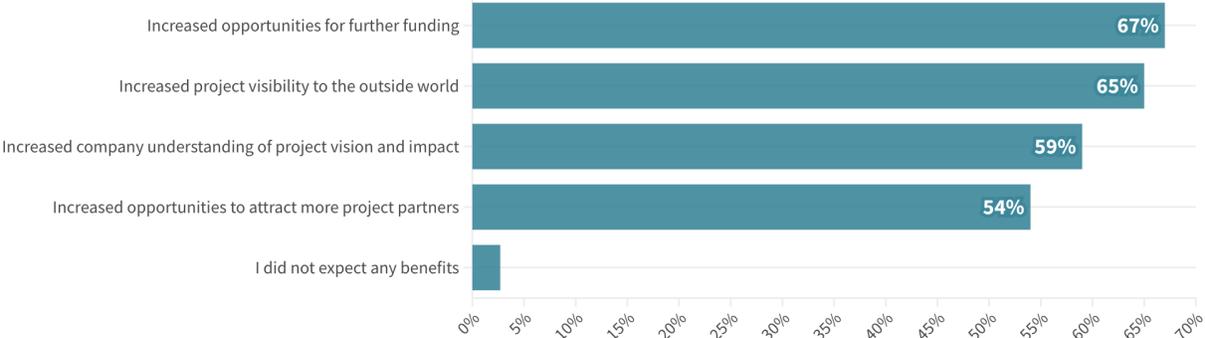


Figure 5 Overview of grantees perspective on perceived benefits (aligning project goals with SDGs)

Apart from one, all grantees report that these benefits are realised, or are confident that they will be realised (Not shown).

**6.2.3 Project impact reporting**

72% of all grantees reported that they did have a framework in place for measuring impacts and SDG reporting. Out of those a vast majority of respondents (81%), indicated that receiving the BPF grant was a key-driver to making this a reality. When asked what project management benefits grantees observed by implementing this framework, improving their impact reporting was reported in 24% of cases, but other benefits included both increases in project efficiency, increased companywide understanding of impacts as well as improving skill sets, see Figure 6.

**Project management benefits using this framework**

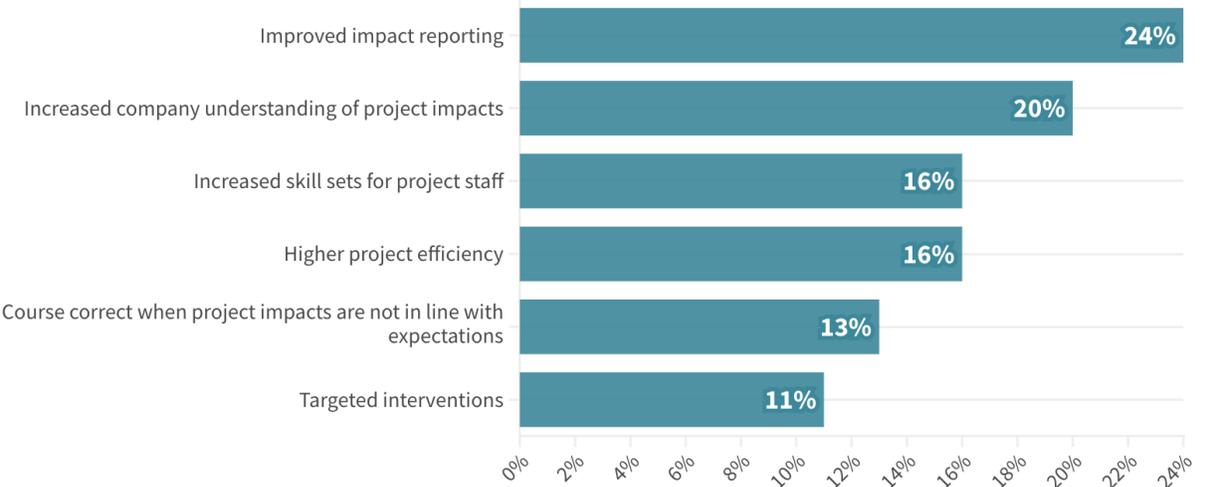


Figure 6 Reported benefits from implementing a framework for impact and SDG monitoring

When asked how BPF could further support with improving impact and SDG reporting towards grantees, the following key points were raised. This is an area that cuts across both a role of BPF as direct support or indirect by BPF working with other actors to generate support.

- **Market Access:** Respondents seek support in accessing markets with a commitment to implementing SDGs, as well as support with developing communication and sales strategies, establishing links with various stakeholders, and increasing awareness of projects to attract investors and funding. Support to improve networking and knowledge sharing among social enterprises and companies were also mentioned.
- **Capacity Building and Training:** Respondents emphasize the importance of capacity building through workshops, training sessions, and technical support, especially in areas related to impact assessment, gender, and climate. Training on impact measurement and reporting is a priority and increased BPF support across these areas was highlighted as important.
- **Supporting independent evaluations:** Support to increase quantity and quality of impact studies and connections with organizations conducting third-party studies are mentioned.

### Summary of Unintended impacts

At the grantee level, it was also investigated whether any unintended impacts (relating either to socio-economic impacts, local competition, environmental degradation etc.) has been observed during the course of project implementation.

Only 16% of respondents indicated that they had observed any negative unintended impacts or challenges, whereas 54% indicated that unintended positive impacts had been observed. Although it is difficult to correct for any inherent bias in these types of studies, it should be seen as positive that the reach of BPF supported projects and the impacts they achieve, goes beyond the initial project scope.

The reported unintended negative impacts included:

- **Consequences of being first movers in businesses for social good.** Although more an example of an unexpected challenge, rather than an unexpected negative impact of the project itself, there were a range of challenges identified in this space. Examples included not having a supporting business environment to handle organic waste products, causing unforeseen costs to manage those processes themselves. Other examples included competition consequences, as products produced guaranteeing a fair wage will by necessity cost more than the competition who do not, limiting the intended projections of impact that can be achieved. In a similar fashion, initial project concept to be carbon neutral proved impossible, as access to international supply chains are needed to support the business. New investments into climate action platforms geared towards SMEs was therefore needed.

The reported unintended positive impacts included:

- **Innovation.** Some of the unintended consequences mentioned above needed grantees to solve problems in the short term, sparking innovative approaches and expanding business operations into new areas, such as improved waste management.
- **Improved efficiency and reach.** Several respondents reported that project targets were met much faster than expected and now look to be exceeded. In addition, several projects have reached more target demographics and connected with new partners and authorities that were not initially planned. In one case, a project was even able to include new beneficiaries into to the project, also enabling people with disabilities to become involved.
- **Community improvements and awareness.** Several projects reported that beyond project expectations, local communities had embraced the project goals and had seen increased awareness on topics such as climate change, plastic recycling as well as female hygiene. In addition, a few projects mentioned that during the course of implementation, several social problems such as gambling and alcoholism had been decreased in the project area, which was not an initial aim.
- **Improved recognition.** National recognition of a project as one of the best projects in the country was unexpected.

#### 6.2.4 Job creation

83,8% of the respondents indicated that job creation is one of their intended impacts. Another 10,8% stated that this was not an intended impact, but happened anyways. The total amount of jobs created reported through the survey are shown in Figure 7, with a division between permanent and temporary jobs.

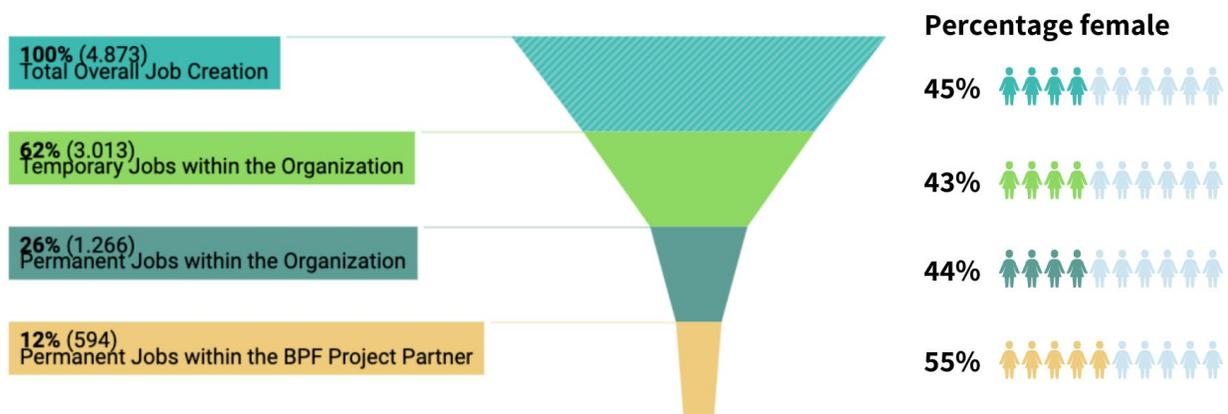


Figure 7 Overview of job creation as part of project implementation (job and gender disaggregated)

A majority of grantees report that job creation was successful for their project. Looking at the average number of jobs created per priority theme, it is observed that while "Climate, Environment and Biodiversity" is the most common theme, projects under "Decent Work and Social Protection" have, on average, created the most number of jobs, see Figure 8.

**Average number of jobs created per priority theme**

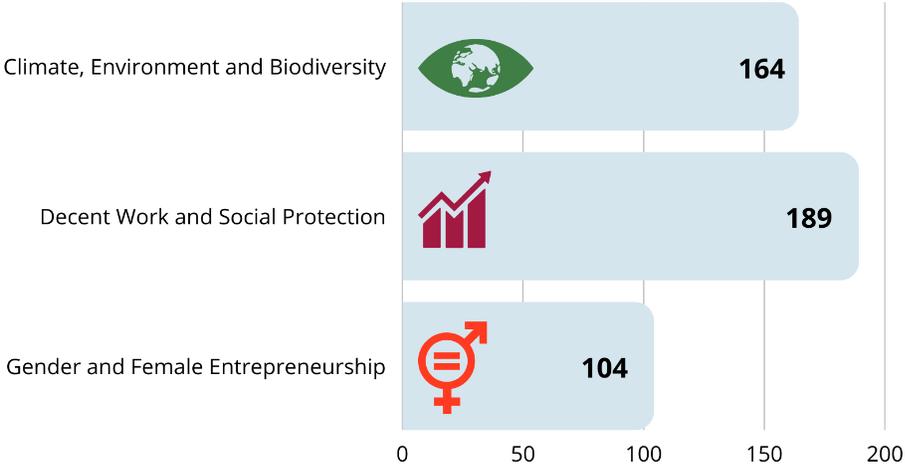


Figure 8 Overview of job creation disaggregated by priority themes of projects in study

With regards to decent work policies and mechanisms in place, most mentioned by grantees is the provision of opportunities for skill development, see Figure 9. A measure paid least attention to is to avoid overtime/overwork within the organisation.

**Decent work policies and mechanisms in place**

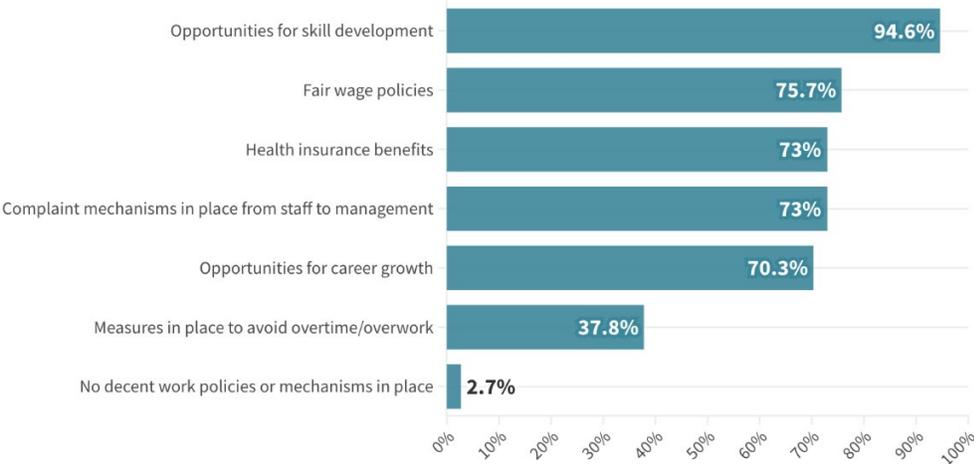


Figure 9 Overview of policies and procedures in place amongst grantees to ensure decent work

These results show that the BPF grant plays a pivotal role in both the creation of new jobs and the implementation of decent work policies among the surveyed projects.

While the majority attribute significant importance to the grant, the varied responses highlighted in Figure 10 also emphasize the diverse challenges and contexts these projects operate within. Nonetheless, the overarching sentiment leans towards the grant's positive impact.

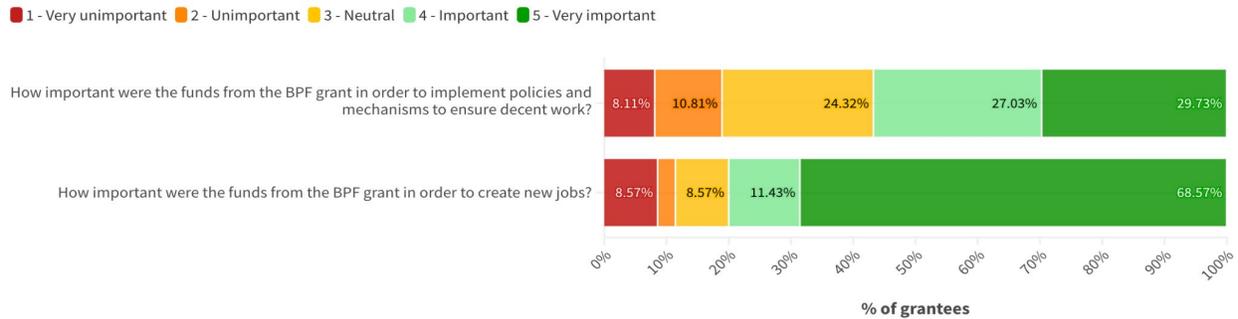


Figure 10 Importance of BPF grant in order to create new jobs and policies to ensure decent work

### 6.2.5 Gender equity and social inclusion

The gender distribution among upper management and employees is shown in Figure 11. A fairly equal distribution is observed, with slightly more male staff in the upper management than among employees, and some projects with outliers in this distribution. E.g. one company is all female led amongst staff in upper management).

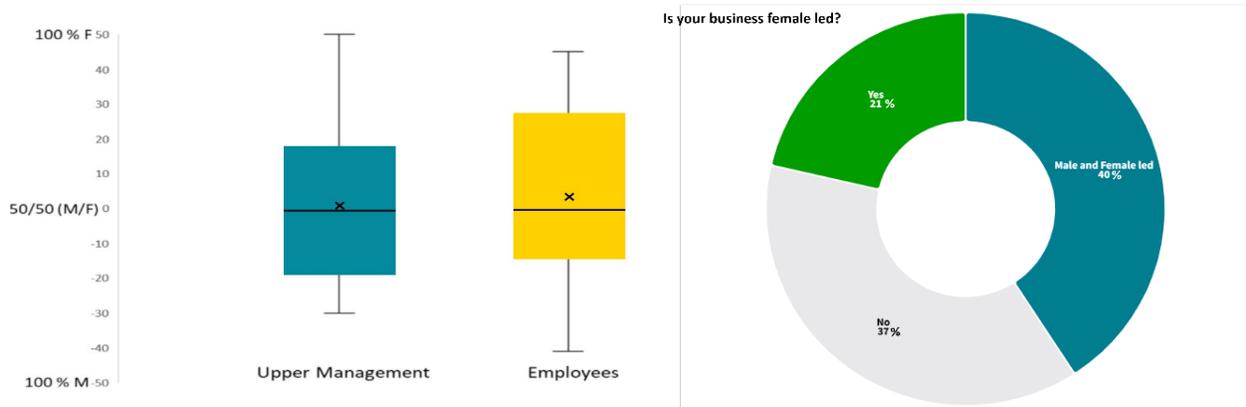


Figure 11 (left) Overview of gender distribution amongst upper management staff and employees amongst grantees in this study

Figure 12 (right) Grantees response to the gender distribution of the company leadership.

The grantees further confirmed that most projects (15 or 40%) are both male and female led, with 8 projects (21%) in the study being female led, see Figure 12.

Figure 13 shows that 24 projects (65%) have gender equity/diversity policies in place. 21 (57%) have a Corporate Social Responsibility (CSR) policy in place and 29 (78%) have policies to mitigate discrimination, harassment or exclusion.

### Policies in place



Figure 13 Grantees' (absolute numbers) confirmation on existence of company policies in place

Additionally, the BPF grant appears to play a crucial role in policy implementation, although particularly across development of gender equity policies, see Figure 14.

