

Endline Evaluation of the Inclusive Business Accelerator (IBA), 2014-2016



seo amsterdam economics

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List of Abbreviations

IBA	Inclusive Business Accelerator
IB	Inclusive Business
BDS	Business Development Services
BoP	Base of the Pyramid (previously Bottom of the Pyramid)
BoPInc	BoP Innovation Center
IAP	Innovations Against Poverty
IBSO	Inclusive Business Support Offices
IFAD	International Fund for Agricultural Development
M&E	Monitoring & Evaluation
MFA	Ministry of Foreign Affairs
MPD	(Vietnam) Ministry of Planning and Development
MST	(Vietnam) Ministry of Science and Development
SIDA	Swedish International Development Cooperation Agency
SME	Small and Medium-Sized Enterprise
ToR	Terms of Reference
VBCF	Vietnam Business Challenge Fund
VC4A	Venture Capital for Africa
ViaWater	Dutch government fund to finance innovative projects in Water sector
VIIP	Vietnam Inclusive Innovation Project
V2i	Vietnam Innovation Incubator

Executive Summary

This endline evaluation assesses the effectiveness, relevance, efficiency, and financial sustainability of the Inclusive Business Accelerator (IBA) programme supported by the Ministry of Foreign Affairs of the Netherlands during 2014-2016. The key findings and lessons learned are summarised below.

The Inclusive Business Accelerator (IBA) was created by the Dutch Ministry of Foreign Affairs (MFA) in 2014, with the aim to facilitate the acceleration of impactful private entrepreneurship in Base of the Pyramid (BoP) markets. The programme was set up in the form of three pillars (IBA Global, IBA Local, IBA Online) that together aimed to support the delivery of investment-ready business plans that would promote Inclusive Business (IB) at both the global and the local level. The ultimate objective was to improve the well-being of BoP producers, employees, entrepreneurs, and consumers.

At the request of MFA, this endline evaluation assesses the effectiveness, relevance, efficiency and financial sustainability of the IBA programme (during January 2014 – December 2016), and identifies lessons learned. As per the Terms of Reference (ToR), the evaluation focusses on assessing results at the “service market output” and “service market outcome” levels (i.e., at the level of the beneficiary local SMEs) for which quantitative indicators were developed as part of the programme’s Monitoring & Evaluation framework. In addition, the evaluation assesses, on a more qualitative basis, the likelihood of achieving the envisaged results at the “BoP outcome” and “BoP impact” levels (i.e., at the level of the customers and suppliers of the supported SMEs). Primary data collection took place through online and telephone surveys, as well as field trips to Vietnam and Mozambique that took place in May 2007.

In terms of effectiveness, this evaluation finds that each IBA pillar has been reasonably effective at achieving the intended outputs. Numerous activities were implemented in each pillar that in general have been effective at output level and service market outcome level. An online system was set up and filled with content; trainers and consultants were trained; and local SNV staff supported local companies.

However, some outputs did not lead to the expected outcomes. A number of targets regarding ‘collective impact initiatives’ were not met; in many cases the support provided to SMEs did not lead to direct outcomes in terms of jobs or sales growth; the number of investors registered on the website and the matches between companies and consultants on the website fell short of the target (or was not measured). We also encountered various measurement problems, as a result of which some outcomes may have been lower than reported in some cases.

There are several reasons for the lower-than-expected effectiveness at outcome and impact level. First, the coordination between the three pillars was weak. Second, the targets were likely too ambitious, which may have led to a relaxation of selection criteria. Third, the choice of countries may not have been the most appropriate; in particular, Mozambique turned out to be a challenging environment for private sector support programmes. Finally, external factors also contributed to lower-than-expected outcomes in both countries.

While the goal of becoming a hands-on ‘one stop shop’ for IB support was not achieved, IBA still made steps towards becoming a recognised global player in the IB field. Interviews and desk research revealed a number of examples that suggest that IBA was successful in raising awareness of the importance of an IB strategy, both globally and locally in Vietnam and Mozambique. At the global level, BoPInc was able to place itself strategically in the IB space through its collective agenda setting activities, the many IB partnerships and increased network that BoPInc has generated and the follow-up IB projects that BoPInc was able to secure in developing countries. At the local level, SNV also raised awareness of the importance of an IB strategy, through training workshops and support for local companies.

With respect to *relevance*, the IBA programme did not fully address the needs of all target groups, and the impact at end-beneficiary level is largely unknown. For investors and local SMEs, IBA Online and IBA Local did not (yet) fulfill the goal of matching these two target groups. For local BDS advisors, the IB toolkit training offered by IBA Global was considered valuable but did not always address what was needed locally. At the level of BoP suppliers and consumers, this evaluation was not able to assess impact, as this takes time to materialise and the M&E system has not generated reliable baseline data against which to measure the impact. Nevertheless, our survey indicates that many participants in the IB training increased their IB knowledge and improved their IB advisory services, which may eventually generate impact at the BoP level.

With respect to *efficiency*, we have three findings. First, IBA Online seems to have been the most cost-effective, and IBA Local the least, also when compared with other similar programme. Second, IBA was generally efficient at the overall management level, but the coordination between the three pillars and between the two SNV offices was insufficient. Third, IBA efficiency was better in terms of “smart cooperation”; leveraging activities and assets with like-minded partners and programmes. IBA was quite successful in cooperating with other stakeholders, both at the global and at the local level. For instance, the IB toolkit was developed by BoPInc in close cooperation with SEED and SNV among others. At the local level, there was a lot of cooperation with other stakeholders both for training and consulting purposes, as well as for securing the required co-funding and identifying companies to be supported.

While complete *financial sustainability* will not be possible, achieving 50% co-funding from non-donor sources may be feasible. This is illustrated by the case of Vietnam, where the supported SMEs contributed more than half of the co-funding for IBA activities, as compared with Mozambique, where they contributed hardly anything. However, even when defining financial sustainability liberally, as 50% funding from client fees, this will be difficult to achieve in general for a larger number of countries. What may be more realistic is to aim to eventually cover 50% of the budget from non-donor sources, which could include own revenues, private sector support, and contributions from members, in addition to contributions from clients. Defined in this sense, the fee-based network model that is proposed for the new IBA foundation may have the potential to become financially sustainable, although that is not likely to be the case in Mozambique.

Based on this evaluation, we draw three important lessons for future IBA-type programmes. The first lesson is that cooperation and coordination between different implementing organisations of a programme is crucial for maximizing synergies. The second lesson is that beneficiary countries should be selected very carefully in future programmes, and that

external factors such as the level of private sector development and political stability should be seriously taken into account. The third and final lesson is that programmes should set clear and realistic targets, with well-defined indicators. If an indicator turns out to be impossible to measure or a target appears to be impossible to achieve, it is preferable to explicitly acknowledge this, instead of redefining or deleting the indicator at a later stage.

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1 Introduction

1.1 Overview of IBA

In 2014, the Inclusive Business Accelerator (IBA) was set up as a partnership between BopInc, Nyenrode, Venture Capital for Africa (VC4A), SNV Vietnam, and SNV Mozambique. IBA aims to facilitate the acceleration of impactful private entrepreneurship in Base of the Pyramid (BoP)¹ markets. It does so by building a structure that supports the delivery of investment-ready business plans that promote Inclusive Business (IB) at both the global and the local level, with the ultimate aim of improving the well-being of BoP producers, employees, entrepreneurs, and consumers.²

The programme thus targets businesses that have the interest and capacity to develop inclusive and impactful innovations in BoP markets. These could be social entrepreneurs, small and medium sized enterprises (SMEs), as well as multinational corporations.

The Dutch Ministry of Foreign Affairs (MFA) has supported IBA with grant financing of nearly €5 million between 1/1/2014 and 30/6/2017. The aim had been to co-fund €2.4 million through participating IBA organisations, private sector fees and financial contributions from international foundations. The programme had initially been envisaged to run until December 2016 but was later extended by 6 months to finalise activities and use part of the remaining programme budget to set up the subsequent 'IBA Foundation'.

The aim of IBA is to help both the Dutch and local private sectors to successfully bridge the so-called 'pioneer gap': the phase of development (blueprint and validation) where most businesses working at the BoP fail. IBA is based on the notion that entrepreneurs in the Netherlands as well as in developing countries need knowledge, experience and services to help them to initiate and scale up BoP business activities. The implicit underlying assumptions behind IBA are that service providers are not aware of the BoP market opportunities that exist ('knowledge gap'); that they lack the quality and capacity to create inclusive business strategies at scale ('experience gap'), that current offerings of BoP business support are limited ('services gap').

In order to achieve its goals, the design of the IBA programme involved the creation of three mutually strengthening programme components (called 'pillars') that together would create a 'one-

¹ The IBA website (<https://iba.ventures/inclusive-business/>) uses the following definition of the base of the pyramid (BoP): "The 4.5 billion people with a PPP of less than 8 USD a day or less and [who] live primarily in Asia, Africa and South America. They are value demanding consumers, resilient and creative entrepreneurs, producers, business partners and innovators. Because they are largely excluded from formal markets, there is a strong demand for innovative products, services and technologies that provide access to basic needs."