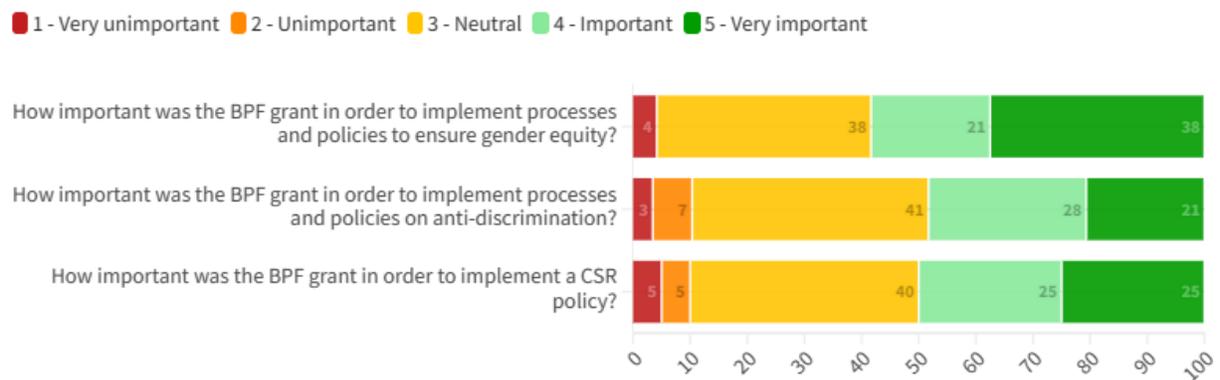


Figure 14 Respondents perception on the importance of the BPF grant to develop policies

In terms of gender equity/diversity policies in place, among those grantees that reported that the BPF grant was indeed important to create those policies (assuming absence of these policies before the grant was given), the following changes had been observed:

- Increased representation of women in the workforce
- Positive impacts on team motivation, collaboration, and atmosphere
- Improved confidence and empathy among staff
- Increased recruitment of female candidates
- Economic empowerment of women through increased income
- Gender equity policies were raising awareness and promoting education on gender-related issues

### Beneficiary reach and social inclusion

In terms of targets groups of beneficiaries that projects aimed to reach, most projects focused on reaching women, young adults, farmers and people in poverty, see Figure 15. Bear in mind that these are not mutually exclusive groups, but still showcases that projects aim for a broad social inclusion in their project goals.

#### Target group

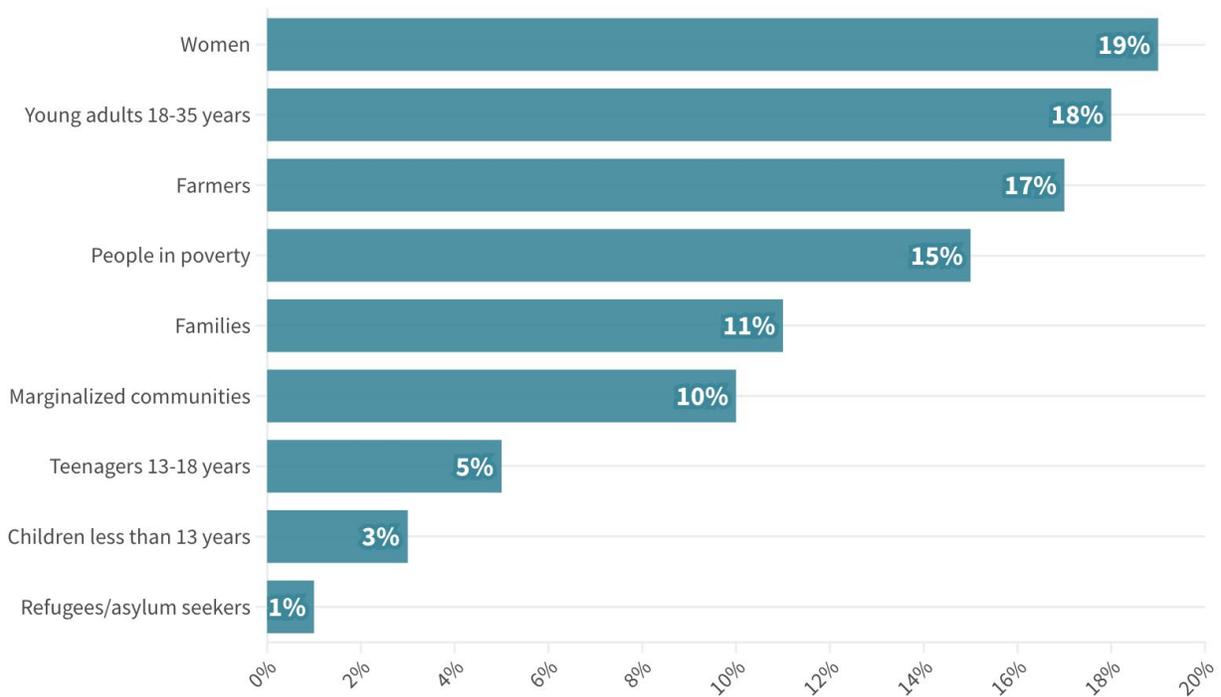


Figure 15 Key target beneficiaries across all projects in survey

In terms of changes already observed across all projects for these beneficiaries, we see that most projects have achieved improved income across 20% of projects. But equally a number of ‘softer’ changes have been achieved to date, including skills development, knowledge increases and improved social integration, see Figure 16.

**Type of change to target group**

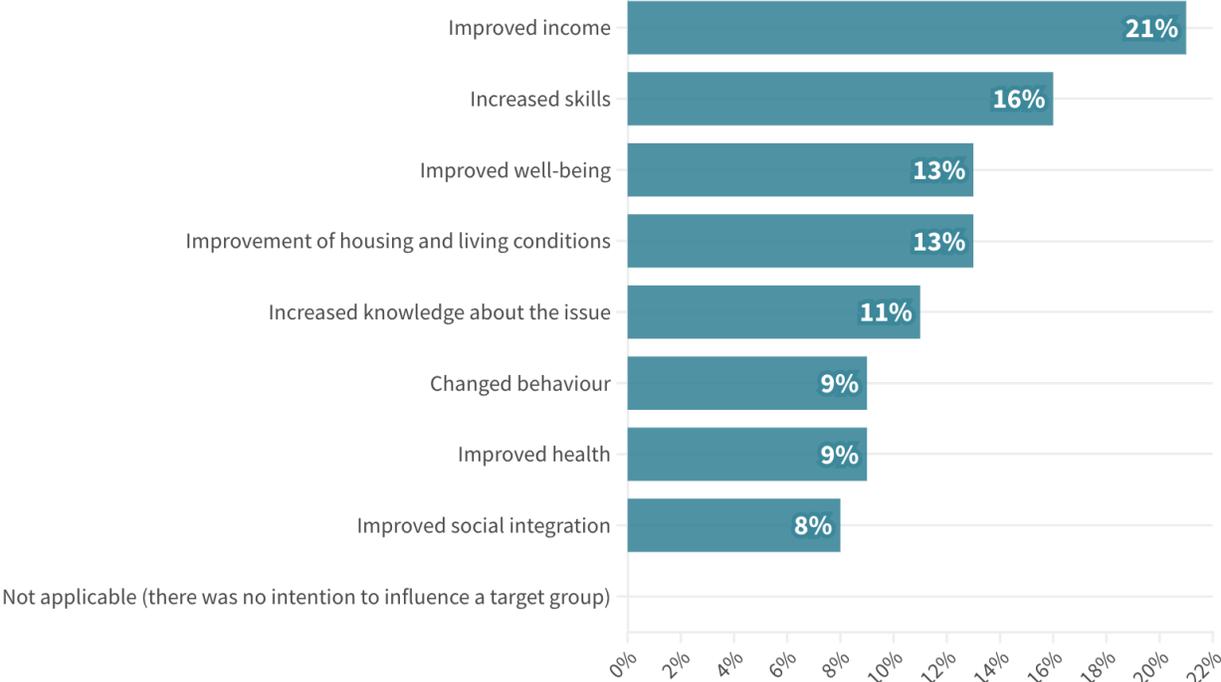


Figure 16 Changes for beneficiaries observed so far across projects as reported on by grantees

In terms of how grantees can measure and monitor this change and outcomes they have observed amongst beneficiaries, a greater majority of the projects (54%) reported that they have an internal Monitoring and Evaluation (M&E) framework in place to monitor social development. These frameworks are also supported by other activities as needed, in particular with support of external consultants.

Similar to environmental impact monitoring, see Figure 17, for the 44% that do not have an M&E framework in place, the reliance on a combination of less-structured approaches, such as ad-hoc data collection, anecdotal records as well as support of consultants are mentioned.

As verifying change on the ground is difficult, even with a structured M&E framework, it should not be assumed that the approaches taken by these grantees to confirm social change are not verifiable, but rather that information flows are possibly less frequent and may present difficulties for consistent and credible reporting.

## Frameworks in place to monitor social development

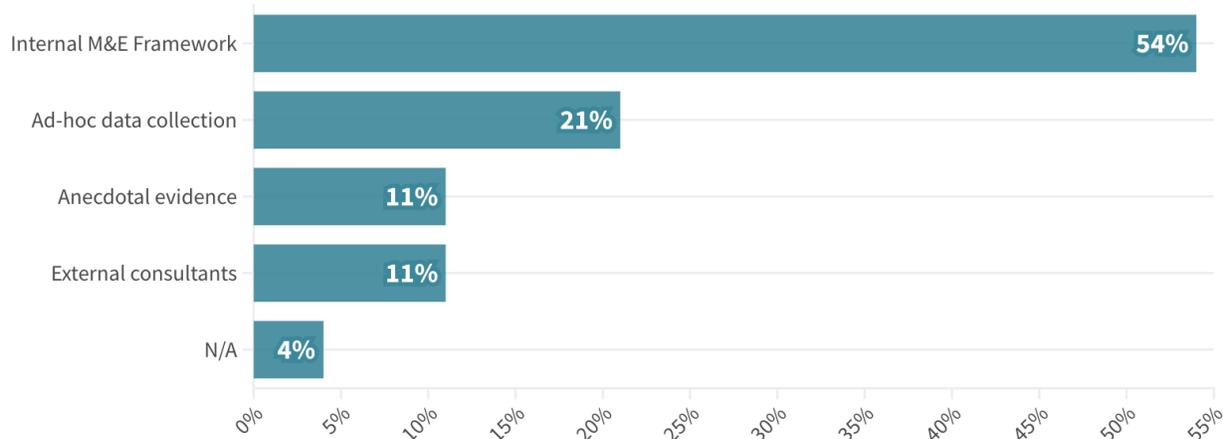


Figure 17 Monitoring frameworks in place to monitor social development

In terms of reported challenges to achieving greater social impact, the following key challenges were highlighted by participants:

- Traditional social norms and cultural factors are challenging to change and will require long-term efforts such as awareness-building, behaviour change and training.
- Climate change impacts on agriculture and fruit production, along with market access issues, are significant challenges.
- Economic difficulties among the target population is hindering product adoption, even with affordable pricing.
- Working in remote areas with limited access to modernization and gender equality awareness presents cultural challenges.
- Funding constraints and the need for financial resources are common challenges in project expansion.

## Summary of grantees role in achieving decent work achieving social impact

- The BPF grant has played a strong role in job creation.
- It is clear from the results that grantees are also keenly aware of the policy areas that need to be addressed in order to ensure decent work and gender equity, with over 50% of grantees having all of those policies in place.
- It is also clear that the BPF grant played an instrumental role in driving the creation of those policies.

- In terms of changes already observed across all grantees, we see that most projects have achieved improved income across 20% of projects. But equally a number of softer changes have been achieved to date, including skills development, knowledge increases and improved social integration
- Gender equity policies in particular was highlighted amongst grantees to have achieved positive changes in opportunities for women.
- Although challenges in this space are not easy to overcome, it should be noted that despite these positive achievements, several grantees do not yet have the company policies in place to verify that work is decent or that gender equity is ensured.
- If BPF wants to make claims with regards to the positive impact achieved in this space, all companies need to have these policies in place, along with evidence that these are also implemented, with persons responsible within the organisational framework to handle grievance and complaint mechanisms.

### 6.2.6 Environmental impact

All projects except one, confirmed that their projects were intended to contribute to environmental impact. In two cases, it was not intended at start, but it happened anyway during the course of project implementation, indicating the possibilities of additional impact that this type of blended value funding can achieve.

In terms of impact areas that grantees were contributing too, the most common were improved farming practices and reduced greenhouse gas (GHG) emissions, see Figure 18.

### Environmental impact areas

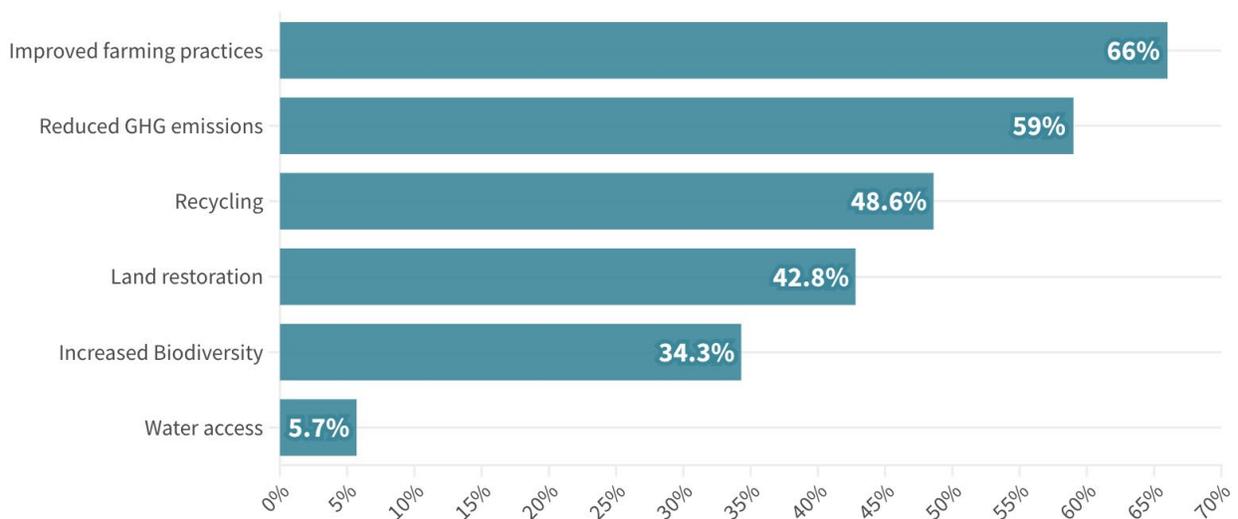


Figure 18 Overview of grantees contribution to areas of environmental impact

When looking into specific impacts achieved as mentioned by grantees, across these diverse projects, there is a common commitment to environmental sustainability and positive impact. Specific examples mentioned include:

- **Improved farming practices.** Impacts include achieving environmental certifications like Ecocert for shea butter, converting farm waste into insect protein, reusing rice straw and promoting natural regeneration systems.
- **Recycling, Waste Management and reduction of CO2 emission.** Including refurbishing over 40,000 IT assets giving them a new lease on life, recycling over 2,700 tonnes of plastic waste into school furniture, efficient coconut waste management (reducing practices harmful to human health) and preventing pollution through recycling sanitary pads (saving plastic waste equivalent to 560,000,000 plastic bags). Several projects also mention reduction of CO2 emissions as a significant impact. From building houses with eco-friendly bricks and installing solar devices instead of using traditional sources, for those projects that record it, over 11,000 tons of combined excess CO2 emissions have reportedly been averted.
- **Access to clean water.** Achieved through renewable energy sources and installation of wastewater treatments were mentioned as well as smarter use of precious fresh water resources and relying on lake-filtered water for washing and production needs.
- **Land Restoration.** Including improving land restoration through provision of agroforestry trees and improving erosion control practices. Other examples include setting aside 200 hectares of land for permanent fodder trees, preventing people from burning fields and in one case, increasing the value of native forests to communities, and in one case influenced local by-laws on shea trees, restoring over 10,000 hectares of land with forest vegetation.
- **Increased Biodiversity.** Examples mentioned include beekeeping projects that benefit local communities without harming the environment in addition to promoting new sources of employment, shifting coal miners into new jobs. Improvements to soil fertility and protecting producers against the harmful effects of chemical agricultural inputs was also mentioned.

### **Challenges of implementation and achieving impact**

The respondents highlighted a range of key challenges in their respective projects. One common challenge is the cost associated with the impacts they aim to achieve, emphasizing the need to find clients willing to pay for these costs. Funding for scaling up their activities is a recurring issue across projects, along with the need to establish viable markets for their products or services, such as biochar and recycled plastics. Demonstrating and disseminating their initiatives to a wider audience is another challenge, as they aim to expand their reach. Several projects focus on compost production and application, stressing the importance of scaling these efforts to maximize impact. Sourcing high-quality materials, especially locally, to reduce their carbon footprint is mentioned. Environmental issues like deforestation due to population pressures, climatic risks, and the presence of pests and diseases pose significant challenges. Additionally, some projects face political instability, inflation, and production delays, impacting their progress. Finally, market conditions, including low international prices for e.g., collected plastic waste, can hinder collection efforts and the feasibility of their projects.

## What improvements do you see are needed to improve the project's environmental impact?

Respondents outlined various improvements they plan to make in the future to enhance their projects' impact:

- **Agriculture and Farming.** Many projects aim to promote organic farming and regenerative practices, onboard more farmers, and transition existing ones to organic status. Some plan to introduce biochar and natural bio-fertilizers to enhance compost and soil quality. Others are exploring ways to increase biodiversity and improve crop yields.
- **Scaling Impact.** Several projects have growth and scaling strategies, such as increasing sales of organic products to expand organic agriculture, improving sourcing capabilities, involving more individuals in beekeeping to protect forests, and launching updated products for wider adoption.
- **Environmental Conservation.** Initiatives related to recycling, waste management, and carbon reduction are common. Projects seek to manage waste efficiently, introduce digital tools for awareness, explore CO2 emission-friendly measures, save energy, and promote recycling and waste reduction practices.
- **Access to Clean Energy and Water.** Some projects focus on increasing their renewable energy use, wastewater treatment, and afforestation. Others aim to secure funding for improved access to safe water sources and reduce water usage through recycling.
- **Sustainable Building.** A project focuses on creating eco-friendly bricks with reduced emissions and aims to further reduce cement content. Others explore sustainable construction materials and practices.
- **Product Diversification.** Some projects plan to expand their product offerings to contribute to environmental and community well-being.
- **Awareness and Education.** Several projects aim to raise environmental awareness through training, engagement with media and administration, and awareness sessions.
- **Local Sourcing and Biodegradability.** Many projects aim to source organic or biodegradable raw materials locally to reduce their carbon footprint and environmental impact.
- **Livelihood and Community.** Projects seek to ensure the livelihoods of producers, protect natural resources, engage in digitalization and early warning systems, and adopt measures to mitigate climate change.

These improvements collectively represent a commitment to fostering sustainability, reducing environmental impact, and positively influencing communities through various initiatives and strategies.

### How do they monitor and evaluate their environmental impact?

When the grantees were asked how they keep track of their environmental impact, it was observed that a monitoring framework is most common. However, there's still a reliance on ad-hoc methods, pointing towards opportunities to make this more structural in nature, see Figure 19.

#### Monitoring environmental impact

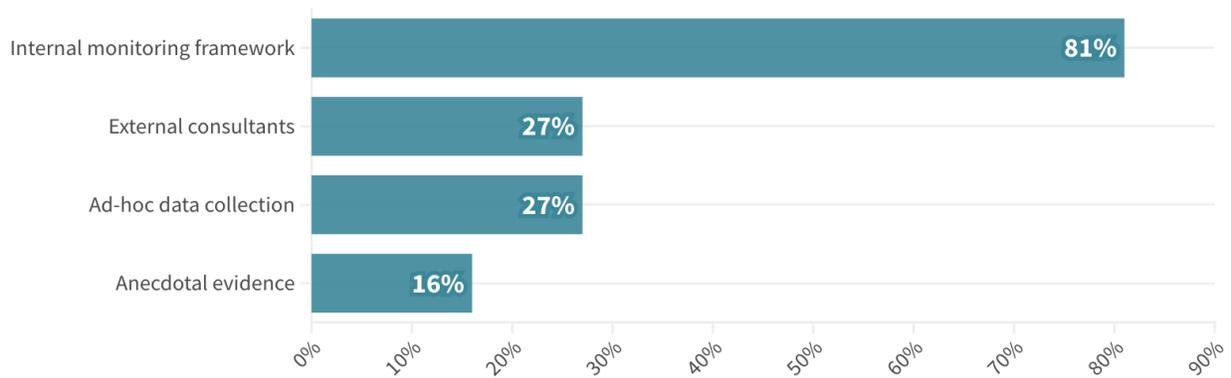


Figure 19 Overview of how grantees monitor and evaluate their environmental impact

### Grant additionality and BPF support

When asked how the funds from the BPF grant were used to support environmental impacts, the majority of the funding went to purchasing equipment, as well as supporting training efforts to beneficiaries, M&E staff and data collectors, see Figure 20. Without the additional funding, it is assumed that many of these investment efforts would not have taken place, or at least been less scalable.

#### Distribution of BPF grant funds to support environmental impact

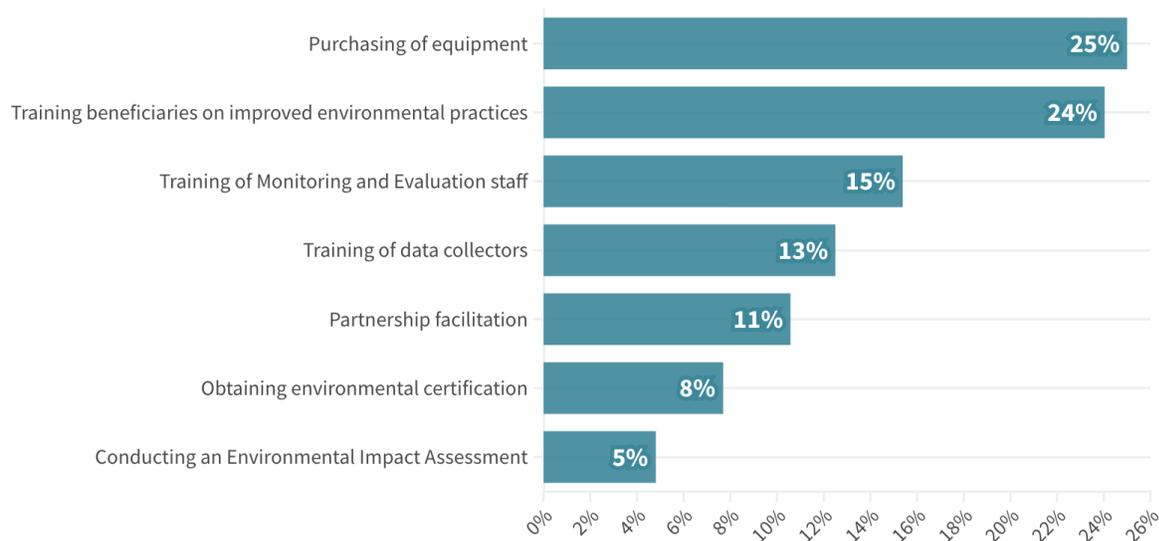


Figure 20 Distribution of BPF grant funds to support environmental impact

With the prevalence of different types of voluntary environmental certifications to obtain in this space, it was also investigated to what extent grantees had either obtained or were in the process of obtaining environmental certifications.

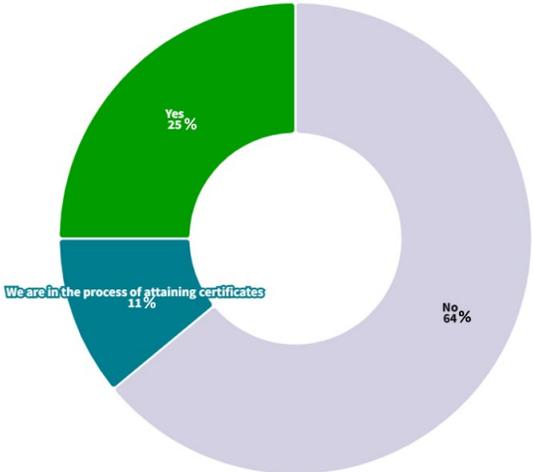


Figure 21 Overview of grantees who hold or are in the process of obtaining environmental certifications

It was found that only a minority of grantees hold an environmental certification (nine) with a further six grantees in the process of obtaining a certificate, see Figure 21. Nevertheless, as voluntary certifications can lead to high recognition and compliance with national and international markets, it is encouraging to see that grant funds are being spent to achieve longer term financial sustainability and external recognition. Certifications obtained or in the process of obtaining include Organic Certifications like Ecocert and Imocert, B-Corp certifications, compliance with International Organization for Standardization (ISO) standards as well as Fair Trade.

When asked on how BPF could better support in order to achieve higher environmental impact, the following was observed, see Figure 22.

**Potential BPF support to improve environmental impact**

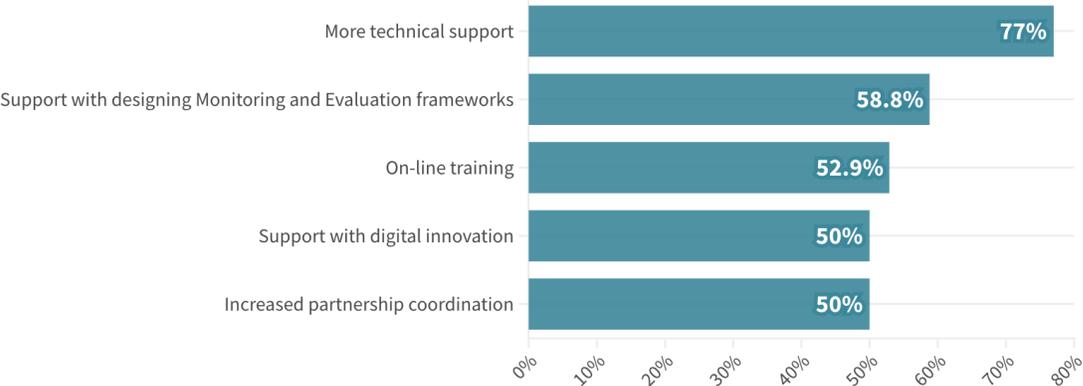


Figure 22 Grantees views on how BPF can increase support to achieve a higher environmental impact

With a mix of fairly even responses, it can be ascertained that TA and support with improving M&E are common themes. Also reflected in some of the feedback received from grantees throughout this study. Interestingly, a topic not really addressed in detail previously is the interest in digital innovation. This may be a consequence of agricultural operators having seen a plethora of digital innovations emerge in recent years, with stand-alone solutions like apps becoming more and more mainstream, even in the Global South.

### **Summary of grantees role in achieving Environmental impact**

- Achieving environmental impact is highlighted as an objective across almost all projects and in a few it even happened as an unintended consequence.
- Tracking and validating these types of impact are difficult and most grantees have some type of internal M&E framework in place to overcome this challenge.
- Although the types of outcome/impact reporting given to us via the grantees should not be minimized, it ranges from both the qualitative as well as quantitative. To which extent these are working as intended would require separate investigations for each grantee.
- Concomitantly, areas where grantees would like to see more support (either from BPF or through other channels/actors) are around technical support, design of M&E frameworks and digital innovation.
- The combined results indicate that there is a lot of work to do in this area. Grantees are achieving environmental outcomes in line with project descriptions, but it is clear that this is the start of the journey as most of the grant is going into new equipment and training of staff and beneficiaries. And although there are M&E frameworks in place, grantees confirm these could stand to be improved.
- There are no defined list of indicators that BPF mandate as part of project reporting in this area. In absence of global reporting frameworks, projects are left to their own devices, but given the value grantees see in this (as evidence in section 6.2.2), supporting grantees to harmonize and improve on how environmental impact is reported could benefit all parties. This would give BPF increased insights into environmental performance and support grantees in their efforts to communicate impacts to the wider world.

### 6.2.7 BPF grant management and support

As part of the grantee survey, it was investigated to what extent grantees were satisfied across a range of areas related to the BPF grant management process and conversely, where they would like to see BPF processes improve, see Figure 23.

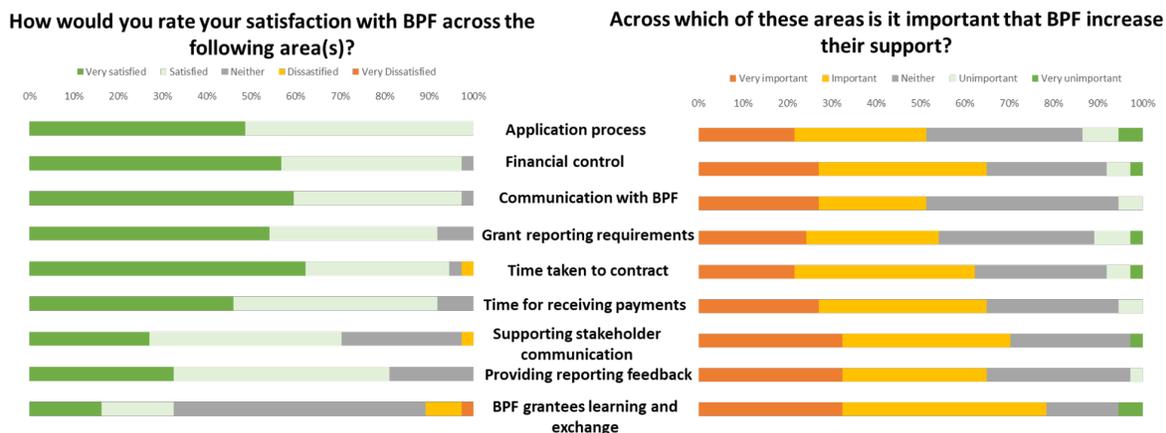


Figure 23 Overview of responses on satisfaction rate amongst grantees across several areas of grant management (left) and where grantees feel a need for increased support from BPF for the same (right)

Although grantees are generally very satisfied or satisfied with the majority of processes, they at the same time felt that most of those areas are also important to improve. Based on this analysis alone, it is difficult to ascertain where BPF should best allocate future resources to improve on grant management processes. However, based on the above feedback, their views on some key practical recommendations for BPF to improve on their grant management were also collected. The responses can be summarised as follows:

- **Post-Grant Support for Scaling.** Respondents emphasized the importance of post-grant support, particularly in terms of facilitating market access and financing for scaling up projects. This ongoing support is seen as crucial for the long-term success of projects.
- **Streamlined Processes.** Many respondents praised the streamlined application and grant management processes, highlighting the efficiency and effectiveness of the system. They recommended continued efforts to simplify and streamline these processes.
- **Managing Expectations.** Managing expectations and ensuring that project participants understand the scope and potential benefits of the project is essential. This includes communicating the possibility of advisory support and TA throughout the project implementation.
- **Collaboration and Networking.** There is a desire for more opportunities for collaboration and networking among grant recipients. Many felt that clearer communication and forums for grantees to interact and leverage each other's experiences would be beneficial.
- **Recommendations for Improvement.** Some respondents provided specific recommendations for improvement, such as enhancing feedback mechanisms, providing more clarity on support services, and considering international NGOs as potential partners.

Building on the above, 92% of grantees indicated that they would like to see increased support from BPF to connect them with other business to help their long-term sustainability. In terms of the types of organisations they would like to connect with, funders and private sector parties are the most requested, followed by other BPF grantees, see Figure 24.

■ Which organisations would be most useful to connect to?

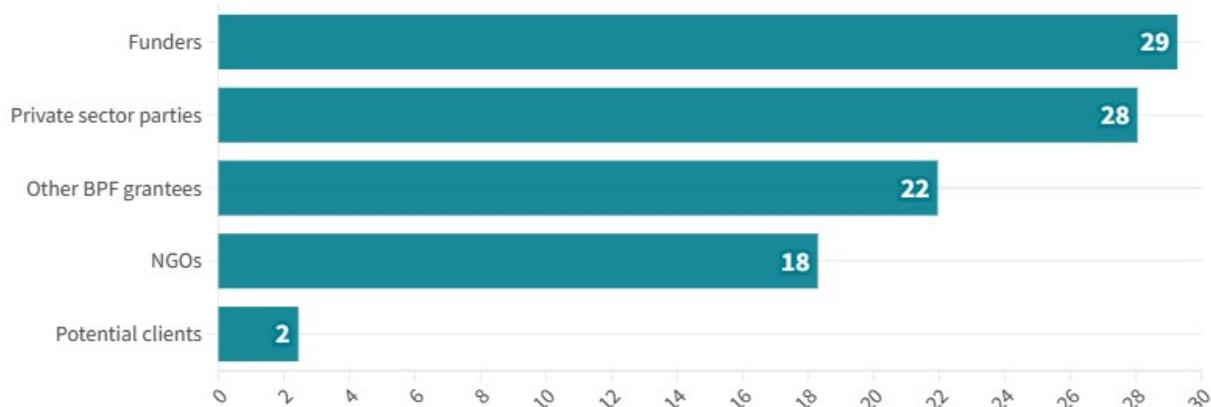


Figure 24 Types of organisations grantees would like BPF support to connect with

In terms of practical recommendations for BPF to take their support offering further, 78% of respondents also expressed interest in becoming part of a peer-learning community.

It was also investigated whether other practical steps forward, like BPF offering e-learning courses would be helpful, 68% of grantees confirmed that it would be useful and specifically were looking for support in the following areas, ranked in order of importance, see Table 5.

Area support requested	Types of training requested
<b>Monitoring and Evaluation and Impact Reporting</b>	The most requested category amongst grantees, it includes requests for support on training on M&E, impact reporting, and lessons on how to monitor and evaluate projects effectively.
<b>Marketing and Market Access</b>	Requests for assistance in marketing strategies and accessing new markets. It includes aspects of marketing, e-marketing, and targeting new markets, especially international markets.
<b>Business Management and Governance</b>	Specific asks include training on business management, leadership skills, and developing governance structures.
<b>Environmental Impact and Sustainability</b>	Specific topics requested include courses on climate, the environment, biodiversity, and zero deforestation regulations. Also mentioned was renewable energy and impacts on food production.
<b>Capacity Building and Training</b>	Specific topics include training on HR, accounting, financial modelling, and gender integration.
<b>Communication</b>	Improving peer exchange between grantees and peer companies was mentioned by a few grantees

Table 5 Summary of responses on potential e-learning courses that grantees would find useful

### Summary of BPF grant management and support

- Grantees overall appreciate the current application process, reporting requirements and all aspects of grant management as outlined in this study. With the exception of BPF grantee learning and exchange, with a high neutral score.
- At the same time, grantees want increased support across all areas, even though they seemingly are quite happy with the current state.
- Although there are difficulties to give straight-forward recommendations based on this feedback, some specific points highlighted by grantees are captured in Chapter 7.