² The IBA website (<https://iba.ventures/inclusive-business/>) uses the following definition of Inclusive Business: "A business initiative that incorporates members from the low-income population (Base of the Pyramid) into the company's core processes, generating a win-win relationship. Members from the low-income population typically fill one or more of the four important roles: 1) producers, new sources of supply; 2) employees, new qualified and competitive labour force; 3) entrepreneurs, new distribution networks; and 4) consumers, new markets for affordable goods and services. Benefits for low-income populations include increased incomes and access to basic goods and services. Benefits for businesses include: increase in profits, better competitiveness and a source of innovation".

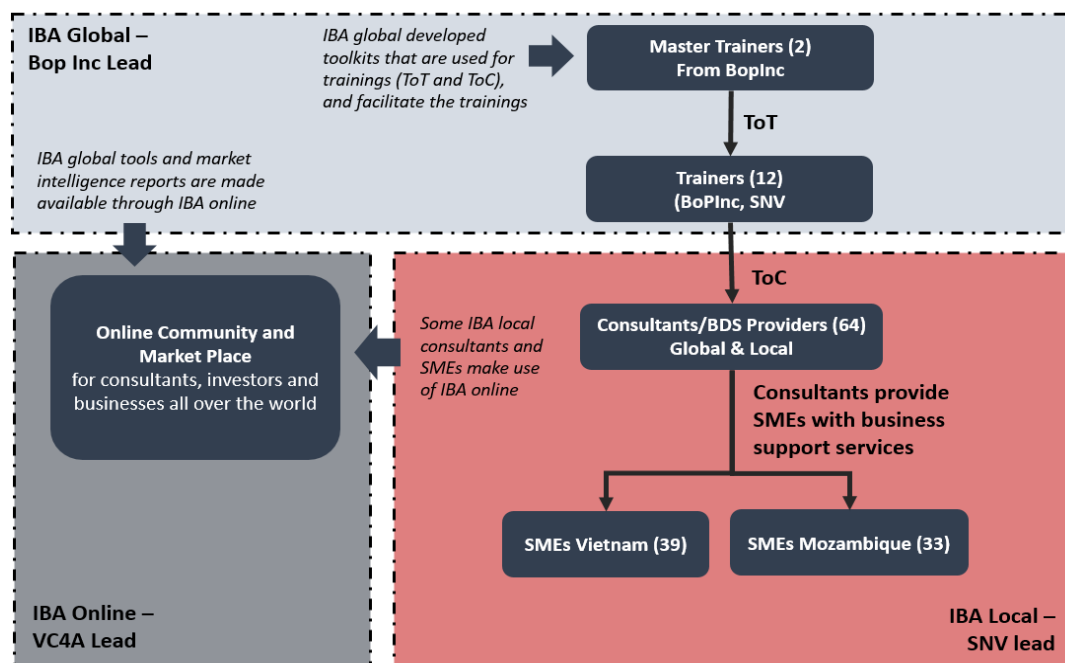
stop shop' for businesses to innovate, grow, replicate, leverage and improve their inclusive business strategy:

1. **IBA Global** (previously referred to as 'IBA Collective') is led by the BoP Innovation Center (BoPInc) in Utrecht. It aims to collect market intelligence on IB and build partnerships to improve the enabling environment and mainstream inclusive business. Within this scope BoPInc has the responsibility for content provision for IBA Online (tool development, market scans, online market place design), collective agenda setting (build partnerships), provide training on toolkits developed, and connecting to innovative finance. Within the overall IBA programme, BoPInc is also responsible for the general programme management and communication towards the Ministry of Foreign Affairs of the Netherlands.
2. **IBA Online** is led by VC4A with content support from BoPInc and provides an open innovation platform that connects social innovators, business coaches, impact investors and businesses. VC4A has the responsibility for developing the online platform, managing the platform and member activities, managing and promoting the ongoing offerings of the IBA academy (bootcamps, training etc.), and conducting platform community outreach (increasing in numbers the community).
3. **IBA Local** is focused specifically on Vietnam and Mozambique and led by SNV local offices (referred to as IBSO, Inclusive Business Support Organisation) in each of these countries. The aim of IBA Local is to create local platforms of inclusive business advisory services to identify, incubate and accelerate business solutions to development challenges. After building these platforms in Vietnam and Mozambique, the future aim of IBA is to further expand into other countries.

Despite being led by three different organisations, the activities under each of the pillars were meant to reinforce each other and to collectively reach the desired outcome and impact of the IBA programme. For example, the toolkits developed by IBA Global were to be used by IBA Local in their collaborative Training of Consultants (ToCs). These toolkits in turn were to be made available to members of the IBA Online platform. Furthermore, SMEs supported by IBA Local could make use of the platform of IBA Online to find or request further business development services.

Figure 1.1 summarises the three pillars in a schematic overview that describes their linkages and the key activities that take place in each of the pillars. In the next chapter, we develop this further into a simplified Theory of Change.

Figure 1.1 Schematic overview of IBA pillars, activities and linkages



1.2 Evaluation objectives

This endline evaluation aims to assess the Inclusive Business Accelerator (IBA) both in terms of accountability and to identify lessons learned. It aims to provide the funder, the Dutch Ministry of Foreign Affairs (MFA), with an informed overview, based on factual results, of the programme's achievements. The evaluation covers the IBA implementation period from January 2014 until December 2016.

As per the Terms of Reference (ToR) for this evaluation, the evaluation focusses on assessing results at the “service market output” and “service market outcome” levels (i.e., at the level of the beneficiary local SMEs) for which quantitative indicators were developed as part of the programme’s Monitoring & Evaluation (M&E) framework. In addition, the evaluation assesses, on a more qualitative basis, the likelihood of achieving the envisaged results at the “BoP outcome” and “BoP impact” levels (i.e., at the level of the customers and suppliers of the supported SMEs), based on available secondary data as well as primary data collection through field work. More details on the methodology are given in the next chapter.

1.3 Report structure

The remainder of this report is organised as follows. Chapter 2 first describes the evaluation methodology. The subsequent three chapters assess results at the output and outcome levels separately for IBA Global (Chapter 3), IBA Online (Chapter 4), and IBA Local (Chapter 5). On the basis of these three chapters, Chapter 6 draws conclusions on the efficiency, effectiveness, and relevance of the overall IBA programme. Chapter 7 assesses the financial sustainability of IBA. Chapter 8 concludes.

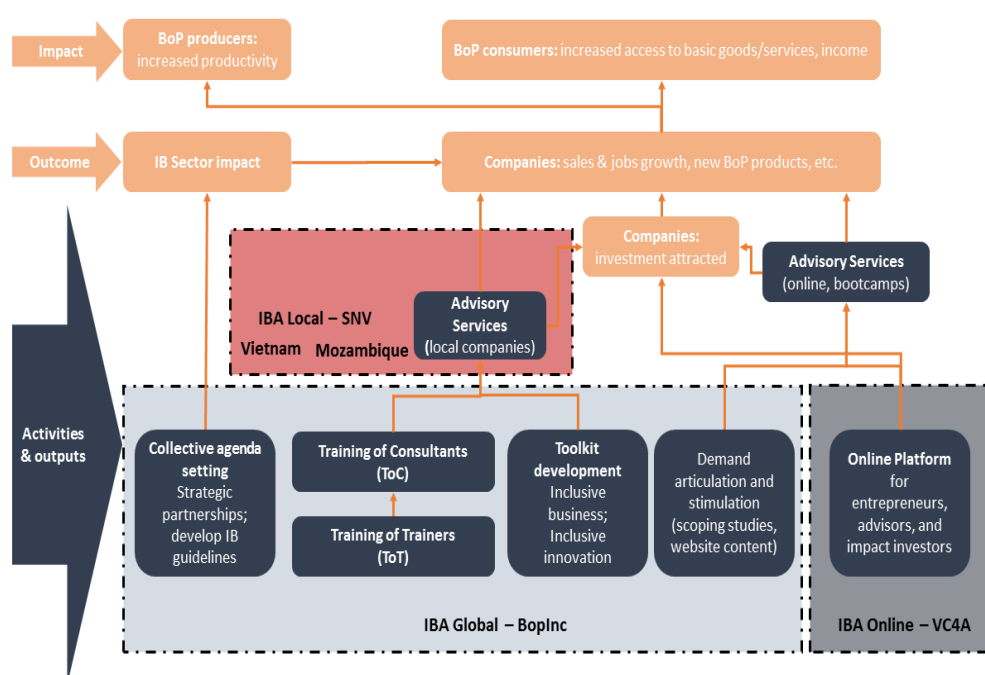
2 Methodology

2.1 General approach

This endline evaluation aims to assess the effectiveness, relevance, efficiency, and financial sustainability of the Inclusive Business Accelerator (IBA) programme supported by the Ministry of Foreign Affairs of the Netherlands. It covers the period 2014-2016 and aims at presenting lessons learned and at signalling issues that may warrant attention for future implementation and a possible second phase.