### 6.2.8 Financials

#### Analysis of financial questions in grantee survey

In terms of the importance of the BPF grant to help get this project started, 92% of respondents overall indicated that the grant was either Very Important or Important (Not shown). In a similar vein, 72% of respondents confirmed that this project would not have been able to start at all without the grant, see Figure 25. 'No', indicates it could not have started without the grant

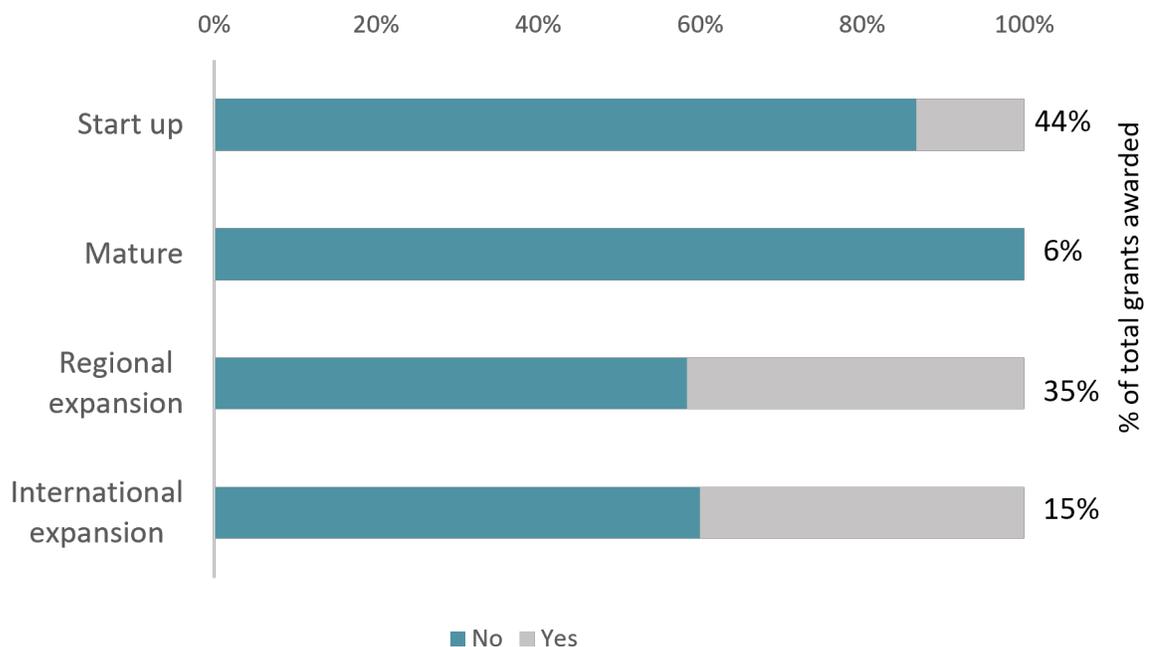


Figure 25 Stages of projects supported by correlated to the whether the project could have started without the BPF grant

In terms of stages of businesses that the grant supported, the majority of grants went to either start-up projects or supporting regional expansions. Figure 25 also highlights the importance of the BPF grant in supporting the early stages of a business as over 80% of respondents indicated that their start-up projects could not have started without the grant. But similarly, the importance of the grant to support regional and international expansions should not be underestimated.

Although it is clear that the BPF grant supported various stages of business development, there is a somewhat fundamental question as to why grantees who indicated that they did not need the grant (10 out of 37 or 27%) received the grant in the first place. With the data available in this study, these results remain inconclusive. Presumed reasons were the size of the total generated yearly revenue, but after removing outliers, average yearly revenues were similar amongst grantees who needed the grant (~ €600,000 ± €390,000) vs those that did not (~€500,000 ± €220,000). In both cases, the standard deviation was very high amongst the sample size, increasing the difficulty of this comparison. Another presumed reason could be the nature of the grant partners, for example if the majority of those grantees who did not need the grant had strong partnerships in the European Union (EU). However, although some EU partners are present in the sample size (3 out 10 grantees or 30%), this presence was equally highlighted amongst those grantees that needed the grant (8 out 27 or 29%). Finally, additional funding from other resources such as funding given by other donors or other companies, could be seen as a contributing factor to this. But again, in both cases, ~40% of grantees who either needed the grant or did not need the grant indicated that the remaining funds needed to cover the total cost of the project came from other external funding sources and not their own resources.

Based on the limitations in this study, we cannot determine at this stage what would prompt grantees to indicate that the project could have started regardless of the grant. There could be many underlying reasons, for example, the strength of the partnerships, maturity of the business plan, access to other means of funding, that the project was so business critical that it would have gone ahead regardless of external funding and more. These results should act as a prompt for BPF to perhaps, more thoroughly investigate the financial needs of the applicants, as this can be seen as an external concern by BPF stakeholders. However, this should not minimize the importance of the grant, as the vast majority in fact did need the grant to start the project and the fact that it can be applied to various business types and stages should be seen as a strong positive.

### Distribution of Satisfaction Levels with the BPF Grant

#### Satisfaction with grant amount

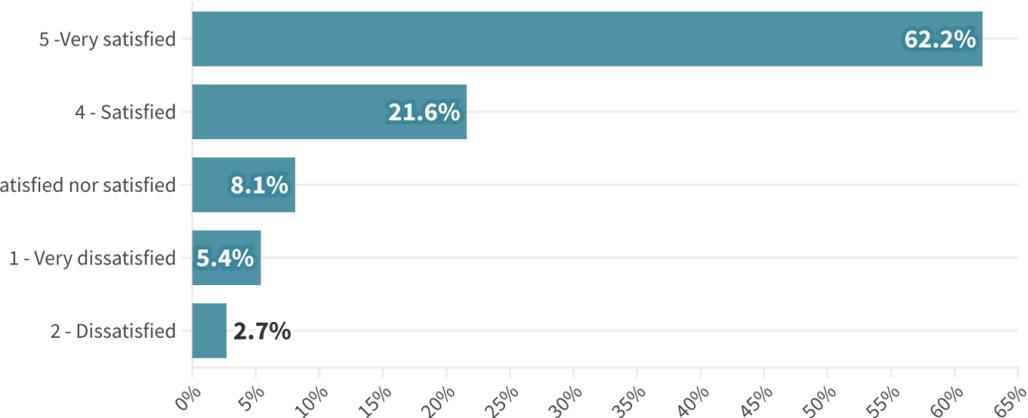


Figure 26 Satisfaction levels amongst grantees with the grant amount

Most respondents are "Very Satisfied" with the amount they received from the BPF, pointing to its usefulness in supporting these types of blended value creation projects across stages of implementation. A comparison of the satisfaction levels with filtered grant amount received is presented in Figure 27.

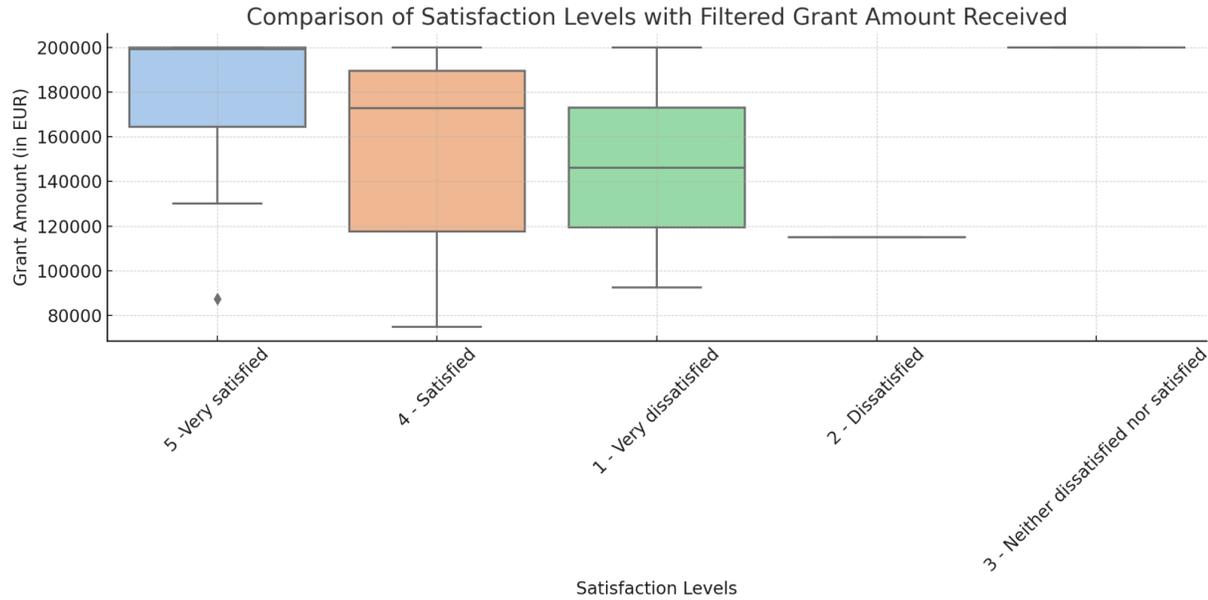


Figure 27 Satisfaction levels of grantees against the grant amount received

The general trend remains consistent: higher grant amounts tend to be associated with higher satisfaction levels.

### Size of project grant and project budget

After removing outliers, the distribution changes, see Figure 28.

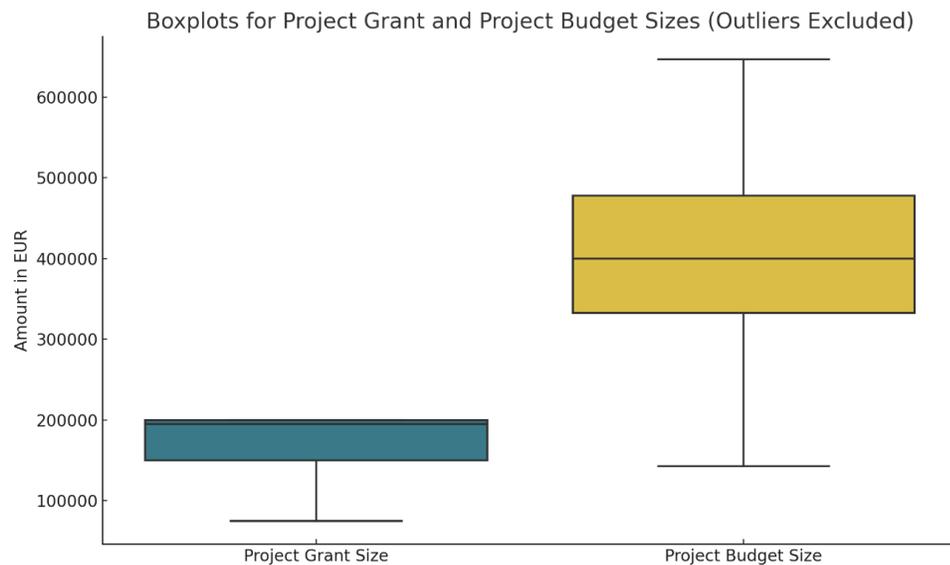


Figure 28 Average project grant and budget sizes

### Size of project grant:

- Average: €173,246.57
- Median: €195,000.00
- Range: €75,000 to €200,000

### Size of project budget:

- Average: €375,175.07
- Median: €398,239.00
- Range: €142,876 to €646,520

Given the average values, grants typically cover approximately 46% of the average project budget (€173,246.57 out of €375,175.07). This implies that grantees have to source the remaining funds (around 54%) from other means to meet their project budget. The difference between the medians of the project budget and the grant size highlights the funding gap, which in most cases (but not all) will have to be covered by the matching funding requirement. Grantees might need to bridge this gap further through other resources, partnerships, or funding mechanisms.

The interquartile range (the range between the 25th percentile and the 75th percentile) for the grant size is compact, indicating a consistency in the grant allocation by BPF for most projects.

The wider spread of project budgets indicates that the financial requirements of projects are diverse, reflecting perhaps the varied nature, scale, or scope of these projects.

### **Additional funding**

When looking deeper into how grantees are finding funding to match the total project costs, "Own resources" was the most frequently mentioned source, indicating that many grantees use their funds to complement the BPF grant, see Figure 29. This will in most cases be the matching funding requirement of 50% as stated in the grant acceptance criteria.

### **Most common sources of remaining financial contribution**

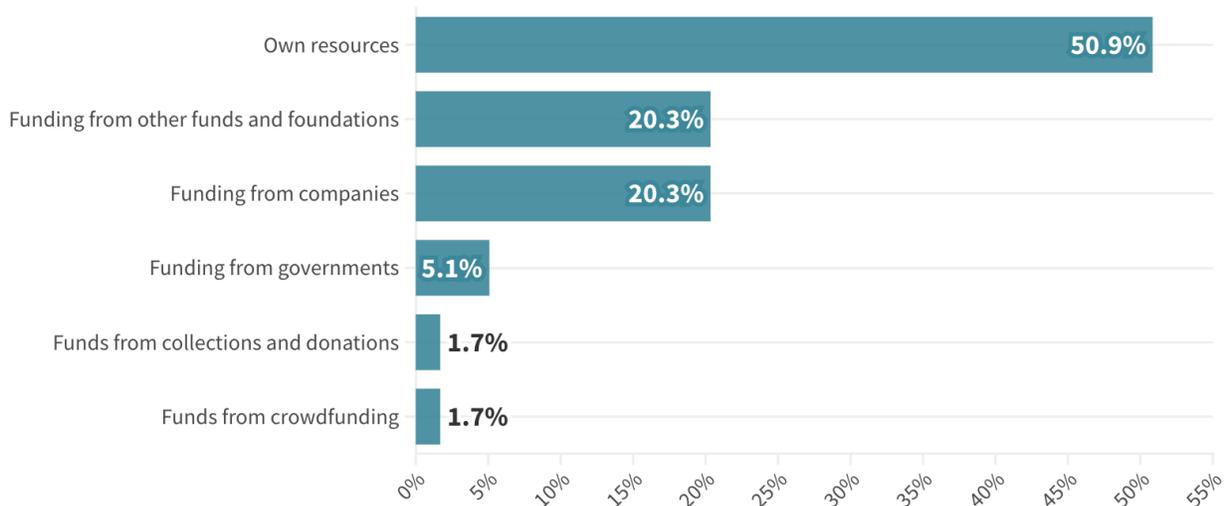


Figure 29 Overview of the sources of the remaining financial contribution to meet total project budgets

"Funding from companies" and "Funding from other funds and foundations" are equally common, suggesting that partnerships with companies and other foundations play a significant role in project financing. Sources like "Funding from governments", "Funds from crowdfunding", and "Funds from

collections and donations" are less common, suggesting they are not the primary methods grantees rely on to bridge the funding gap.

### Were the grantees able to secure future financing?

It was also investigated to what extent going through the BPF application process and having been successful in their application, had benefited grantees further in order to secure additional funding (beyond the BPF grant). It was found that a majority of grantees were indeed able to leverage the BPF grant to attract additional financing, which is a positive outcome for the BPF initiative, see Figure 30.

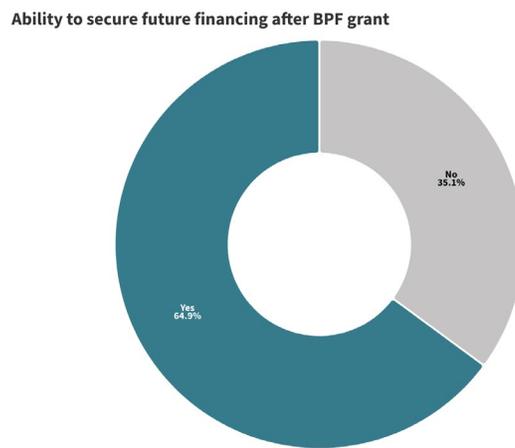


Figure 30 Proportion of grantees able to secure additional financing beyond BPF grant

### And what were the types of additional funding received?

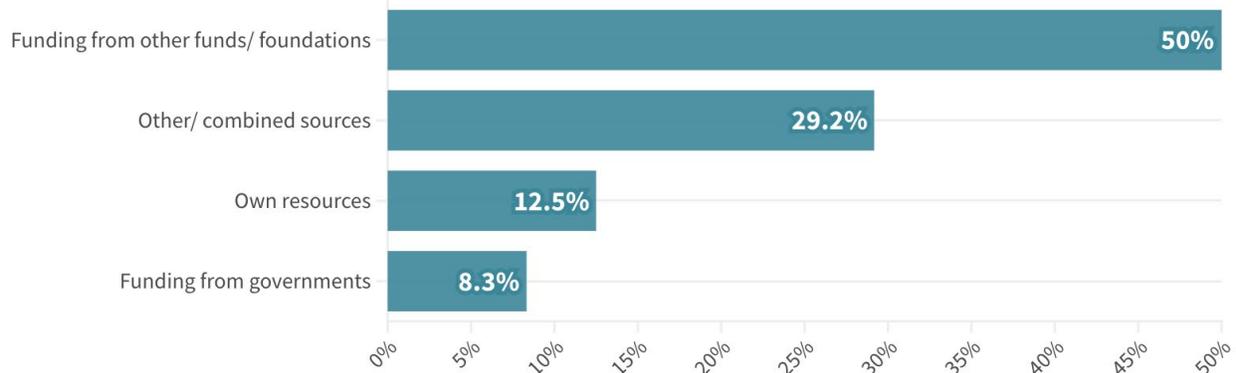


Figure 31 Types of additional funding received by grantees beyond the BPF grant

From Figure 31, we can infer that while many grantees rely on other funds or foundations for additional financing, a significant portion also reinvest their resources. Collaborative funding from companies and government support also play roles in the financing landscape, with "Other/combined sources" at almost 30% suggest that some grantees utilize multiple avenues to secure further financing.

**What was the amount of additional funding received?**

While the BPF grant serves as a foundation, the subsequent funds that projects attract can range from nominal sums to million euro investments, see Figure 32. These figures underscore the significant variability in the additional funding amounts.

**Which activities was the fund used to support?**

At a company level, the majority of activities the grant supported was to develop infrastructure or purchase of materials, see Figure 33.