Following the ToR, the IBA results chain was taken as the basis for the evaluation, including the original indicators developed for each pillar at the different programme intervention levels (described further in Appendices A and B). In order to better explain the linkages between each pillar, a simplified Theory of Change (Figure 2.1) was developed that illustrates the focus and activities of each pillar, the interlinkages and the key expected outcomes and impact of the programme.

Figure 2.1 Simplified Theory of Change linking all pillars together



In order to assess the extent to which the programme's outputs and outcomes were achieved and can be attributed to IBA, the evaluation team has followed 3 steps at each level of the results chain (activities/output, outcomes, and where possible impact):

1. **Summarise and analyse** the quantitative information available from the M&E data.
2. **Validate** the quantitative M&E data by reviewing the data collection methods, definitions and consistency, to determine whether the reported information appears to be correct, representative, and consistent.

3. **Triangulate** the available quantitative data with qualitative data obtained through interviews (in the Netherlands, Mozambique and Vietnam), telephone surveys with SMEs, as well as an online survey among trained BDS providers. Triangulation of these different sources facilitates in validating and assessing to what extent the reported results (outcome and impact) at the SME and BoP level are likely to be causally linked to the IBA programme activities.

These data collection and analysis methods are further described in section 2.2 below.

Based on the analysis of output, outcome and where possible impact levels, we assessed the key OECD/DAC criteria for evaluating development assistance: effectiveness, relevance, efficiency and (financial) sustainability³. Figure 2.2 shows the relation between these dimensions of development effectiveness and the result levels of the intervention.

Figure 2.2 There is a clear relationship between result levels and OECD/DAC criteria



The approach used to evaluate each of these criteria and the assessment thereof is further explained below.

Effectiveness

Effectiveness is measured by the extent to which the outputs have led to the planned outcomes, or are likely to be achieved. For IBA these outcomes have been defined at two levels, the “service market outcomes” (i.e. SME level) and the “BoP outcomes” (i.e. BoP customers that the SMEs target). At the service market outcome level, the outcomes include targets on the creation of jobs, access to basic goods and services, and annual growth of SMEs supported in the IBA programme. At the BoP outcome level, the outcomes include targets related to the productivity increase of BoP producers (incl. female) and BoP market needs matched by introducing new products and services.

Following the ToR, the evaluation addresses each of the following questions on effectiveness:

- Did IBA achieve the intended results at outcome level? If not, why not? Which unintended results have been achieved that are relevant to notice?
- To what extent did IBA make the right strategic decisions and develop the most effective programme to accelerate the global IB sector and BOP markets?

³ <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

- How effective has IBA been in developing the enabling environment of IB and becoming a recognised player within this IB enabling environment?

Relevance

The relevance of the programme is the extent to which the activities of IBA are suited for the priorities and policies of the target group, beneficiaries and donors. In other words: regarding IBA's intended end-beneficiary impact at the level of the final beneficiaries: BoP consumers and BoP producers. In view of this envisaged impact, did the programme focus on the right activities? Or would other activities have been more suitable for the purpose?

Given the relative short duration of the IBA programme since inception, it is still too early to observe the full impact at the "BoP outcome" and "BoP impact" levels. However, the relevance of the programme as a whole can be assessed through conducting a 'pathway analysis': did activities translate into outputs, how likely is it that outputs will translate into outcomes, and how likely will it be in turn that outcomes will translate into impact?

The likelihood of achieving the desired impact depends not only on whether outcomes are achieved, but also on the quality and sustainability of the linkages between the outcome and impact indicators, and between output and outcome indicators. This cannot be judged from quantitative M&E data, but is assessed through qualitative interviews with programme staff, BDS providers, and SME beneficiaries. If, for example, a linkage between outcome and impact is considered weak, the likelihood of reaching the impact will be considered limited. In addition, if at output or outcome level the targets reached are lower than expected, there is also a lower likelihood of impact targets being reached.

Following the ToR, the evaluation addresses each of the following questions on relevance:

- To what extent do activities and results of IBA satisfy the needs and wishes of the target groups? (e.g. Local BDS advisors, Investors and (local) SMEs)
- To what extent does IBA have impact at the level of end-beneficiaries (BoP consumers/producers)?
- To what extent does IBA have the potential to have impact at the level of end-beneficiaries (BoP consumers/producers)?
- To what extent are the activities and results satisfying the needs and wishes of the direct stakeholder groups? (e.g. The ministry of Foreign Affairs, Partners who have contributed to the IBA, Other stakeholders in the IB sector)
- To what extent is IBA relevant in influencing the global IB sector and BOP markets?

Efficiency

One aspect of efficiency is the extent to which the IBA programme's governance and management arrangements have facilitated efficient decision making. Another aspect is how efficiently the IBA programme management has carried out its administrative and management responsibilities, including the selection of consultants, trainers and SMEs; and programme monitoring and reporting.

A third aspect of efficiency is cost-effectiveness. To assess this, we compared the costs of the IBA programme⁴ for management (overhead), operations, training, support to SMEs, with other similar accelerator programmes in developing countries, to the extent possible. For instance, we aimed to calculate the average cost per participant for IBA, by determining the running costs of the programme and dividing this by the number of participants (SMEs).

Following the ToR, the evaluation addresses each of the following questions on efficiency:

- To what extent have the results been achieved in an efficient manner?
- To what extent have core activities in the three IBA pillars been cost-effective?
- To what extent was IBA overall management carried out in an efficient manner?
- Has IBA executed its activities for the three pillars in the most efficient way compared to alternatives?
- To what extent has IBA been efficient in terms of “smart cooperation”, that is the extent to which IBA has leveraged activities and assets with like-minded partners and programmes?

Financial Sustainability

For the purpose of this evaluation, financial sustainability is defined as being able to generate, for at least 50% of the total budget, own revenues or private sector support (be commercially driven), while the other 50% can come from donor support. The commercially driven component is set at ‘at least 50%’ because, based on our experience with other BDS support and acceleration programmes, it is highly unlikely to that a programme like IBA and more specifically IBA Local can become fully financially sustainable on a commercial basis.

To assess the financial sustainability of IBA, we first assessed the current sources of MFA versus non-MFA funding (both donor funding and private sector funding) for each of the 3 pillars to assess whether the co-funding target was reached. Furthermore, the future strategy of IBA (IBA foundation and network model) and the financial sustainability of this model in comparison with the current model of IBA as part of this evaluation was assessed.

Based on these different elements of the financial sustainability review, and comparison with other similar programmers, we provide recommendations on what is best practice (internationally) and whether and how the financial sustainability of IBA can be improved.

Following the ToR, the evaluation addresses each of the following questions on financial sustainability:

- To what extent is IBA Local financially sustainable (based on the local business plans of May 2014)?
- To what extent has the current IBA Local model the potential to become fully financially sustainable (commercially driven)?
- To what extent has IBA been able to leverage co-funding from other stakeholders and partners?
- To what extent is the IBA foundation and network model financial sustainable? And how can IBA become financially sustainable after 2017?

⁴ For this we made use of the knowledge and database of accelerator programmes worldwide that Enclude developed for the ‘InfoDev - lessons from venture acceleration project of accelerator programmes’ (2016-2018). This **database includes over 170 acceleration programmes** in Sub-Saharan Africa only.

2.2 Data collection methods

Desk research

The evaluation team reviewed many documents made available by IBA, covering programme information, business plans, annual reports, M&E data, as well as financial reports. A list of the consulted documents is included at the end of this report.

Internal programme interviews

The evaluation team conducted numerous interviews with key staff members involved in the IBA programme, including from BoPInc, VC4A, SNV Vietnam, and SNV Mozambique. Cooperation from all partners was generally good, friendly and constructive.

M&E data

IBA has a sophisticated M&E system that includes an Theory of Change, linked to an indicator list, targets, and shared responsibilities in target achievement and data collection. IBA staff has been very helpful and transparent in sharing M&E information with the evaluation team.

The full list of indicators, targets and realised values through end-2016 is summarised in Appendix A. This also contains a list of comments and potential problems that were identified regarding the measurement of certain indicators.

More details on the M&E system and an assessment of it are described further in Appendix B. Five key concerns are worth noting as they could affect the interpretation of the results:

1. **The definition of indicators is often unclear.** This has provided space to SNV and other stakeholders to use the most favourable indicator definitions.
2. **Some indicators were revised or deleted at a late stage of the programme.** In 2016, IBA proposed several changes in the list of indicators, which were subsequently approved by MFA. Nevertheless, it is not always clear why this was done. In a few cases where indicators were deleted as result of a change of focus, or where indicators were made more specific, this is understandable. However, in many cases the main reason seems to have been that the target simply was not feasible. In those cases, however, it would have been far more transparent to have kept the target intact, while clearly explaining the reasons for considering it infeasible
3. **Far-reaching assumptions were made to make up for missing data.** In particular, M&E data on many indicators turn out to be missing for Vietnam. Nyenrode has filled these gaps by assuming that the Vietnam values are equal or proportional to the Mozambique values. This is a very far-reaching assumption. It would have been preferable to state that Vietnam data were missing, or to collect these missing data through follow-up surveys or interviews.
4. **The fact that SNV provided the information on behalf of local SMEs could imply an upward bias.** Given that SNV has an interest to show good results, it is possible that some of the data was interpreted too favourably, particularly when clear definitions were not given.
5. **Altogether, it seems that the M&E system has been too ambitious.** There have been too many indicators, and many of them are difficult if not impossible to measure (particularly at BoP outcome and impact level). This should have been flagged earlier and the M&E system should have been simplified.

Online & telephone surveys

In order to obtain primary data from the different target groups involved in the IBA programme, BDS providers (or consultants) and SMEs, we conducted an online (web-based) training participant survey, as well as telephone surveys with SMEs marked as beneficiaries in both Mozambique and Vietnam. Both surveys helped us to collect basic quantitative and qualitative information to (1) validate the M&E data collected by the IBA programme and (2) get a better sense of the ratio between inputs and outputs (efficiency) and the linkages between outputs and outcomes (effectiveness).

Telephone survey among local SMEs in Vietnam and Mozambique

Prior to the field visits, a structured phone survey was conducted by the local consultants in Vietnam and Mozambique, among the entire sample of SMEs involved in the IBA programme in Vietnam and Mozambique (sample size 72). Through this survey we aimed to answer the following research questions:

- Company profile (e.g. sector, revenue, employees, product/service, growth stage) before and after the programme;
- What was their motivation for joining IBA / requesting support from SNV consultants in IBA?
- What type and intensity of support services did they receive?
- What is their satisfaction level with the types of support services?
- How 'additional' were the support services provided to them?
- Which improved outcomes (e.g. in terms of employment growth, revenue growth) can likely be attributed to the support services?
- Do they expect to approach the consultant/IBA for additional support in the future?

The telephone interviews were conducted by two experienced local consultants, one based in Vietnam and one based in Mozambique. The results of the surveys were used to define and select the SME sample to be interviewed in depth during the field work. Data collection and analysis of the survey results was therefore done prior to the fieldwork in Vietnam and Mozambique.

Table 2.1 The response rate for telephone interviews was 67% in both countries

	Total Group	Response	% of total
Mozambique	33	22	67%
Vietnam	39	26	67%
Total	72	48	67%

Online survey among trained consultants

A structured online survey was conducted among the entire sample of consultants (BDS providers) trained through the IBA programme worldwide (population size 101, respondents 28). Through this survey, we aimed to obtain insights into the following research questions:

- Consultant profile (e.g. education, working experience, sector, age)
- Opinion of consultants on the training provided, key outcome of the ToC for the consultant
- Type of support / advice provided to the SMEs as a result of the received training
- What additional knowledge and/or skills were obtained as a result of the ToC? Would it have been possible to obtain this knowledge and/or skills in other ways?
- What impact do they believe their additional knowledge and/or skills have made to their clients?

Table 2.2 The response rate for the online survey was around 28% for 7 training workshops.

Training workshop followed	Total BDS providers	Total participants	# of respondents	% of total
Vietnam (Hanoi, August 2015)	12	25	4	15%
Uganda (Kampala, February 2016)		16	9	56%
Mozambique (Maputo, July 2015 & March 2016)	12	26	5	19%
Netherlands (Utrecht, June 2016)		4	1	25%
Ghana (Accra, July 2016 & November 2016)		36	9	25%
Total		101⁵	28	28%

Due to the low response rate and relatively sample size of the online survey, the results cannot be generalised and have therefore been treated as anecdotal evidence, merely illustrating the personal opinion of consultants. The results could also be biased because consultants may (have incentives to) overestimate the impact of their own work. The findings on the effectiveness of training workshops have therefore been triangulated with more in-depth assessments on the basis of additional face-to-face interviews with consultants (BDS providers) that took place during our field visits in Vietnam and Mozambique, described further below.

Field visits: Vietnam & Mozambique

Field trips to Vietnam and Mozambique took place in the weeks of 14 May 2017 and 28 May 2007, respectively. During each of the field visits, semi-structured interviews were conducted with the following key stakeholders:

- Programme staff from SNV in Vietnam and Mozambique
- SMEs supported by the programme⁶
- BDS providers and individual consultants
- The Dutch Embassy in Maputo

The purpose of these interviews was to:

- Validate the findings from the phone and online surveys.
- Get a better understanding of the way in which the IBA support influenced the business performance of the selected SMEs and the effectiveness of the programme.
- Develop the pathway analysis – mentioned in 2.1 – and thus validate the Theory of Change of the programme.

Sample selection: SMEs in Vietnam and Mozambique

Based on the results of the aforementioned phone survey among SMEs, a small representative sample of SMEs was selected for in-depth interviews during the field visits. A number of selection criteria were used to determine the most representative sample of SMEs to interview during the field visits.

To select the sample of SMEs, the following key selection criteria were used:

⁵ The total adds up to 107 participants, but the survey was sent out to 101 participants because some people participated more than once, and because some email addresses were missing.

⁶ We refer to SMEs as this was mentioned in the project indicators, but in practice some of the companies that were supported in the IBA project were larger than SMEs, as explained in chapter 6.

- **Type and intensity of support received:** The length of enrolment in the programme varies per SMEs, and the intensity of support during the enrolment period varies. As such we aimed to include a representative sample of SMEs based on the intensity of the support received.
- **Enterprise growth stage:** SMEs in different growth stages require different types of support. We therefore included a proportional sample from each of the growth stages of the SMEs involved in the IBA programme. The categories of growth stages are based on the IBA categorisation:
 - **Blueprint and Design** - Understanding customer needs, develop business plan and develop prototypes of technologies, products and services.
 - **Early Operation and Validation** - Conducting market trials, test business model assumptions and refining of technologies, products and services.
 - **Implementation** - Stimulating customer awareness and demand, developing the supply chain and build organisational capacity.
 - **Moving to scale** - Moving into new markets or geographies, invest in assets and talents, enhance systems and processes, exploit scale of efficiencies and respond to competitors.
- **Type and outcome of support received:** The SMEs received different types of support from the BDS providers. We therefore aimed to make the sample more representative by including SMEs that received different types of support from the programme⁷. The categories of support we used are based on the categorisation used by the IBA programme: Initiate, Incubate, Implement, Invest.

In-depth interviews were conducted with a sample of 20 SMEs: 11 in Mozambique and 9 in Vietnam⁸. Phone interviews were also conducted with another 28 companies: 11 in Mozambique and 17 in Vietnam, so that the total number of SMEs covered was 48, which represents two-thirds of the total population⁹.

For each selection criterion, a representative distribution across SMEs was aimed at in order to avoid the most obvious types of selection bias. This distribution is presented in Table 2.3 below.

Sample selection: BDS providers/Consultants in Vietnam and Mozambique

Based on the outcomes of the abovementioned online survey among BDS providers, a small representative sample of IBA consultants (BDS providers) was selected for in-depth interviews during the field visits. A number of selection criteria were used to determine the most representative sample of BDS providers to interview during the field visits. This sample was based on the following key selection criteria:

- Trained by the IBA programme (Yes/No).
- Provided significant support services to SMEs in the programme (Yes/No).

⁷ In the final sample, a few of the companies that were selected initially had to be replaced by others, due to the fact that they were unavailable for an interview during the field trips.

⁸ For logistical reasons, in-person interviews were only conducted in the major cities of Hanoi and Ho Chi Minh City in Vietnam, and Greater Maputo (including nearby Matola) in Mozambique.

⁹ The lower number of in-person interviews is mainly due to the fact that the supported companies are spread out all over the country, whereas most the SMEs in Mozambique are in Maputo. Not all the supported companies were covered as some were not available for phone interviews; in a few cases the phone number was incorrect and two companies no longer exist (in Mozambique).

Table 2.3 In total, 48 SMEs were interviewed, of which 22 in Mozambique and 26 in Vietnam,

	Mozambique			Vietnam			Total		
	In person	By phone	Total	In person	By phone	Total	In person	By phone	Total
Growth stage									
Blueprint	2	1	3	0	0	0	2	1	3
Early Operation	1	3	4	0	1	1	1	4	5
Implementation	5	2	7	4	2	6	9	4	13
Moving to Scale	3	5	8	5	14	19	8	19	27
Type of support									
Initiate	1	5	6	2	6	8	3	11	14
Incubate	4	4	8	4	5	9	8	9	17
Implement	6	1	7	3	5	8	9	6	15
Invest	0	1	1	0	1	1	0	2	2
Total	11	11	22	9	17	26	20	28	48

Source: SEO Amsterdam Economics

For each selection criterion, a representative distribution across the BDS providers was selected in order to avoid the most obvious types of selection bias. This distribution is presented in Table 2.4. A pre-selection was made based on the BDS providers that had a relatively strong involvement in supporting SMEs in the IBA project. However, not all of the selected BDS providers were available for interviews during the field trips. Thus, in-depth interviews were conducted with a sample of 9 BDS providers, 5 in Mozambique and 4 in Vietnam. Together with SNV, these BDS providers supported over 50% of the SMEs.

Table 2.4 A total of 9 BDS providers were interviewed, which together with SNV supported 56% of the SMEs.