But a good amount of funds was spent on supporting activities of beneficiaries, strengthening local communities, organising training sessions as well as growing the organisation.

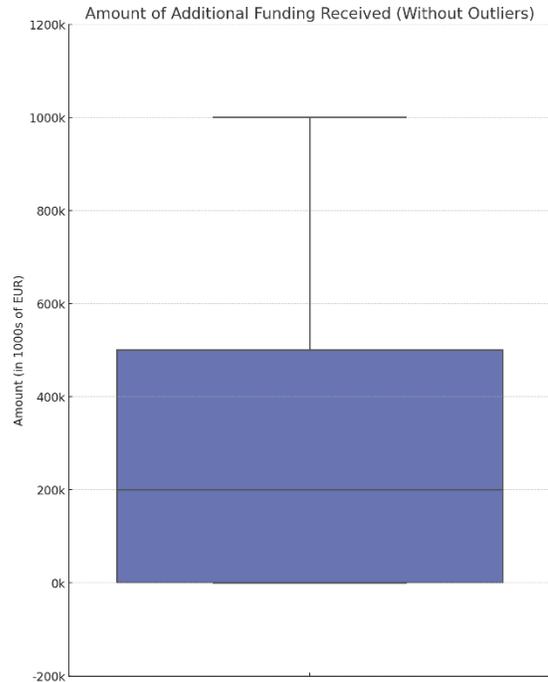


Figure 32 Amounts of additional funding received beyond the BPF grant and the initial match funding

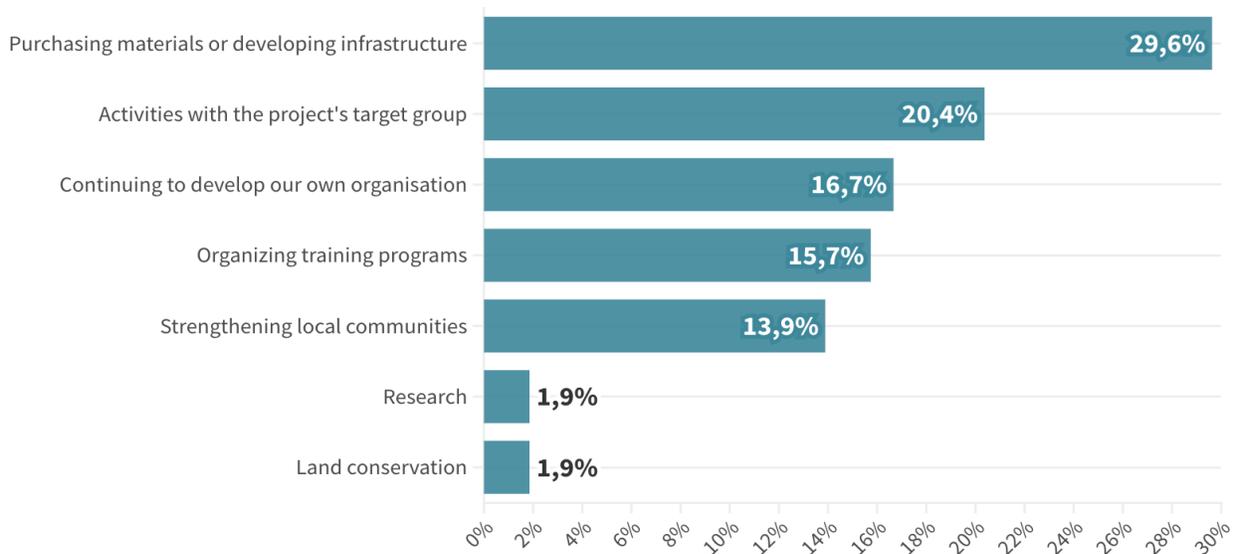


Figure 33 Overview of which activities the BPF grant was mainly used to support

In terms of changes to the organisation that the respondents saw since receiving the grant, responses indicate that both growth and financial strengthening of the organisation are the most prevalent. In addition, BPF has supported a wide range of activities in more or less equal amounts ranging from introducing new activities, improving skills and knowledge, see Figure 34.

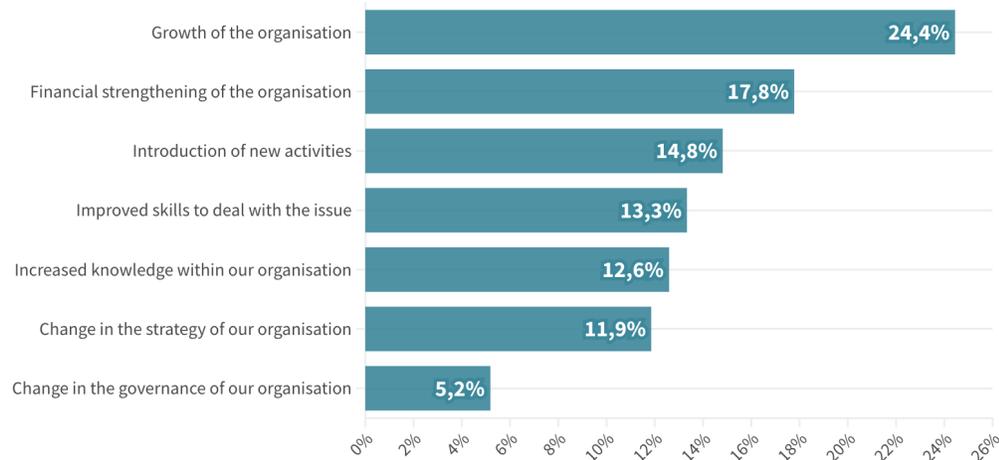


Figure 34 Overview of responses ‘What changes has the BPF supported initiative brought in your organisation?’

Finally, it was investigated to what extent going through the BPF application process was seen as a useful exercise in of itself, see Figure 35.

Was the BPF application useful for further funding applications?

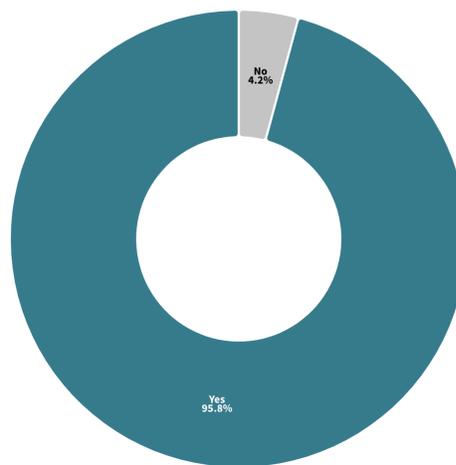


Figure 35 Views on whether the BPF application was useful as a process to seek additional funding

Corroborated with the fact that many grantees were able to leverage the grant to acquire additional funding, the overwhelmingly positive response suggests that the process of applying for the BPF grant has broader benefits. It equips grantees with the experience, documentation, or structure required to pursue other funding opportunities. This highlights a significant capacity-building aspect of the BPF program.

## Financial state of the grantees

The survey asked for current numbers on revenues and expenses, allowing the team to make a projection of revenues and expenses over the next year. From this information, an average growth percentage was calculated across for all projects, see Figure 36.

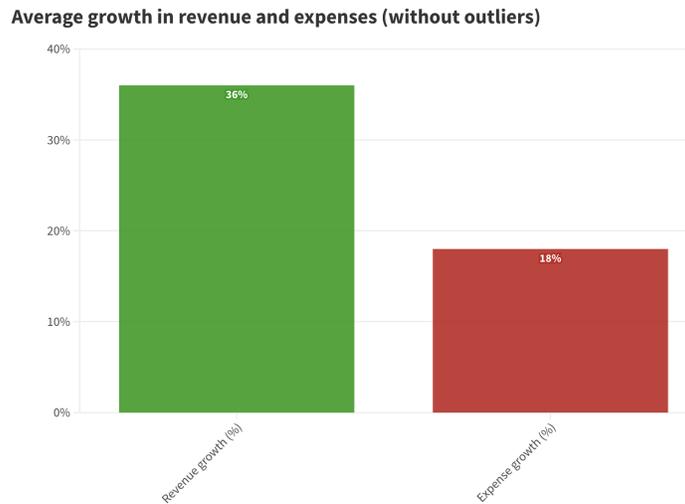


Figure 36 Average growth of revenue and expenses amongst grantees without outliers

Looking instead at distribution per project, most projects average projected revenue growth remains higher than the projected average expense growth however there are some projects where this is not the case, see Figure 37.

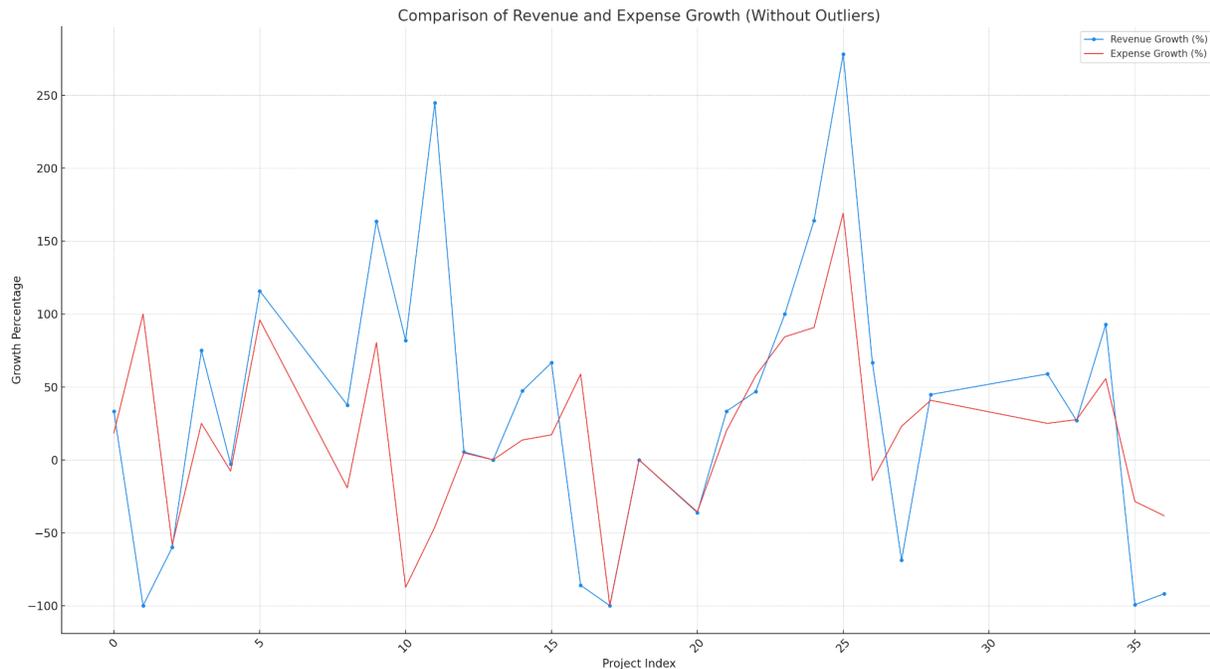


Figure 37 Comparison of projected revenue and expense growth by project

From this analysis, it is evident that there's significant variability in projected growth rates, both for revenues and expenses. Some projects are expecting substantial growth, while others are forecasting a decrease.

The data, after outlier removal, shows a higher average growth in revenues compared to expenses. This is indicative of the projects' potential profitability and sustainability as they're generally seeing revenues rise at a faster rate than their expenses. Such a trend suggests that these projects are not only expanding but are also managing to do so efficiently, potentially leading to better margins.

**How do grantees feel about cash flow?**

- A clear majority of respondents reported improved cash flow compared to the previous year.
- Fewer respondents indicated a similar or decreased cash flow, and a small percentage opted not to disclose their comparison.

**Comparison of current cash flow to previous year**

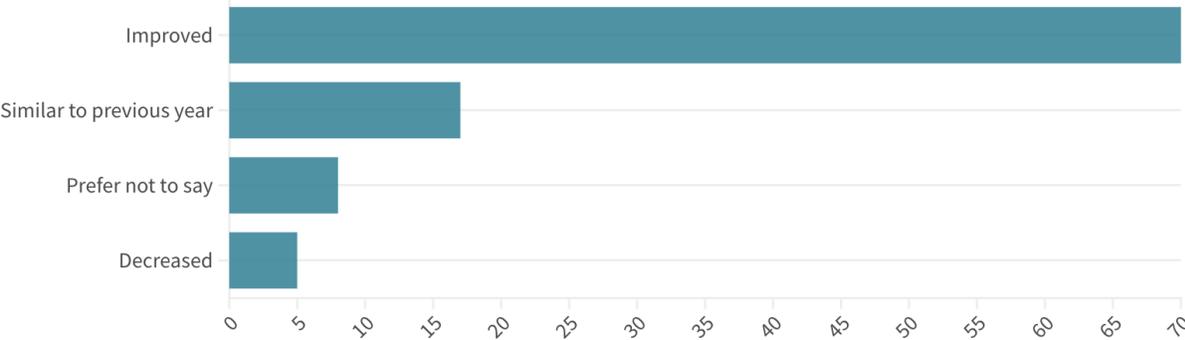


Figure 38 Overview of grantees cash flows compared between previous year and current

Despite the generally positive growth trends in revenues and expenses, almost half of the respondents lean towards being concerned or very concerned about the financial sustainability of their business model, see Figure 38. This indicates that growth alone does not alleviate all worries about future financial sustainability.

When asked for detailed feedback on why they were concerned (or not) about their future financial sustainability, see Figure 39, the responses are summarized as followed:

- "The local environment is very informal and unpredictable. Anything can happen anytime and there is little that can be done to get well prepared."
- "We are still in a growing phase and although we are confident about our business model and pricing strategy, we still have a way to go, in order to build upon our current client base and expand activities."
- "Find me a start-up CEO working in a sustainable business in a developing nation who is not concerned by this."

- “We see crisis hitting our principal market and we are unsure it will restart as before.”
- “Concerned about achieving sustainable growth”
- “We are currently running on break-even struggling due to the financial recession which has reduced construction recently.. but are quite confident in our business model long term”
- “Currently our business model is dependent on donor funds”

### Do they have financial concerns?

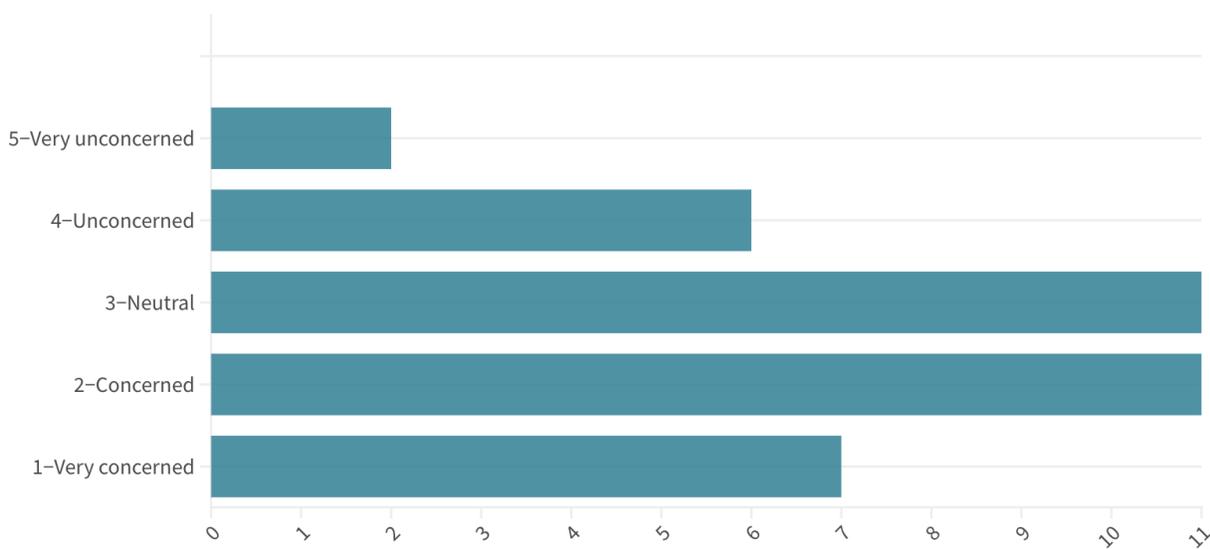


Figure 39 Overview of grantees views on their concern of their future financial sustainability

Complementing the above statements, when asked about unexpected financial changes that have impacted their projects financial stability, impacts of the pandemic as well as recent hikes in inflation came up as the most common responses. Following on investigations on future financial stability, 70% of respondents also agree that there is a funding gap for the missing middle (not shown).

Overcoming the missing middle is a real challenge and some of the specific views from the respondents included:

- Several of the respondents indicated that there is a real lack of funding to agri-business projects in Africa. Coupled with high-funding requirements, from e.g. seed-investors or venture capitalists in Africa, with entry tickets between \$ 3 to 5 million for Impact Funds, poses to high of an entry point for most SMEs in Africa. A suggestion was raised that European impact funds should partner with sovereign funds in Africa to finance projects in strategic sectors, including the agro-industry.
- With few funding options available, competition over scarce funds was mentioned by several and even then a few companies can afford to do 50% matching.
- Several mentioned the need for a change in perception around the inherent risk of funding projects that have both financial and social goals. Investors often do not understand the business models and therefore considered high-risk. But these projects often need access to

risk-friendly capital to test out new ideas. It was suggested that access to blended financing and developed risk-sharing financing options could help bridge the gap in access to funding for projects in the missing middle.

- Some respondents also mention there is a need for better communication and raising awareness about available financing options to project entrepreneurs.