	Mozambique	Vietnam	Total
# of interviewed BDS providers	5	4	9
# of SMEs supported by interviewed BDS providers	14	9	23
# of SMEs supported by SNV	7	10	17
# SMEs supported by IBA in total	33	39	72
% SMEs covered by interviewed BDS providers plus SNV	64%	48%	56%

Source: SEO Amsterdam Economics

Out of 39 reported companies in Vietnam that obtained IBA support directly or indirectly, 10 were supported by SNV directly and 9 by the 4 BDS providers that were interviewed. Thus, if we include the ones supported by SNV, nearly half ($19/39=48\%$) of the companies supported in Vietnam are covered to some extent in this evaluation.

Likewise, out of 33 reported companies in Mozambique, 7 were supported by SNV and 14 by the 5 BDS providers that were interviewed. Thus, including the ones that SNV supported, nearly two-thirds of the companies supported in Mozambique are covered to some extent in this evaluation.

Representativeness of the sample

Considering the limited time-frame for the field trips, the number of SMEs interviewed was relatively large. The core selection was carried out by the evaluation team. In a few cases the pre-selected companies had to be replaced by others due to their unavailability. In those cases, SNV proposed the replacement, which was subsequently approved by the evaluator. A few companies were ruled out for interviews as they either no longer existed or were not based in Mozambique/Vietnam¹⁰.

About 60% of the supported SMEs in Mozambique are based in or around Maputo, which facilitated the logistics. By comparison, in Vietnam only about 40% of the supported SMEs are based in Hanoi or Ho Chi Minh City. By sheer coincidence, exactly 67% of the companies were interviewed either by phone or face to face in both countries. But more face-to-face interviews were held in Mozambique (33%) than in Vietnam (23%).

Overall, combining the information from the two types of interviews with information from SNV and BDS providers, there appears to be a sufficiently broad basis from which to draw representative conclusions.

¹⁰ Two companies no longer exist in Mozambique (Btal and Clubster), 3 supported initiatives were set up by Dutch entrepreneurs who do not live in Mozambique (so they were interviewed by phone) and one case in Vietnam involved an entrepreneur based in Singapore.

3 IBA Global

The aim of IBA Global is to collect market intelligence on inclusive business and build impactful partnerships to improve the enabling environment and mainstream inclusive business. This pillar is led by BoPInc, which is responsible for four key ‘activity areas’:

1. Demand articulation & stimulation (tool development, scoping studies, online content);
2. Capacity building (toolkit development and training);
3. Collective agenda setting (building strategic partnerships); and
4. Connect to innovative finance (identifying co-funding partners).

Section 3.1 describes the activities and outputs achieved by each activity area, while section 3.2 discusses the outcomes achieved by the IBA Global pillar as a whole.

3.1 Activities & Outputs

For IBA Global, 34 output indicators were set, which are described in Appendix A. A selection of 16 key indicators is presented in Table 3.1 below. An additional 6 indicators were added in 2016 that relate to ‘future’ IBA activities and the IBA foundation specifically (e.g. indicator # 69) which are discussed later on in this chapter.

For 10 out of the 34 output indicators, IBA Global reached its targets. Three of these output indicators were deleted for varying reasons, described in Appendix A. For two indicators, it is not clear whether the target was achieved because either the target or the realised total was not clear.

IBA Global performed best in the ‘capacity building’ activity area. For all capacity building activities (ToT, ToC, toolkit development) the targets were met. For the other two activity areas, demand articulation & stimulation and collective agenda setting, targets were either deleted or only partially met.

Demand articulation & stimulation

In the area of demand articulation and stimulation, the aim was to collect, develop and disseminate (through IBA Online) a number of information pieces that could support the IBSOs (SNV) and SMEs with their inclusive business activities. The following main activities took place:

- **Development of an innovation assessment tool** for companies to conduct a risk assessment in BoP markets. This tool was developed and tested in Vietnam in 2014.
- **Sub-sector/thematic scoping studies:** These studies aimed to provide key insights and create road maps of actions and tools for local offices with which to intervene strategically in the inclusive business environment. For example, regarding thematic studies, IBA conducted a “study on distribution at the BoP” and on “marketing at the BoP”. An example of a sub-sector study was a market scan that quantified IB opportunities to be seized in potatoes production.
- **Online content delivery:** Development of content such as blogs, made available on the IBA platform (developed under IBA online).

As Table 3.1 shows, most output indicators were achieved or even exceeded the targets set. While the indicator on the innovation assessment tool was dropped, this tool was in fact developed and tested in Vietnam. No specific output was developed for online content delivery.

Table 3.1 IBA Global met its output targets in most cases

#	Activity area	Indicator	Achieved	Target	Total December 2016
20	Collective agenda setting	IBA participation in 3 multi stakeholder collaborations for systemic change, creating an IB enabling environment with Globally influential partners	✓	3	6
21	Collective agenda setting	6 impact investors involved in multi-stakeholder collaborations	X✓	6	
22	Collective agenda setting	5 IBA activities sponsored by Private sector	✓	5	7
23	Collective agenda setting	5 IBA activities (bootcamps, webinars, events, trainings, lobby, etc) that have a clear focus on gender	✓	5	7
34	Capacity building	Validated Inclusive Innovation Assessment Tool	X✓	?	
36	Demand art. & stim.	Opportunity database (playbook) available for local BDS services and IBA network partners	X		
38	Demand art. & stim.	# of studies developed under IBA	X✓	?	6 (actually 7)
39	Capacity building	2 comprehensive, state-of-the-art "generic" IBA tool packages" available	✓	2	2
40	Capacity building	1 training package available for toolkit training	✓	1	1
41	Capacity building	# IBA trainers operational delivering training to interested BD advisors in multiple countries	X✓	?	15
47	Capacity building	8 trained business advisors using IBA tools	✓	8	127
48	Collective agenda setting	2 Local IBA Hubs operational under IBA brand	✓	2	2
51	Capacity building	6 newly developed service packages delivered against local market rate	X✓	6	
64	New: IBA foundation	Future business case for IBA 2017 is based on annual 50% increase income from market based activities	✓	50%	100%
67	New: IBA foundation	Interest shown by 3 potential new IBA network partners	X✓	3	?
69	New: IBA foundation	At the end of programme period, IBA is institutionalised into an independent foundation, with agreed collaborative governance model	✓	1	1

Source: SEO Amsterdam Economics, based on IBA's M&E data.

Capacity Building

The key activities in the capacity building activity area of IBA Global were the development of toolkits and the provision of training workshops on the content and use of these toolkits.

Toolkit development

As part of IBA Global capacity building activities, BoPInc developed two toolkits on Inclusive Business:

- a. The Inclusive Business Toolkit (finalised mid-2015); and
- b. The Inclusive Innovation Toolkit (finalised at the beginning of 2016).

The development of both toolkits was led by BoPInc and developed in collaboration with other business support organisations. Both toolkits were designed for BDS providers specifically. The toolkit provides support to BDS providers with the aim of improving their advice to SMEs on inclusive business and in reaching the BoP. It therefore is an important part of the Theory of Change in that it links IBA Global to IBA Local.

- a. **The Inclusive Business Toolkit** is built around the ‘business model canvas’¹¹ and provides tools on different elements of this canvas, such as customer segmentation, value proposition, marketing and distribution and risk analysis. This toolkit was developed in collaboration with SEED (Adelphi), and STDBY. Many of the tools are based on existing work by SEED. The tools are divided into three different support categories:
 - **Initiate:** Tools that enable BDS providers to support SMEs in the development of their inclusive business strategy, by using existing market and industry insights to define tangible business directions.
 - **Implement:** Support SMEs to execute and implement their inclusive business strategies, by brokering partnerships, developing and monitoring implementation pilots, and capacitating staff and partners.
 - **Invest:** Support SMEs in mobilising the financial resources required for its inclusive business, by assessing the investment readiness, identifying potential investors, and broker relationships with financial partners.
- b. **The Inclusive Innovation Toolkit** is an attempt to capture experiences, insights, methods and tips from practitioners involved in inclusive innovation projects, in the form of concrete tools that can be used in various phases of the innovation process. This toolkit was developed in collaboration with SEED, SNV, IB Sweden, Endeva and TU Delft, and builds on their experience in inclusive innovation. The 12 tools provided in the toolkit cover topics that occur in almost every innovation process, including ideation (discover, prototyping) and delivering (secure funding).

Particularly in the beginning of the project, throughout 2014, much emphasis was placed on developing the IB toolkit. As mentioned above, for the development of both toolkits, BoPInc made good use of existing toolkits and business support material on IB by collaborating with key players in this field (i.e. SEED, SNV, STDBY, Endeva). Also, with the specific focus of the IB

¹¹ The ‘Business Model Canvas’ is a strategic management and lean startup template for developing new or documenting existing business models. It is a visual chart with 9 elements describing a firm's or product's value proposition, infrastructure, customers, and finances. (Osterwalder, Pigneur & al. 2010).

toolkit on the Business Model Canvas and other similar toolkits available, one could argue that the content of the toolkit itself is not new or innovative, it is rather the way it is structured and provided (through training) that make it different.

Based on interviews with BDS providers in Vietnam and Mozambique, and some evidence from the online survey among BDS providers in other countries as well, the content and use of the toolkit was generally considered to be of high quality and easy to use. Nevertheless, the toolkit was not widely used in Mozambique or Vietnam to support companies in the IBA project, mainly because this support was often very specific, which made the toolkit not that relevant.