### **Summary of grantees financials:**

- A majority of grantees were able to leverage the BPF grant to attract additional financing.
- Other funds/foundations and the grantees' own resources were primary sources of additional financing.
- The range of additional funding secured varied widely, from nominal amounts to significant multi-million euro investments.
- The BPF application process itself was perceived as a valuable exercise, helping grantees prepare for other funding opportunities.
- This narrative paints a picture of the BPF grant not just as a financial boost, but as a catalyst for further investment and an instrument of capacity-building for its beneficiaries.
- Grantees in this study on average show a higher growth in revenues compared to expenses. This is indicative of the projects' potential profitability and sustainability as they're generally seeing revenues rise at a faster rate than their expenses, with most also reporting improved cash flows compared to previous years.
- Despite these generally positive trends in revenues and expenses, almost half of the respondents lean towards being concerned or very concerned about the financial sustainability of their business model.
- Main concerns raised include a high reliance on donor funding as well the un-predictability of local business environments, political stability and effects of global events like the climate crisis, pandemics and inflation surges.

### **Would you recommend the BPF grant to others?**

100% of the respondents answered 'Yes' to this. An overwhelming positive response indicating that the role and value of BPF in being able to provide financing, in this underfunded environment of projects seeking to blend financial with social or environmental goals, is very strong. Some of the key reasons why respondents would recommend the BPF grant to others include:

- Respondents generally praised BPF for their straightforward grant process and its understanding of the challenges faced by businesses in Africa. BPF has a good reputation among those who have interacted with it.
- Many respondents emphasised that BPF's grant funding targeted their businesses' most significant needs, allowing them to address critical issues and achieve their goals.
- BPF's grant size, focus, and flexible reporting requirements were highlighted as unique and supportive factors that made it recommendable. The funding amount was considered reliable and manageable for achieving impact.

- Several respondents commended BPF for its dedication to projects benefiting low-income households and its responsive team. They also appreciated the exposure and credibility gained through the grant.
- Overall, BPF's grant was seen as a valuable opportunity for social and environmental businesses, providing financial support, exposure, and opportunities for growth. Respondents expressed a willingness to recommend BPF to others due to its positive impact and support for innovative projects.

### BPF's role in partnership facilitation

During the project application stage, BPF encourages or requires, that lead applicants seek out partners as part of project implementation. Round 3 improved the communication on the necessity of a non-for profit partner. A for-profit company is eligible to apply without other partners. However, for most projects a partnership with a non-profit is preferable. The analysis above shows the interlinkages between the grantees in this study and the types of organisations they partnered with during project inception, see Figure 40. Note that some organisations have multiple partners, whereas a few have no partners. Highlighted are those companies where the headquarters is located in the Global North (EU in all cases). All other organisations are located in the Global South, i.e. local or national initiatives in the country of project implementation. It is worth noting that in all cases, EU companies have a local company set up in the project implementation country. The NGOs includes in this case are capacity building and coordination focused organisations. All other organisations are for profit organisations.

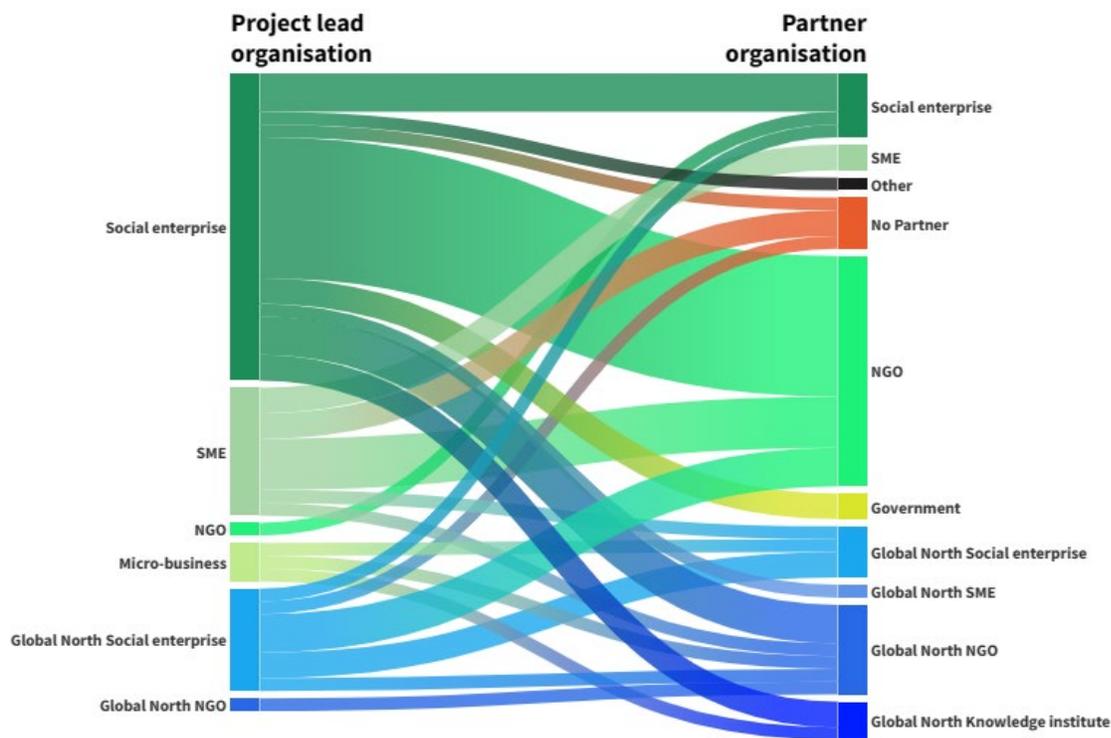


Figure 40 Grantees part of this study and their application partners shown as types of organisation

The most common type of collaboration is between national social enterprises and national NGOs. In fact, national NGOs are the most common type of partner, in addition partnering up with national SMEs and in a few cases with EU based social enterprises. The second most common partner are EU based NGOs, where the project leads are either nationally based social enterprises, SMEs or micro businesses. There are only two cases where both leads and partners are both EU based organisations, one case with two NGOs and another where two EU based social enterprises are collaborating. However, they both have local offices in the implementation countries. In four cases the project lead succeeded in receiving a grant without partner support.

What this analysis shows us though, is that at project application stage, BPF does encourage a wide range of partnerships to be formed as part of the grant process. Predominantly grants are allocated to national/local initiatives and the majority of partnerships are formed by national organisations with national partners. In some cases, local initiatives partner up with EU based organisations for support, predominantly either foreign knowledge institutes or EU based NGOs.

The analysis above was done using data from the project application stage for each grantee that took part in the survey. As to the analysis of the data from the grantee survey, it is worth noting that at this stage, 15 out of the 37 respondents, indicated that they did not have any project partners. Whether this means that the nature of the partnerships changed during or after project implementation (as some partnerships are temporary to support specific phases, such as training or research) or that grantees simply mis-understood the question is unknown and beyond the scope of this study. But for the purposes of the below results, is it based solely on the responses of the grantees that confirmed the partnerships and the nature of those relationships was validated using the project application data.

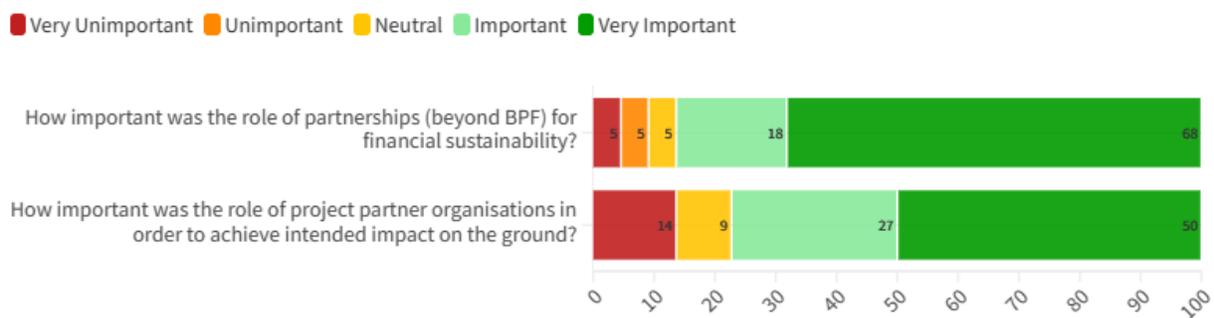


Figure 41 Overview of grantees views on importance of project partners in order to achieve financial sustainability and impact on the ground

It was investigated to what extent grantees valued the role of project partners in achieving financial sustainability and impact on the ground, see Figure 41. It is clear from this analysis that the majority of grantees in this sample size see a lot of value in the established partnerships. There are no discernible trends amongst grantees that explains when partnership was less important, but in one case, the partner was an EU based knowledge institution and their relevance in achieving financial sustainability or impact was either unimportant or very unimportant.

When asked their opinion on how partnerships specifically contributed to enhancing impact on the ground, grantees highlighted that partnership creation played a pivotal role across a range of projects by leveraging specialized knowledge, skills, and resources. Partners brought technical expertise, facilitated effective training, funded projects, and ensured rapid engagement of beneficiaries. Grantees also highlighted examples of enhancing agricultural practices and expanding productivity, generating employment as well as supporting environmental protection. Collaboration with NGOs allowed for coordination and complementary strengths, supporting the establishment of waste aggregation networks and capacity-building. In many cases, partnerships were instrumental in training and mentoring, ensuring the success of various initiatives, from environmental protection to business management, waste aggregation, and sustainable production, ultimately leading to significant positive outcomes.

Conversely, some challenges with regards to partnerships were also highlighted:

- Training rural populations in Africa was identified as a multi-year endeavor due to the typically low learning curve, and most technical assistance provided by partners was considered too short-term to be highly effective.
- Administrative delays and technical difficulties with new machinery were noted in several cases.
- Differences in fund management systems between public and private partners hindered synchronization, and the timely implementation of activities by partners was a concern for some projects.
- Communication and knowledge transfer between partners were highlighted as an issue in one case.
- Additionally, the sustainability of partnerships beyond the project's duration was seen as a key challenge in maintaining collaborations.

### **Summary on partnerships**

- BPF grant processes have fostered collaboration between types of organisations in profit and non-profit sectors as well as between South-South and North-South partners.
- Past the application stage, 15 out of 37 grantees indicated they are no longer in established partnerships and there may be multiple and valid reasons as to why this is the case.
- When partnerships are established, grantees indicated several positive benefits incurred as well as their highly positive role in achieving both impacts as well as financial sustainability of their business model.
- Although established partnerships in general were working very well, maintaining those partnerships in the long-term, i.e. beyond the grant period, was highlighted as a key concern amongst grantees.

### 6.3 BPF-supported projects: site visits to grantees and final beneficiaries

As part of this evaluation, eight site visits were conducted to projects across Africa, see Table 6.

Project name	Project description	Country	Theme	Project applicant	Project partners	Stage	Why selected
<b>Bio Phyto</b>	Collection of pineapple processing residues for intensive production of organic fertiliser and ethylene-enriched activated carbon	Benin	Recycling	Bio Phyto	RéPAB	Ongoing, 2022	Organic fertiliser, circular economy, large budget (EUR 800K)
<b>Wakapou -Shea butter production</b>	To set-up a transformation unit to produce organic and fair trade shea butter for export to the cosmetic industry	Benin	F&A	Wakapou	Interprofession Karité Bénin	Finished, 2020	Finished project, "operated by cooperatives who will receive a share in the profits from the sales", measure impact on beneficiary level
<b>Water Access Rwanda</b>	Safe tap water for the rural bottom of the pyramid	Rwanda	Water and sanitation	Water Access Rwanda	4x Districts	Ongoing, 2021	Large budget (EUR 2m), 4x public project partners
<b>VITALITE</b>	Offer entry-level solar home systems to low-income, off-grid households on flexible pay-as-you-go terms	Senegal	F&A / renewable energy	VITALITE Senegal	VITALITE Zambia, Social Energy, SEM Fund, Ma Tontine	Ongoing, 2020	Many project partners, large group of beneficiaries (10,000 households, 83,400 people)
<b>Teco2</b>	Manufacturing eco-friendly furniture from recycled plastic waste.	Burkina Faso	Recycling	TECO <sup>2</sup> SAS		Ongoing, 2021	No partner, scaling from semi-artisanal factory to a full industrial production plant
<b>Kentaste Products</b>	The transformation of coconut husks into cocopeat, geo-textile, briquettes, ecocoboards. The coconut water is for direct consumption or for cooking.	Kenya	Recycling	Kentaste Products Limited		Ongoing, 2022	CE, many by-products, one of few projects with link to water, no partner
<b>Third Man – Upendo Honey</b>	Completing the value chain at source for organic honey for export	Tanzania	F&A	Upendo	Proudly made in Africa	Ongoing, 2021	Value chain approach, honey and packaging equipment
<b>Chanzi</b>	From food waste to animal feed by Black Soldier Fly Larvae	Tanzania	Recycling	Chanzi Ltd	Rikolto East Africa	Finished, 2021	Community impact, CE, FA

Table 6 Details of all eight projects visited for the purposes of this evaluation

For both KIIs and the FGDs, the purpose was to ascertain the perceptions of people involved across the following areas:

1. **Project impact.** Is it clear what the project aims to achieve, are you seeing the benefits?
2. **Unintended positive or negative consequences of project implementation.** Has anything happened during the course of the project that you did not expect? What have you seen on the ground?
3. **Project and BPF support.** Is the grantee committed to supporting training or other activities for final beneficiaries or project management staff? Are there gaps in support that you would like to implemented to improve effectiveness from either BPF or the grantee?
4. **Lessons learned from Projects.** Where do participants across the organization and beneficiaries see as key lessons learned in order to increase success and effectiveness of project implementation.

In addition to these shared areas of investigation, during the KIIs, grantee staff were also asked specific details concerning, BPF grant management and support as well as their views on the financial sustainability of the project.

The results of these field visits are summarised below, in accordance with these focus areas in addition to lessons learned, capturing perspectives from both project staff and beneficiaries alike. This high-level summary outlines key trends captured within and between projects. More details are attached in Annex 2.

## **High-level summary across all projects**

### **Project impact**

- KIIs and FGDs confirm that across all projects, impacts are being achieved and often ahead of schedule and expectations.
- This impact is manifested across areas like job creation, education, improved income of beneficiaries, improving health of populations, environmental certifications and more.
- There were no discernible differences between the perspectives of project staff and beneficiaries in this regard, but rather individual viewpoints to further the same goals, such as KIIs often expressing need for wider collaboration opportunities with local governments, whereas FGD participants would like to see on-going training efforts continue and expand.

### **Unintended positive or negative consequences of project implementation**

- The majority of un-intended consequences voiced by participants across groups were not related to project implementation itself, but rather due to unforeseen complications due to external factors like the pandemic and the climate crisis affecting operations.
- Some of the successes of the projects have necessitated use of more materials, market partners and increased training initiatives to broaden reach beyond initial expectations.
- On the whole, there were no major negative consequences directly related to project implementation identified in this study across both KIIs and FGDs. But several minor consequences, such as work place conditions due to smoky and polluted environments were observed.

### **Project and BPF support**

- All projects recognize the positive impact of BPF support in enhancing project efficiency and reaching underserved communities, as well as the recognition of the importance of TA, training, and market access.
- Only three out of the eight projects had actually asked for TA from BPF, so this conversation was broader on the value of the grant
- Additionally, all projects value BPF's role in facilitating partnerships, but acknowledge the need for improved communication and visibility of their projects.

### **Lessons learned**

- Commonalities between the projects include a recognition of the need for partnerships and collaborations, the importance of continuous monitoring, improved engagement with beneficiaries, and the desire to improve market research and product acceptability.

- Many projects emphasized the importance to better incorporate climate change adaptation and mitigation strategies and maintaining financial viability.
- Across both KIIs and FGDs, the significance of active beneficiary participation and hands-on training in achieving project success was highlighted.

#### 6.4 Non-selected applicants

The purpose of this survey was to investigate to what extent non-selected applicants felt that the application process went smoothly, where BPF could improve on the process as well as looking into whether these projects were successful in finding other sources of funding. As this is a separate pool of applicants, the results are not easily combined, due to an assumed inherent bias between those applicants that were successful and those that were not. However, these are still included for comparative purposes and trends in response between these candidate pools, where applicable, are still highlighted. A full overview of the results from this survey can be found in Annex 3, but for convenience, the main conclusions and recommendations can be found below.

Starting with the positive, what BPF should take away from this survey to non-selected applicants, is the willingness of these projects to still engage with the program. With a high response rate of 30% amongst recent project applicants, we can infer that there is still a willingness to engage with BPF and they have taken the time to provide feedback on the application process. In addition, despite the various frustrations experienced with the application process and timeliness of feedback as highlighted in this report, 44 out of the 91 respondents (48%) of respondents did re-apply for future rounds, despite the initial rejection. It is worth noting that 53% of respondents indicated that going through this process with BPF helpful to create applications for other grants. However, and in contrast to those grantees that were successful in their BPF application, only 18% of respondents had been successful in securing other means of funding (compared to 65% of grantees that managed to secure the grant. The underlying reasons for this can be many, but likely both reporting on successful funding from BPF, the BPF selection process working as intended and supporting the projects with the highest chance of success, as well as having a better written application and business plan, would have likely helped these grantees in their search for more financial opportunities.

Some key feedback from applicants on how BPF can improve the process include.