In terms of sustainability, both toolkits are currently also used in other BoPInc projects, including the 2SCALE programme supported by MFA and the Innovations Against Poverty (IAP) programme, which was recently launched by SIDA, the Swedish International Development Cooperation Agency. The latter project, which focuses on Cambodia, Ethiopia and Zambia, is implemented by SNV with support from BoPInc.

Training of Consultants

A number of training workshops were provided by BoPInc under the capacity building activities of IBA Global. These included one Training of Trainers (ToT) workshop, and seven Training of Consultants (ToCs) workshops.

- **The 4-day ToT** has the aim of training trainers on how to use the IBA toolkit, to enable them to subsequently train BDS providers around the world. In total 12 trainers were trained during a training workshop conducted in June 2016 facilitated by master trainers from BoPInc. Participants of this training were from SEED, IB Sweden, SNV, and BoPInc.
- **The 3-day ToCs** had the aim of training BDS providers in different countries worldwide on using the Inclusive Business toolkit to provide advisory services on IB to SMEs. During the programme seven ToCs were provided (see Table 3.2). For each of these training workshops the master trainer from BoPInc was involved together with a trained trainer (from ToT) from BoPInc or SNV.

Table 3.2 IBA Global conducted 7 Training of Consultants (ToCs) workshops during July 2015–November 2016

Training workshops (location, time)	Total participants
Vietnam (Hanoi, August 2015)	25
Mozambique (Maputo, July 2015 & March 2016)	26
Uganda (Kampala, February 2016)	16
Netherlands (Utrecht, June 2016)	4
Ghana (Accra, July 2016 & November 2016)	36
Total	107

Source: BoPInc

The original plan for the training workshops was that BoPInc (i.e. the master trainers) would train trainers, who in turn would train local consultants in the two countries, who would then use the IB tools of the training to provide customised support to local companies. In practice, the intermediary stage was skipped. Instead of being trained by ‘trainers of trainers’, local consultants

were trained directly by master trainers from BoPInc and partner organisations. In both countries, training workshops were also held for SMEs and other companies.

The participants in these seven training workshops were recruited from active BDS providers that either BoPInc or SNV was in contact with. After being trained, the IBA-trained BDS providers received the certificate 'IBA certified advisor' when they provided an evaluation of the received training. Only 3 of the workshops took place in Mozambique and Vietnam.

Collective Agenda Setting: Strategic partnerships

Within the 'collective agenda setting' activity area, a number of specific activities has taken place, including:

- **Engage the community and create public will:** coalitions have been built to jointly achieve a larger impact of inclusive business initiatives around the world to better serve and include the BoP. At the EU level for instance, IBA is working with EU BOP lab, IB Sweden, Endeava, SEED and the Inclusive Business Action Network (IBAN).
- **Develop guidelines for IB services:** Also, as another example of collective agenda setting activities, with financial support of IBAN, a study was commissioned to New Foresight on standard development and developing Global Guidelines for IB Services. The aim is for these guidelines to be taken up by DCED. This has not yet materialised.

The key outputs that IBA set for the specific collective agenda setting activities include:

- IBA participation in 3 multi-stakeholder collaborations for systemic change, creating an IB enabling environment with globally influential partners.
- 6 impact investors involved in multi-stakeholder collaborations.
- 3 collective impact initiatives started by IBA and at least 2 more parties, to collaborate and activate on mutual ambition at local or global levels.
- 5 finance proposals submitted involving IBA, based on partnerships between public and private partners' actors.

Regarding collective agenda setting, although difficult to measure, IBA was able to achieve substantial results, also when taking into consideration the specific output targets set. IBA was successful in setting up strategic partnerships with other key players (from Europe) in the field of IB (i.e. SEED, Endeava, EU BOP lab, and IBAN); taking steps to develop an IB community in Europe; initiating the development of guidelines for IB services. Based on these efforts, BoPInc was able to position itself as an important IB player and was able to secure follow-up funding for IB projects such as Poverty for Impact (P4I), funded by SIDA.

Connect to innovative finance

The fourth activity area of IBA Global was 'connect to innovative finance', specifically identifying co-funding partners for the overall IBA programme to achieve the target of 33% co-funding (or €2.4 million). Based on budget expenditures for this activity it is clear the majority of the efforts took place in the first year of the project (2014). In the years following (2015 and 2016), hardly any activities took place with expenditures accounting to €8,000 - €10,000 a year.

The target for the total amount of co-funding was almost met: 29% instead of 33%. However, most co-funding partners were found by SNV at the local level, while only 14% of IBA Global

expenditures were co-funded.. Most co-funding was generated by Mozambique (53% of the total budget in Mozambique), mainly due to the network and running programmes of SNV in Mozambique. And because Mozambique is overserved by other donors, it was easier to get co-funding, which could have been a reason for choosing Mozambique as one of the focus countries. Section 6.2 provides more detail on the co-funding.

Also, less than 25%¹² of the IBSO revenues (for Vietnam and Mozambique) came from paid services. Only in Vietnam companies supported by IBA contributed financially, which totalled 12% of the Vietnam expenditures. Furthermore, in particular in Vietnam, SNV was able to use the IBA funding to facilitate access to other grant funding, e.g. from IFAD for private businesses with BoP focus.

Additional output indicators for future activities (IBA foundation)

In the summer of 2016, the M&E indicator list was reviewed, which resulted in a number of changes. While some indicators were changed or dropped (as explained in Appendix B), additional indicators were also included. These new indicators reflected the preparatory activities for future IBA activities (under IBA foundation), to take place during the second half of 2016 and particularly in the first half of 2017.

Key outputs regarding the development and set-up of the IBA foundation business model include:

- An annual increase by 50% in income from market based activities.
- Transparent pricing strategy in place, based on the value proposition for IBA 2017-2020.
- The future business case for IBA 2017 is based on three different revenues streams.
- Interest shown by three potential new IBA network partners (IBA reports that 6 potential partners are interested).
- At the end of the programme period, IBA is institutionalised into an independent foundation, with an agreed collaborative governance model.
- An agreed and mutually defined strategy and theory of change are in place for the IBA foundation 2017-2020.

Although each of these targets was met, and a clear strategy and business case was presented by BoPInc for the IBA foundation, the relevancy of including these additional indicators towards the end of the programme and based on future activities is questionable.

3.2 Outcomes

It is somewhat unclear whether the IBA Global activities resulted in the (service market and BoP) outcomes envisaged by IBA, because no specific outcome indicators were set that directly link to the output targets set for IBA Global.¹³ Nevertheless, it is possible to say something about the

¹² Output set by IBA: 25% of IBSO revenue from paid services.

¹³ Initially, IBA Global had set three indicators related to sector impact, related to the amounts invested in inclusive innovation with private resources, the number of ventures replicating inclusive innovation models, and the number of inclusive public policies, regulations, and actions. However, these indicators were later delated for unspecified reasons. See Appendix A and the discussion on indicators 4,5, and 6.

likelihood that outcomes were achieved, based on our online survey, face to face interviews, and desk research.

As discussed in Chapter 2, an online survey was sent out to 101 consultants (BDS providers) that participated in the seven ToCs workshops, with the aim of assessing the effectiveness of the workshops. This resulted in 28 complete responses. While the results may not be representative nor significant (see Chapter 2), the key survey results, presented in detail Appendix C, are worth summarising here as follows:

1. **BDS providers generally provided positive comments on the training workshops.** They particularly mentioned the methods (team work, interaction) and content (practicality of the tools & videos) as positive aspects. A negative aspect mentioned was the limited length of time available for the training. The 3-day training was considered too short for the amount of information to be fully digested.
2. **Most BDS providers indicate that their knowledge of ‘Inclusive Business’ had increased.** Most of them (23 out of 28) report to have more knowledge of IB as a result of the training. Out of these, 12 respondents report to have increased their knowledge by 1 step, 9 by 2 steps, and 2 by 3 steps (see Appendix D for a description of the steps). Following the training, 89% of the respondents claims to be able to explain an IB/BoP model to others.
3. **BDS providers believe the knowledge obtained in the training workshops to have been ‘additional’ compared to what they could have obtained from other sources.** About half of all respondents mentioned that they could not have obtained the same knowledge in other ways: through other training workshops, books or online sources. Less than 30% (10 out of 28) claim to have been able to obtain it elsewhere, which seems to suggest that a lack of ‘additionality’ was not a major problem (although with hindsight, we should have asked whether the knowledge that could have been obtained elsewhere would have been equally accessible).
4. **BDS providers believe that the training has improved the quality and quantity of their IB advisory services.** About 89% report that the quality of their services in the area of IB has increased as a result of the training, while 60% even strongly believe this to be the case. About 57% also feel the quantity of their advisory work (as measured in the number of clients or the number of days working for clients) has improved as a result of the training. However, 14% claim that they never use the knowledge obtained in the training.
5. **BDS providers expect their IB advisory services to result in increased BoP impact.** More than 75% of respondents claim that, as a result of their IB advisory services, their client companies increased sales to the BoP market or developed a new product or service aimed at the BoP. Also, 52% believes that, as a result of their IB services, purchases from the BoP producers have increased.

While the training participant survey thus suggests that the training workshops have had some impact at SME level and BoP level, the field work (described in Chapter 5) suggests that there is a disconnect between the training provided and the actual BDS delivered to the IBA client companies in Vietnam and Mozambique. In both countries, 4 BDS providers were interviewed in person. While they were all quite positive about the innovative content of the training and the quality of the BoPInc trainers, none of them actually used the tools that were discussed when supporting the companies that were assigned to them. In part, this was due to the specific character of the support – in many cases the BDS simply focused on developing a project proposal or a

business plan – or due to the tools being too theoretical and not tailored to the local context. In Vietnam specifically, reasons for the disconnect was the timing of the training – only 1.5 years after programme start – and the limited relevance of the toolkit for the specific kind of support that was provided (e.g. focus on grant proposal submission support or internal business systems/accounting support).

Finally, while there are no M&E targets (anymore) on collective agenda setting and creating an enabling environment for IB, it is likely that IBA has had some positive sector impact in this area. Interviews and desk research have revealed a number of examples that suggest that IBA was successful to some degree in raising awareness of the importance of an Inclusive Business strategy both in the private and public sector, both globally and specifically in the target countries of Vietnam and Mozambique. This is also reflected in the many IB partnerships and increased network that BoPInc has generated and the follow-up IB projects that BoPInc was able to secure in developing countries.

4 IBA Online

The aim of the online pillar of the IBA programme has been to develop a worldwide online community and marketplace that connects entrepreneurs, business advisors, and impact investors. IBA Online is led by Venture Capital for Africa (VC4A), with links to both IBA Global (BoPInc) and IBA Local (SNV).

The fundamental idea behind IBA Online is to deliver online services to online communities with the aim of stimulating worldwide BoP venture development. These online communities are divided into the following three groups:

- **Entrepreneurs** (individual, businesses, or organisations) can submit their business ideas on the online platform for discussion with their peers and to attract interest from investors. Entrepreneurs can be either local or international.
- **Advisors**, also called ‘coaches’ or business development service (BDS) providers, can offer support to companies registered on the IBA Online platform with developing their BoP businesses.
- **Investors** use the online platform to learn about projects seeking investment. This will help them to invest in the most successful and relevant business plans submitted on the platform.

Anyone interested in participating in the online platform can register on the IBA website as an entrepreneur, advisor, or investor.

Through the online platform, different key activities or ‘services offerings’ were made available to the three communities, including:

- Market Intelligence
- Business support
- Access to Investors

Section 3.1 describes the activities and outputs achieved in each key activity area, while section 4.2 discusses the outcomes achieved by the IBA Local pillar as a whole.

4.1 Activities and Outputs

With some exceptions, the performance of IBA Online at the output level has generally exceeded targets and expectations. Moreover, the existing online structure (due to the digital component) made IBA Online more transparent and easier to monitor than was the case for the other two pillars.

IBA Online had 15 output indicators, of which 10 targets can be considered to have been achieved (see Table 4.1). By the end of 2016, 276 companies had been registered on the online platform, far more than the 200 aimed for at the start of the programme in 2014. Also, more than 5,000 individual entrepreneurs had been registered (initial target 1900) while 42 investors registered on

the online platform. According to IBA data, the website has more than 13 thousand unique visitors per month, of which 24% view market information documents.

Out of the registered companies, 74 had their business plans submitted and checked, while more than 1600 members participated in the IBA Online boot camps.

With regard to investment, IBA Online met the target for ‘introductions’ but not for ‘matches’ between companies and investors. Initially, IBA Online had an indicator (# 62) that tracked the actual ‘matches’ between companies and investors. However, this indicator was later deleted, and the goal of “5 matches between private actors and investors” was changed to “30 online introductions made between IBA ventures and investors”. The latter target was met, as 35 ‘introductions’ were made instead of the 30 targeted ones.

It is not entirely clear why the indicator on ‘matches’ was deleted. According to the Annual Report 2016, the online tender desk for investor matchmaking was put on hold because ‘results were limited’. This suggests that the number of matches was known to be low. However, according to stakeholders, the main problem is rather that the online platform itself is not able to track whether or not the introductions have in fact led to investments. According to VC4A, the aim of the online platform has merely been to facilitate and track introductions, after which both investors and companies could decide whether or not to take the next step.

Initially, IBA Online also had an indicator (# 61) on the number of matches between companies and coaches. This indicator was later deleted, because the ‘company-mentor system did not work as foreseen’ (personal conversation IBA, Annual Report 2016). However, with this deletion an important indicator was lost: we now do not have information on how many companies actually received services from a trained consultant through the IBA website. It is unclear whether the online platform has been able to track this information.

Table 4.1 IBA Online met most of its targets, but several important ones were deleted.

#	Indicator	Achieved	Target	Total December 2016	Risks/notes
25	IBA ventures published online and linked to other communities and bootcamps	✓	200	276	
30	% of online ventures that are female owned	✗✓	30%	79	Definition unclear. 79/276 companies = 29% = 97% of target
31	25% of IBA Online registered ventures that use IBA Online for fundraising	✓	25%	74	Definition unclear: what is 'used for fundraising'? 74/276 companies = 27% = 107% of target
53	1200 monthly unique visitors to the website	✓	1200	13612	Are the numbers in the dashboard cumulative?
54	# IBA market information docs published, target 5 publications	✓	5	17	Definition of 'market information docs' unclear
55	20% of visitors viewed market information docs	✓	20%	24%	
56	3 online challenges carried out	✗	3	2	Not clear which 'online challenges' were carried out, and what was the result.
57	190 ventures publishing their online profile	✓	190	276	What is the difference with indicator 25, between 'published online' and 'publishing an online profile'?
58	1900 members registered online	✓	1900	5128	19,000 or 1,900?
59	19 business plans checked for quality, before published for online fundraising	✓	19	74	
60	100 members of IBA Online participated in IBA bootcamps	✓	100	1609	
61	120 coaches successfully matched to private companies	✗			Indicator deleted because "results were limited" (Annual report 2016)
62	30 online introductions made between IBA ventures and investors	✗	30	35	Indicator deleted because "results were limited" (Annual report 2016). Data source unclear. Indicator changed from 'matches' to 'introductions'.
63	50 investors registered on IBA Online	✗	50	52 (actually 42)	In December 2016, only 42 registered investors were left.
68	Annually increase in the number of users/registrations online (# ventures, # advisors, # investors) as from 2014	✓	increase	increase	

Sources: Nyenrode, IBA, VC4A, SEO Amsterdam Economics

Of the non-achieved targets, indicator #63 is also an interesting one. Less investors than initially targeted registered on the online platform. Most indicators regarding investors (for other pillars as well) were either not achieved, adjusted downwards or deleted. This is striking since VC4A has a wide network of investors on their general platform. In addition, it was BoPInc (according to the budget) who was responsible for the Investor network relations and matchmaking activities in IBA Online.

Although the link and collaboration between IBA Global and IBA Online seems to be well established, the link between IBA Local and IBA Online is missing to a large extent. The majority of the companies involved in the programme at local level in Vietnam and Mozambique did not register and were not active on the online platform.

Market Intelligence

Adequate information on BoP market and sector barriers and opportunities have been made available online in the form of market intelligence reports. IBA Local and IBA Global have been responsible for the collection and development of this intelligence, while IBA Online made this information available to selected audiences. This has allowed companies to use the online platform to obtain a clear picture of the market potential of their respective sectors, both at the national and international level. In total, 5 market information documents were published on the online platform, which were then viewed by 24% of the 13 thousand unique visitors of IBA online.

Business support

A number of different business support services have been provided through the online platform. These services included:

- A **marketplace** for companies to find and connect with **mentors and coaches**. This marketplace was discontinued in mid-2016 due to the challenge of finding quality mentors (no quality check at entry/registration) and because of confusion regarding the payment of services to mentors/coaches. Due to this it is unclear if and how many companies actually received services from a trained IBA consultant through the IBA website.
- Offering and advertising virtual **boot camps** on different topics on the IBA academy. These boot camps have been free of charge for participating companies. The funding came from sponsors like Siemens or MIT, who at times also co-facilitated the sessions.
- **Advertising of training of trainers (ToT)** workshops and training of consultants (ToC) workshops on inclusive business.
- A small overview of other partner programmes supporting inclusive businesses.

The key outputs for the business support activities are:

- IBA ventures published online and linked to other communities and boot camps
- 100 members of IBA Online participated in IBA boot camps (actual 1609)
- 120 coaches successfully matched to private companies
- 3 online challenges carried out

The performance of IBA Online at the output level has generally exceeded targets and expectations. By the end of 2016, 276 companies had been registered on the online platform, far more than the 200 aimed for at the start of the programme in 2014. Also, more than 5,000 individual entrepreneurs had been registered (initial target 1900). Out of the registered companies, 74 had their business plans submitted and checked, while more than 1600 members participated in the IBA Online boot camps. In addition, 2 online challenges (business plan competitions) took place.