- **Improve awareness of existing supporting materials.** Besides the BPF website that showcases supported projects, most applicants were largely unaware of other materials and support that BPF can offer during the application process.
- **Improve on timeliness of feedback.** For those applicants that reached out for feedback, only half were satisfied with the feedback received and the timeliness of the response.
- **Provide more feedback on why the application was rejected.** Several applicants express the desire for more feedback to understand the weaknesses in their applications and let them know how to improve for future rounds.

- **The process and value of the ESG needs clarification.** The SG Screening process, conducted by Sedex and Ecovadis was mentioned as being time-consuming and stressful for partners. In addition, several respondents indicated that they never received any feedback after it was done, so knowing how and where to improve was difficult.
- **Improve transparency of process.** Several applicants felt confused about all the steps in the process as well as the grant eligibility, with some referring to it as black-box.
- **Improve resource support.** Accelerator programs to help applicants refine business plans before submitting an application was highlighted as a positive action. Perhaps there are ways for BPF to highlight external supporting organisations used by successful grantees and provide options for connectivity.

## 7 Conclusions and Recommendations

This chapter presents the conclusions and recommendations resulting from the final evaluation of the BPF. The conclusions are based on input across levels of the evaluation and from quantitative and qualitative results as part of this evaluation. They aim to answer the main questions established at the start of this evaluation but also go beyond them. The conclusions are structured per main topic, followed by a set of recommendations. The recommendations drawn are based on feedback from various participants across this spectrum but in addition are complemented by the expert opinions of the evaluation team. The recommendations can be considered by the KBF for follow-up in the remainder of the BPF (as long as the selected projects are ongoing) as well as for setting up a new fund in the future.

### 7.1 Fund management

#### **Is the mission of the BPF clear and is the strategy implemented by the KBF the best strategy to achieve the mission? Is the organization in line with this strategy?**

Initially, there were challenges in ensuring a complete understanding of the strategy, particularly among jury members. This lack of perfect clarity led to varying interpretations of the main evaluation criteria and project priorities. However, stakeholder interviews revealed that over time, efforts were made to refine and articulate the strategy more comprehensively. This alignment was crucial not only for the DGD and jury members to have a unified understanding but also for applicants to accurately tailor their submissions to the programs' objectives.

Although the other funders indicated to know little about the strategic alignment between the KBF and BPF, they did find the concept and the mission of BPF to be 'very good'. Overall, they have a positive impression of BPF's management who was described by the other funders as 'professional and effective' and 'quite experienced with the missing middle'. Three embassy representatives interviewed mentioned to have generally positive views of the BPF's mission and strategy, albeit with concerns about beneficiary numbers and reservations about the selection process.

The evaluators concluded that the mission of the BPF is clear. A clear strategy implementation emerged as an essential factor in driving successful project selection, as it established a common framework against which projects were evaluated and selected in line with its strategy.

#### **Does the KBF have the right capacities to manage the BPF?**

The majority of those interviewed felt that the KBF pivoted remarkably after the mid-term evaluation to make the fund more focused, specifically by narrowing down the list of eligible countries and by emphasizing criteria such as additionality, matching fund, and innovation. Advice was always well received by the KBF management and implemented quickly, ensuring faster turnaround times in the program. This is supported by well-developed program management systems which is bringing structure in the operation and management of all the steps during the funding rounds, from application to grantee contracting.

While the KBF team's effectiveness acknowledged, the need for additional staff and resources is mentioned repeatedly by interviewees. Concerns were raised about the KBF's capacity to evaluate the large number of applications thoroughly; coordinating the evaluation of 1,712 applications (aggregated amount Round 1-8) is a lot of work for one parttime coordinator. Yet, it was done in a cost-efficient way. Managing a large number of applications is concluded by the evaluators as challenging and indicates the need for an even more streamlined selection process that ensures fair evaluation of each application while effectively managing the workload on the side of both the KBF as well as applicants.

## Recommendations

1. **Change to a 2-stage application process.** It is recommended to change the current 1-stage application process to a 2-stage application process. Instead of only submitting one full application, applicants will be requested to first submit a Concept Note (stage 1) of max. five pages. Applicants can only submit a Full Application (stage 2) if the KBF has positively assessed the Concept Note. A 2-stage application process can contribute to reducing the workload on the side of the KBF as well as the applicants. Evaluating a Concept Note is expected to take less time than evaluating the application as is now. By critically reviewing the Concept Note, only the strongest ones will be invited by the KBF to submit a Full Application. As such, the KBF can estimate in advance how many Full Applications they can expect and can plan their resources accordingly. Suggested areas to be described in a Concept Note: motivation, activities, alignment with local programs, contribution to SDGs, M&E framework, partnership, budget, matching fund.
2. **Apply stricter criteria to manage application load.** Applying stricter criteria at application stage is expected to benefit the quality of the project. The following criteria is suggested to strengthen:
  - a. **Partnership:** request applicants to sign a partner form. This shows an increased level of commitment to the KBF. In addition, the nature of partners allowed between their non-profit status as well a global location was highlighted as a concern, so clarifications in this regard of eligible partners could stand to be clarified and clearly communicated.
  - b. **Matching fund:** request applicants to submit supporting documents to substantiate the source of matching fund. This allows the KBF to better assess the probability of the matching fund being utilized.
  - c. **SDG:** request applicants to motivate how the project aligns with a specific SDG.
  - d. **Business model:** request applicants to present the business model in greater detail, accompanied with a comprehensive list of assumptions. This allows the KBF to identify potential red flags in early stage regarding the sustainability of it.
3. **Increase capacity to manage the BPF** by hiring additional staff and working with (local) consultants.

4. **Find new destination for TA funds.** The amount of untapped TA budget is quite large. As an alternative to TA for grantees, the KBF could consider utilizing (part of) the TA budget for organizing regional BPF learning events. Grantees to exchange lessons learned, network opportunities, workshop on specific themes. Annual meetings, workshops, and knowledge sharing sessions could be organized among grantees to encourage learning from each other's experiences and tapping into collective expertise. An online community is recommend to be established to serve the same purpose. The online community should be in a closed environment and preferably moderated by the KBF. Exchange among grantees is an area grantees would like to focus on more once the BPF has ended.

## 7.2 Eligibility check and Pre-selection

### Is the selection procedure appropriate?

The KBF's process for eligibility assessment, pre-selection, selection, and grant awarding is clearly defined for internal staff, stakeholders, and applicants and is working well for the KBF. The ESG screening helped the KBF setting a baseline for the projects and identifying red flags at applicants level. BPF used ESG scores as an initial assessment to gauge the sustainability and ethical aspects of projects, but not for very much more.

The input from representatives of Belgian embassies on the pre-selected projects varied. Their level of engagement was low due to limited resources and lack of understanding of expectations. The Belgian embassies interviewed by the evaluators indicated to have little knowledge on BPF and the grantees; yet, they do want to know more and be of more support, if time and budget would allow. Although the jury members regarded the embassies' input as valuable, the DGD stopped requesting for their input as per Round 7.

The evaluators conclude that the project selection is largely based on information submitted with the application form. Thereafter, there is no opportunity for the KBF to ask the pre-selected applicant to clarify unclear parts of its application, nor is there an opportunity for the pre-selected applicant to defend weaker parts of its application. Not having such interaction between the KBF and the pre-selected applicant, not optimally using the ESG scores, and not being able to use local resources efficiently is concluded as missed opportunities in the due diligence of projects.

### Recommendations

1. **Add a virtual Q&A meeting with the pre-selected applicant.** Upon pre-selection and prior to the jury meeting, it is recommend to schedule a virtual Q&A meeting between the KBF and the pre-selected applicant. During this meeting, the pre-selected applicant will be requested to pitch its project to the KBF and to clarify unclear parts of the application. The meeting is expected to help the KBF verifying some of the statements included in the application form (e.g. business model) and to develop a better feeling and understanding of the people behind the pre-selected applicants (e.g. entrepreneurial mindset, project commitment). The outcome of the Q&A meeting will be shared with the jury, and will help the KBF in determining whether or not this pre-selected applicant really qualifies for a grant.

2. **Use ESG screening data in selection process.** It is recommended to analyze the ESG screening data and use it to identify gaps at pre-selected applicant's level. The tools used so far do provide ESG scores that indicate the pre-selected applicant's maturity on various ESG areas. By analyzing these ESG scores, the KBF would be able to determine which ESG areas the pre-selected applicant needs to improve on. If selected, then it is recommended to consider utilizing a part of the balance of the TA budget for consultants who can help the grantee with making the ESG improvements.
3. **Conduct local due diligence in partnership with stakeholders.** Incorporating local expertise and knowledge during the project evaluation process enriches the decision-making process. This practice enhances contextual understanding and aids in selecting projects that align more closely with local needs and realities. It is recommended to consider collaborating with the following local organizations (but not limited to):
  - a. **Belgian embassies.** The embassies interviewed showed interested and willingness to collaborate; the jury members did value their input in previous rounds as valuable. It is therefore worth considering resuming the BPF-related information exchange between the Belgian embassies and the DGD, subject to an evaluation on the same. Suggested topics to request written input on from embassies, mindful of their budget constraints (but not limited to): political stability, applicant's track record, applicant's previous (donor funded) projects, business model vs market outlook.
  - b. **Large NGOs, consultants.** Large NGOs and/or consultants can conduct a high-level local market research for BPF and identify potential red flags, trends, and challenges that might hinder a BPF applicant and/or grantee in achieving its targets. Furthermore, those who have local staff can conduct on-site verification visit to the pre-selected applicant, on behalf of the KBF. Similarly, grantees can expect the same during project implementation. Collaborating with larger NGOs and consultants on local due diligence will require a costs that is yet to be estimated.
  - c. **Other funders.** Most of the other funders interviewed are open to the idea to share their in-country resources with other funders, such as the KBF. Such in-country resources include local staff, network of local (individual) consultants, offices.

### 7.3 Selection

#### Is the selection procedure appropriate?

The evaluators concluded that KBF and the DGD composed a well-balanced and independent jury with complementary profiles of the jury members. From Round 1-7, an average number of 8.8 individuals took place in the jury meetings (lowest 7 and highest 10). The KBF provided the individual jury members with information on the objectives of the call, pre-selected projects, selection criteria, expectations, in a thoroughly, timely, and detailed manner. The evaluators found the jury meetings to be effective, leading to well-rounded project assessments. After project assessments, the jury members had little to no access to information regarding the progress of projects assessed.

The KBF gives non-selected applicants the opportunity to get feedback on their rejected application. The FAQ section on BPF's website mentions that "the DGD gives feedback upon request". The evaluators concluded this as a fair and reasonable gesture. However, only half of the respondents indicated that they were satisfied with the feedback given and the timeliness of it.

For Round 1-9, the total number of non-eligible applicants is 775. This is quite a large number of applicants. Looking only at the aggregated number of Round 6-9, the total amounts to 464. This is still a large number of applicants who potentially request for DGD for feedback. The evaluators concluded that giving them feedback for is a cumbersome job and does not seem feasible in practice.

### **Recommendations:**

- 1. Include experts in the jury with abundant practical knowledge, expertise, and experience in doing business and on running a SME in all eligible countries of BPF.** This contributes to creating better understanding of the local context of a pre-selected project and as such improves the due diligence during the selection process. It is recommended to include a jury member with experience in countries across East Africa, such as Kenya or Tanzania, as those countries are most represented in BPF's project portfolio.
- 2. Increase the involvement of jury members during project implementation.** Based on the progress made per project, the KBF is expected to be able to identify potential knowledge and/or business experience gaps at grantee level. The KBF is recommended to inform the jury members on the same; subsequently, jury members are asked to provide advice to the KBF directly who in turn can communicate that to the grantees. The frequency of such advisory moments is proposed to be max. twice a year and scheduled on the same day of jury meetings. The duration of the jury meetings will increase which will come at a costs. Since jury members are now volunteers, it is recommended to reimburse them for their involvement. Jury members will be more informed about project progress while grantees could benefit from such advisory services.
- 3. Pro-actively provide feedback to non-selected applicants.** This is being done already by email. In the email, it is recommended to mention the following to be more clear to non-selected applicants: "due to the large number of applications we received it is not possible to provide each applicant with feedback".
- 4. Revise FAQ section on BPF website.** It is recommended to adjust the sentence "the DGD gives feedback upon request" to "due to the large number of applications, we do not expect to provide feedback to non-selected applicants."
- 5. Enhance visibility of supporting available tools and processes to potential applicants.** The results point to very low awareness of BPF support, with the exception of the website. BPF can also consider possibilities of recommending additional steps applicants can take before applying, such as attending business accelerator workshops.

## 7.4 Accountability and Control

### **Do the financial audits of the KBF and the KBF's annual financial report to the DGD make it possible to meet the minimum requirements for the good management of public funds?**

The KBF passed two audits by BDO; during other audits, either no questions were raised on BPF or no requests for clarification were raised by the auditors about the BPF.

The evaluators concluded that the KBF has their admin well in order and, based on the information reviews, meets the minimum requirements for the good management of public funds.

#### 7.4.1 Promotion

The KBF did a commendable job on promoting the BPF. Online information sessions and webinars are good tools to reach a large, international audience. The evaluators concluded that the effectiveness of promotional activities was evident from the high number of project applications received during funding rounds, suggesting successful dissemination of fund information.

Although there is a website dedicated to BPF, listing information on the program and selected projects and providing a link for downloading the MTE, especially the other funders and Belgian embassy representatives were not fully aware about this.

#### **Recommendations:**

- 1. Involve grantees in future information sessions and/or webinars.** It is recommended to involve grantees and request them to present their experiences with BPF on topics e.g. application process, selection process, reporting requirements as well as on the project they are implementing e.g. scope, challenges, lessons learned. A grantees' experience shared with potential applicants is expected to increase the potential applicants' level of understanding of the BPF which could subsequently reduce the number of ineligible applicants.

#### 7.4.2 Reporting

### **Is the portfolio well managed and are the individual projects properly monitored and supervised by the KBF? Is the measurable outcome and impact of the current BPF portfolio going into the right direction in line with the strategy and objectives of BPF? Is the self-reporting by the beneficiaries on the financial situation of the project sufficient?**

The evaluators concluded that the KBF is doing a good job in acting as a convener and facilitator, and, being a philanthropic foundation, managed to successfully foster collaborations between the private and public sectors. This has resulted in impactful outcomes that benefit both realms.

Since its conception in 2019, a total of 9 rounds of calls for proposals were launched. To date, out of the 1,712 applications, 50 projects were awarded with a grant (2.92%). However, only 995 were found to be eligible, and 717 were found to be ineligible.

The reporting standards and requirements of the KBF are in general light with focus on open and direct communication lines with the grantees. The majority of the stakeholders interviewed raised their concerns about this self-reporting approach, particularly on the presumed lack of accountability and control associated with it.

The evaluators concluded that there is a need for improvement on the current self-reporting by the beneficiaries to ensure a better balance between grantee autonomy and the KBF oversight which is crucial to prevent misuse or inefficiencies in fund utilization.

## **Recommendations**

### **1. Improve level of detail of reporting.**

- a. Although there are clear benefits to improved reporting and data collection, BPF should be mindful that reporting should not take place for the sake of reporting. Grantees often have limited resources to improve on this, so if this space is to evolve, it should be done as a joint exercise between grantees and BPF, to ensure that the new data collected brings value to both parties and is feasible to achieve within project timelines.
- b. Although this is too late to implement now, had a solid Theory of Change along with an indicator framework been established at the start of the BPF, this would have alleviated some of the concerns faced now.
- c. The 'lighter' reporting requirements currently in place certainly has its benefits, but it is noted that the data collection and analytical capabilities of BPF are quite low. Only a few KPIs on project financials and job creation are required to be reported on, but there is no capacity to aggregate these.
- d. Evaluation at grantee level, clearly showed that grantees have a need for technical support and advice when it comes to M&E, impact reporting, and demonstrating its contribution towards the SDGs. So giving guidelines on these areas (and others) that are currently outside of the current scope of reporting, could give both BPF and grantees and additional level of information and insight to potentially help both parties. Such an exercise is recommended to be done in collaboration with grantees (as the main data providers), to find a common ground on feasibility to provide accurate and timely data, as well as provide mutual value and benefits.

### **2. Involve local actors in project supervision in addition to project reporting.** For example:

- a. Local NGOs who can liaise between the KBF and project beneficiaries and as such get direct and honest feedback to what extent the supported project is impacting them.
- b. Belgian Embassies, who can provide feedback to the KBF on local context (e.g. political, economic, socio-economic).
- c. Independent local consultants who can visit the grantees on-site to verify progress.

### 7.4.3 Matching Fund

The matching fund criteria is well described by the KBF in the BPF guidelines as well as on the FAQ section on the BPF website. Also, applicants are explicitly requested to fill out a basic matching fund table in the application form. By doing so, applicants are invited to demonstrate their commitment to project implementation which reflects the business partnership between the KBF and applicant. Yet, applicants are not required to substantiate the information provided in the matching fund table. As a result, the evaluators questioned the accuracy and reliability of such information.

#### Recommendations:

1. **Continue the matching fund criteria.** It is recommended to continue using the in-cash matching fund criteria to ensure their level of commitment to the proposed project.
2. **Tailor the matching fund request to the size and maturity of the applicant.** By tailoring the matching fund request, the KBF could leverage more results with the same amount of grant money and as such make optimal use of resources. For example, in practice the KBF could apply the following percentage per size and maturity of the applicant:
  - a. Large-sized enterprises: 60%
  - b. Medium-sized enterprises: 50%
  - c. Small-sized enterprises: 40%
  - d. Micro-sized enterprises: 30%

The criteria of a large, medium, small, micro enterprise need to be defined and is suggested to be based on average turnover of the last three calendar years, number of employees.

3. **Request matching fund supporting documents.** The KBF is recommended to request applicants to substantiate the matching fund table as included in the application form by attaching supporting documents e.g. loan agreements, bank guarantee, term sheets, cash flow projection. By doing so, the KBF can encourage applicants to only submit an application if the matching fund is available and solid. This could save time from applicant's perspective (not developing an application if matching fund cannot be substantiated at application stage) as well as from the KBF's perspective (less ineligible applications to evaluate).

### 7.4.4 Additionality

#### **To what extent has the grant bootstrapped the project? In other words, would the project not have been carried out without the grant?**

The vast majority of respondents overall indicated that the grant was either Very Important or Important to conduct their project, with a clear majority (72%) of respondents confirming that this project would not have been able to start at all without the grant. The results also show importance of the BPF grant in supporting the early stages of a business as over 80% of respondents indicated that their start-up projects could not have started without the grant. Similarly, the importance of the grant to support regional and international expansions should not be underestimated. Although the results cannot absolutely determine why not all grantees needed the grant to start their projects, this should not minimize the importance of the grant, as the vast majority in fact did need the grant. The fact that it can be applied to various business types and stages is concluded as a strong positive.

## **In what way has BPF changed the business? What is the relevance, efficiency, effectiveness, impact and sustainability of the projects?**

Proving additionality is not straightforward, especially in development finance. Additionality is a complex concept that requires careful evaluation. While it is a fundamental criterion for evaluating the impact of projects, it was challenging to demonstrate conclusively that the funding provided was truly additional and not just substituting for other sources of capital. In terms of additionality of the BPF grant from grantees' perspective, the results of this evaluation strongly indicate that the grant:

- Not only provided financial support
- Acted a catalyst for deeper learning, innovation and improved processes
- Enabled blended value creation goals

To expand on this, for each area investigated, elements of additional benefits were seen. The evaluators concluded that the grant was certainly instrumental in creating new jobs, and in addition drove the creation of several policies related to decent work and gender equality. In terms of SDG reporting, it is concluded that thinking about blended value creation in terms of SDGs was a newer consideration for several grantees and in terms of demonstrating that impact and creating frameworks to measure it, the BPF grant was quite instrumental. The grantees expressed needs to learn more about this area and achieve more support, through for instance e-learning courses, seems to show the genuine value that this change in thinking has brought on amongst grantees. At both beneficiary and grantee level, it is concluded from the results that the BPF grant goes beyond the for-profit side of the operations, as skill development, training on new practices and ways of working are extending beyond the intended project goals, both in terms of reach of beneficiaries as well as driving new innovative approaches of expanding business operations.

## **Recommendation**

- 1. Request applicants to motivate its BPF grant request.** It is recommended to add a specific section in the application form in which the applicant is requested to not only motivate the BPF grant request but also demonstrate how that funding translates into tangible positive outcomes that might not have been achievable otherwise. The answer provided by the applicant will support the KBF in assessing to what extent the applicant really needs the grant.
- 2. Request applicants to describe their intention to leverage the BPF grant.** It is recommended to add a specific section in the application form in which the applicant is requested to describe how the BPF grant could be leveraged to attract other investments for subsequent project phases (e.g. scaling, spin-off, innovation). The KBF could consider making this a selection criteria, for example "for every €1 in BPF grant funding, the applicant will leverage €5 in private capital". This approach aims to gauge the project's capacity to create a positive ripple effect in terms of financing and impact.
- 3. Request applicants to motivate why the funding needs cannot be secured from other sources.** In addition to the current questions in the application form ("Did the main for-profit partner apply for grants or subsidies before? When? From which organization? Requested

amount? Granted or not granted? You can provide the information of all application during the least 2 years”), it is recommended to dive a bit deeper and request the applicant to elaborate on:

- a. What has been done so far in order to secure funding for the proposed project?
- b. Did you request a loan from a bank or any other finance institution?
- c. If your loan request has been declined and/or grant request has been rejected: please explain why.

#### **7.4.5 TA budget realization**

##### **Is the TA offered desirable/satisfactory/relevant or should the scope of the TA offered change/expand?**

The TA budget was €525,000; to date, only €38,572 been spent. The provision of TA services had a slow uptake in the earlier rounds. Still, the evaluators concluded that the TA component has not been a large success. Stakeholders are not able to comment on its effectiveness due to lack of knowledge. At grantee level, only nine out of the 37 (less than 25%) of the respondents in the survey indicated that they had requested and received technical assistance from the BPF.

Although grantees in general were satisfied with the TA given, this still shows that there is potential to do more with these allocated funds. Particularly as the results show that there is a high need to further support grantees with M&E, SDG alignment, external impact evaluations, digital innovation and more.

As such, strengthening the provision of TA emerged as an area for improvement. This support is essential for equipping businesses with the necessary skills and knowledge to ensure their sustainable growth and development. BPF's provision of TA could bridge the knowledge gaps and build capacity of grantees, thereby enhancing operational capabilities and contributing to project sustainability.

#### **Recommendation**

- 1. Conduct an analysis on grantees' application documents vs progress reports.** Based on the information submitted by grantees, the KBF is recommend to identify areas where grantees have not been able to deliver results on. For example, which areas were weak in the ESG screening, which project targets are not achieved, which challenges were faced that hindered project progress? The KBF could inform the grantee on the same and encourage the grantee to take action to ensure successful project delivery by making use of the TA. Conducting such an analysis and act on it requires time which may not be available given the limited (human) resources at the KBF which are allocated to other activities. The KBF could consider utilizing (part of) the TA budget for hiring additional staff and/or for contracting an external consultant to follow up on this recommendation.

2. **Enlarge scope of TA services.** In addition to advisory support on results-based management and on the development of activities on a larger scale (scaling-up), it is recommended to add more topics to align better with the needs of the grantees, such as:
  - a. Peer-learning activities with other grantees
  - b. E-learning courses
  - c. Independent impact evaluations
  - d. Digital innovation
  - e. SDG alignment
  - f. Design of M&E frameworks
3. **Dedicate a section on the BPF website on TA.** It is recommended to create a separate section on the BPF website with information on the TA application procedures, consultancy assignments completed, and Terms of References to which consultants can respond to. This could contribute to increasing grantees' awareness of the TA as well as that of interested consultants. Moreover, posting about completed TA assignments give grantees an impression of the possibilities of the TA service and could help streamlining their TA needs.

## 7.5 Contribution to impact

### 7.5.1 Micro businesses

The evaluators concluded that the BPF was less successful in fostering the development of Micro Enterprises: out of the 37 grantees, only one is a Micro Enterprise. The evaluators assumed that the minimum grant size of €50,000 and a minimum matching fund of €50,000 is too large of an obstacle.

### Recommendations

1. **Provide TA to high-potential Micro Enterprises.** Micro Enterprises may now not be ready and/or capable of providing a matching fund; yet, those with great potential could be with the support and advisory services of external consultants. It is recommended to consider utilizing a part of the balance of the TA budget for consultants who can help Micro Enterprises in securing matching funding and subsequently becoming 'fund application ready'. Areas of support could be (but not limited to): business plan development, business case scenario modelling, business model innovation support, preparing investment slide deck, facilitate and mediate investment meetings, etc.

### 7.5.2 Financial sustainability

#### **Are the selected BPF projects economically viable and do they have the potential to become self-sustainable?**

Stakeholders are positive that projects will be financially sustainable whereas the KBF management remains reluctant. Close to 50% of grantees expressed their concerns on the financial sustainability of their project and business model. The evaluators conclude this to be quite worrisome and question if the grantees' business model has been assessed well enough in the selection stage and/or project reporting (were they viable from the beginning?).

## **Has the company appealed to local initiatives to support their project?**

The role of BPF in driving partnerships at both local and global levels and across sectors is concluded as very strong. In addition, data shows that there is clear dependence on local initiatives to not only support funding, but in addition to support their project through for instance in expanding reach of final beneficiaries to be involved and collaboration with local businesses for processing and selling of products.

## **Recommendations**

- 1. Define a set of questions and/or criteria to assess to what extent a grantee is able to generate its own revenues and become less dependent on other grants.** For example (but not limited to):
  - a. Is the product/service offering clear?
  - b. Is the price setting realistic?
  - c. Who is the offtaker of the product/service?
  - d. What is the business model?
  - e. What is the market outlook?
  - f. Are the assumptions of the business case well-substantiated?
  - g. What is the post-project investment plan?
- 2. Conduct a portfolio analysis.** Identify the grantees who are and/or will be financially sustainable as well as the grantees who have raised concerns on the financial sustainability. By doing so, the KBF would be able to determine where potential gaps need to be filled to ensure financial sustainability.
- 3. Seek synergies with other funders.** The outcome of the portfolio analysis will among others determine which grantees are and/or will be financially sustainable as well as which grantees will be ready for an additional round of funding. For example, for upscaling of activities, developing technology, implementing new innovative business models. BPF can support grantees in accessing funding from other funders.

To avoid that a grantee of BPF would request and receive funding for the same activities as implemented with the BPF grant, it is recommended to develop a joint project database with other funders such as (but not limited to) Kampani, Alterfin, BPF Lux, AgriFI. By doing so, all funders would be informed about the outcome of grantees' engagement with another funder (e.g. applied, rejected, awarded with grant).
- 4. Provide clarity on roles and expectations of project partner constellations.** The clarity of the grant expectations on roles and responsibilities of partners within each project constellation is not clear, especially given concerns by stakeholders on their perceived attribution to financial sustainability.

### 7.5.3 Impact assessment

#### **Is the self-reporting on the impact of the projects on SDGs sufficient? What is the impact of the selected BPF projects on development/on the SDGs?**

The BPF projects are aligned with SDGs. This is often well described on paper (applications, project reports) but what such alignment looks like has been difficult to determine by both the KBF as well as grantees. Attempting to cover all 17 SDGs is too broad for the BPF; focusing on specific SDGs is essential for effective impact. The evaluators concluded that the limitation of resources at the KBF for comprehensive assessment makes it challenging to establish a direct causal relationship between grantees' project activities and significant economic, social, and environmental outcomes related to SDGs. This makes assessing a program like this increasingly difficult, when one of its main objectives was to generate sustainable businesses.

#### **Do the selected BPF projects have a negative impact on certain aspects?**

No major concerns were voiced by participants in this evaluation in terms of true negative unintended consequences of project implementation at either grantee or final beneficiary levels. But several minor consequences, such as worsening of work place conditions due to smoky and polluted environments were observed. Indeed, the results instead indicate a host of positive unintended consequences stemming from project implementation such as innovation. Improved efficiency and reach, community improvements and awareness as well as wider project recognition.

### **Recommendations**

1. **Develop stricter M&E requirements for applicants and grantees.** To be able to assess a project's impact on economic, social, and/or environmental level in a cost-efficient way, the KBF is recommended to be more strict in an early stage on what they expect from applicants and grantees in terms of KPIs and SDGs. The evaluators recommend the following (but not limited to) as guidelines:
  - a. List the **most relevant key performance indicators for BPF (overall) and SDGs** in the BPF guidelines. This makes it clear for applicants in advance where the KBF would like to see an impact on. For example: number of full time jobs created, number of final beneficiaries trained, etc. For SDGs, it is recommended to limit the number of SDGs and determine which ones are most important to the KBF. Projects who contribute to those SDGs may be ranked higher.
  - b. Ask the applicants to fill out an **M&E framework** (template to be provided by the KBF to guarantee uniformity) and to submit as one of the attachments to the application. The M&E framework should include at least the following: overall KPIs (pre-set, applicable to all projects), project specific KPIs, baseline values, interim targets, end targets, data sources, linkage to SDGs. In addition, information on how they will collect, analyze and report on the data to feed the indicator framework would be useful. By doing so, applicants are encouraged to align project activities better to quantifiable outcomes.

- c. Request grantees to **report on the KPIs** as per M&E framework. This can be a light reporting, for example submitting a M&E framework filled out with targets achieved per KPI and a brief explanation on grantees' contribution to the SDGs.
2. **Digitalization of M&E data at the BPF.** As part of this project deliverable, a Dashboard of the data in this study was provided to BPF. With data being made available both to BPF and grantees, this can perhaps serve as an inspiration for what future, standardized and regular reporting can provide in terms of insights for both parties. For example, all data needs to be submitted by grantees in a standardized format which allows for efficient digitalization of such data. The digitalization of M&E data would enable BPF to quickly and efficiently inform its stakeholders and peers as well as supervise grantees on M&E project progress.
3. **Develop a Theory of Change with a supporting M&E framework.** The discussion also highlighted the importance of distinguishing between outputs and outcomes, with outcomes being more challenging to measure. The concept of a "theory of change" was suggested as a means to better articulate and evaluate the long-term impacts of projects.
4. **Sustainability Focus.** To enhance project sustainability, continuous monitoring and evaluation were deemed crucial. By maintaining oversight and addressing deviations promptly, BPF can increase the likelihood of long-term success for funded projects.
5. **E-courses focused on M&E.** A majority of grantees confirmed that BPF hosting or in other ways offering E-Learning courses would be a useful and practical step to help improve operations within the grantee network. Out of all topics identified as useful by grantees to get support on, M&E and impact evaluations was the number one request.
6. **Peer-to peer connection opportunities for grantees on M&E and digital innovation.** Throughout this evaluation, grantees highlighted a need to connect better with their peers. Given the varying nature of their businesses, finding common areas of discussion and needed support would be key to making this work. Improving M&E, SDG reporting and support with digital innovation are some of the areas asked for by a majority of grantees, in addition to being cross-cutting themes that would be valuable, regardless of the sector they are working in.
7. **Recommendations on trusted external impact evaluators for grantees.** Grantees highlighted that external impact evaluations as well as technical support to improve systems are valuable. If there are trusted external parties operating in this sector, supporting grantees with connection opportunities to evaluators can be one way of achieving this as well as potentially alleviating some burdens in this space for projects.

The recommendations as described in the previous sections are summarized per category in Table 7. Key recommendations are highlighted for two scenarios, referred to as Model A and Model B. By adopting Model A, the KBF can strengthen the existing structure of the BPF (short term improvements). Model B includes the key recommendations for setting up a new structure for a future funding program (long-term improvements).

Recommendations	Model A: key recommendations to improve existing structure of BPF	Model B: key recommendations for long-term structure of a future program
<b>Fund management</b>		
Change to a 2-stage application process		x
Apply stricter criteria to manage application load		x
Increase capacity to manage the BPF	x	x
Find new destination for TA funds	x	x
<b>Eligibility check and Pre-selection</b>		
Add a virtual Q&A meeting with the pre-selected applicant		x
Use ESG screening data in selection process and clarify use and purpose of ESG screening at pre-selection stage to applicants		x
Conduct local due diligence in partnership with stakeholders		x
<b>Selection</b>		
Include experts in the jury with abundant practical knowledge, expertise, and experience in doing business and on running a SME in all eligible countries of BPF		x
Increase the involvement of jury members during project implementation		x
Pro-actively provide feedback to non-selected applicants	x	x
Revise FAQ section on BPF website.	x	x
Enhance visibility of supporting available tools and processes to potential applicants	x	x
<b>Accountability and Control</b>		
Involve grantees in future information sessions and/or webinars		x
Improve level of detail of reporting	x	x
Involve local actors in project supervision in addition to project reporting	x	x
Continue the matching fund criteria	x	x
Tailor the matching fund request to the size and maturity of the applicant		x
Request matching fund supporting documents	x	
Request applicants to motivate its BPF grant request		x
Request applicants to describe their intention to leverage the BPF grant		x
Request applicants to motivate why the funding needs cannot be secured from other sources		x
Conduct an analysis on grantees' application documents vs progress reports	x	
Enlarge scope of TA services	x	
Dedicate a section on the BPF website on TA	x	
<b>Contribution to impact</b>		
Provide TA to high-potential Micro Enterprises	x	
Define a set of questions and/or criteria to assess to what extent a grantee is able to generate its own revenues and become less dependent on other grants	x	
Conduct a portfolio analysis	x	
Seek synergies with other funders	x	x
Provide clarity on roles and expectations of project partner constellations	x	x
Develop stricter and more focused M&E requirements for applicants and grantees		x
Digitalization of M&E data	x	x
Develop a Theory of Change with a supporting M&E framework		x
Sustainability focus		x
E-courses focused on M&E	x	x
Peer-to peer connection opportunities for grantees on M&E and digital innovation	x	x
Recommendations on trusted external impact evaluators for grantees	x	

Table 7 Recommendations

## 8 Documents consulted and references

Additional project-specific documentation provided to evaluators by grantees as part of the eight site-visits

Annual Progress reports of all projects in the survey and site-visits

BPF (2019-2023). Activity Reports incl. annexes

BPF (various years). Call for projects – regulations

BPF (2023). Website, Q&A section <https://businesspartnershipfacility.be/questions-answers/>

BPF (2022). Website, news section. <https://businesspartnershipfacility.be/eighth-call/>

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CNCD & 11.11.11 (2019). Gezamenlijke reactie van CNCD en 11.11.11 met betrekking tot Business Partnership Facility.

Phlix, G. and Greve de, P. (2021). Mid-Term Evaluation Business Partnership Facility «Enterprises for SDGs». Website BPF

Project applications of all projects in the survey and site-visits

## **9 Annexes**

**9.1 Annex 1: Site visit project summaries**

**9.2 Annex 2: Site visit project summaries per focus area**

**9.3 Annex 3: Non-selected applicants**