Unfortunately, due a disconnect between activities at the Local level and Global/Online, the number of registered companies on the online platform included only a very small amount of the companies supported by IBA in Vietnam and Mozambique. Most of these companies in Vietnam

and Mozambique did not register and were not active on the online platform. This is mainly a result of the unfamiliarity at the BDS provider level with the online platform and how this could benefit the companies they were supporting.

Access to Investors

A key goal of the online platform is the aim to match businesses with investors. As specifically detailed in the IBA programme proposal, bridging the pioneer gap¹⁴ (i.e. access to investments) is one of the key challenges that SMEs worldwide face in IB development, and active matchmaking through the online platform would support companies in bridging this gap.

The key outputs for the access to investor activities were:

- 30 online introductions made between IBA ventures and investors (previously 5 matches between private actors and investors)
- 25% of IBA Online registered ventures that use IBA Online for fundraising
- 19 business plans checked for quality, before published for online fundraising
- 50 investors registered on IBA Online

The communities of businesses and investors (42 registered) on the online platform were not pro-actively matched by IBA. Businesses could express interest in being matched by submitting their business plan. BoPInc played a large role in assessing the quality and investment readiness of these submitted business plans. Each plan submitted for investment was assessed on several selected criteria (e.g. completeness, clear link to BoP, sound business model/revenue model). These criteria were developed by BoPInc, based on the “business model canvas”. In total 74 business plans were reviewed and improved.

When a business was deemed ready, the business was introduced to an investor. The aim was to facilitate and track introductions, after which both investors and companies were left to take the next steps themselves. In total 35 introductions were made. Based on conversations with BoPInc and VC4A, none of these 35 introductions actually led to an investment. In one case, the investors actually developed a terms sheet but the company turned out to have no interest.

4.2 Outcomes

At the outcome level, the envisaged achievements of IBA Online are somewhat unclear because no specific outcome indicators were set that directly link to the output targets set for IBA Online. Nevertheless, there are some results at the outcome level that can be linked to each of the achieved or non-achieved outputs.

Overall, the online IBA platform was well and quickly developed and attracted more companies and individuals than anticipated. However, an important shortcoming is that follow-up activities beyond the platform (following boot camps provided, market intelligence reports viewed, investor introductions, etc.) could not be tracked, even though this had been originally the intention.

¹⁴ From IBA proposal (2013): the pioneer gap, also referred to as the Valley of Death, is the gap (in time and money) between formation of a firm and the generation of a positive cash flow. This period is called the pre-seed/seed (financing) phase of innovation.

A second shortcoming is that IBA was not able to increase access to finance for local companies through IBA Online. The aim of bridging the pioneer gap, by actively supporting local companies to reach out to investors and access equity/debt/mezzanine capital, did not materialise, at least not through the online platform. While around €60,000 was spent on 'Investor network & matchmaking activities', it is unclear whether this amount was effectively spent (although there is information on the number of introductions made).

Finally, as a result of the limited link between IBA Local and IBA Online and the very low amount of local companies registered on the platform, the benefits that companies in Vietnam and Mozambique could have experienced through the online platform (i.e. attendance in boot-camps, introductions to investors) did not materialise. As a consequence, the argument can be made that results both at outcome and impact level could have increased if active collaboration took place between IBA Online and IBA Local.

5 IBA Local

5.1 Introduction

According to the approved project proposal and as indicated in the original Theory of Change for IBA (Figure 2.1), the aim of IBA Local was to establish Inclusive Business Support Offices (IBSOs) in Mozambique and Vietnam¹⁵. These IBSOs would provide (business development) services for the incubation and acceleration of inclusive business solutions to development challenges¹⁶. This component was to be implemented in close collaboration with BoPInc alliance partners, such as SNV, ICCO, iDE and Ashoka. In practice, this role was delegated to SNV in both countries.

The decision to delegate IBA Local to SNV in Mozambique and Vietnam makes sense. SNV has a long-term presence and track record, an extensive network and existing relationships with different partners and donors in both countries. Thus, it helped to embed the project in the local context and facilitated the access to the co-funding that was required. Last but not least, the priority sectors of SNV (Agriculture, Energy and WASH) offered many opportunities for the IBA project. At the same time, this decision may have limited the innovative character of IBA. We will return to this question later in the report.

The approved project proposal mentions that the IBSOs will offer 5 types of services¹⁷:

1. Initiate: Market surveys, mapping of BoP opportunities, feasibility studies, proof of concept, raise local awareness of BoP, etc.
2. Incubate: Local development of BoP products and services, test IB implementation in local context, train local SMEs, business planning, risk identification, etc.
3. Implement: Coaching and advice on implementing business plans, support scaling up, advice on social marketing, measuring impact, etc.
4. Invest: Map opportunities and create pipeline, matchmaking, impact assessment on financial and social returns, post-deal advisory services
5. Advocacy and learning: Public policy support and dissemination of lessons learned

Later a sixth type of service was added, called Orchestrate, which referred to activities aimed at coalition-building in a specific industry. Only the first four services are relevant for the support to individual companies, which is the main focus of this chapter.

These stages are relevant, because they determined – at least in principle – which percentage of the BDS could be covered from the IBA budget, depending also on the size of the business. In the first phase of the IBA project, a selection procedure was agreed upon by the project partners (BoPInc and SNV), for which a Client Selection Tool was developed. This tool guided SNV staff when assessing the eligibility of companies requesting IBA support.

¹⁵ Inclusive Business Accelerator: Scaling up private sector engagement at the BoP, BoPInc, 2013, page 52.

¹⁶ The terms “incubation and acceleration” are used loosely. The intention was not to provide physical incubation.

¹⁷ Inclusive Business Accelerator: Scaling up private sector engagement at the BoP, BoPInc, 2013, page 55.

The Client Selection Tool addresses aspects like the business viability, social impact, scaling up potential, innovative approach and environmental impact. Based on all these criteria, SNV could assess whether the company was eligible and if so, what kind of support the company was entitled to. The stages were also used in the financial reporting of SNV.

5.2 Training Activities

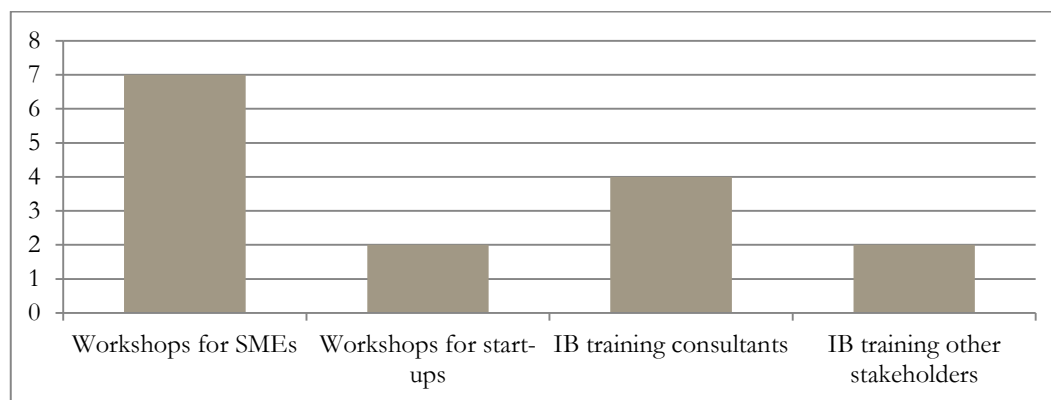
In order to prepare the IBSOs for their task, it was considered necessary to provide their staff and the local BDS providers with tools to support the selected companies. The original plan was that BoPInc would train trainers, who in turn would train local consultants in the two countries, who would then use the IB tools to provide customised support to local companies.

In practice, the intermediary stage was skipped. Instead of being trained by ‘trainers of trainers’, local consultants were trained directly by trainers from BoPInc and partner organisations. In both countries, training workshops were also held for SMEs and other companies.

Mozambique

Based on the information received, 15 training workshops were held in Mozambique during the course of the IBA project. Most of these workshops were targeted at SMEs or start-ups, including workshops on cash flow management, quality management and a series of workshops for start-ups taking part in the ViaWater Knock-out Competition. (See Appendix D.)

Table 5.1 A total of 15 training workshops were held in Mozambique during 2014-2016.



Source: SEO Amsterdam Economics & Enclude (field work results)

Four workshops were aimed at training consultants from BDS providers. The first of these, in November 2014, was facilitated by SNV and SEED. The subsequently three workshops had trainers from BoPInc and took place in March and July 2015 and March 2016.

Altogether, 25 consultants from 15 different BDS providers took part in at least one of these 4 workshops; one consultant took part in all four. However, only 6 of these 25 consultants went on to provide some form of BDS to a total of 15 (out of 33) companies that were supported through the IBA project.

Moreover, only four consultants took part in one of the last two workshops, which focused on the IB Toolkit. Altogether, the four consultants who were trained by BoPInc only supported 9 of the 33 companies in Mozambique. Five consultants were interviewed during the field trip, including 3 that took part in at least one of the IB Toolkit workshops hosted by BoPInc. Only one of them mentioned that she used elements of the IB Toolkit when supporting IBA companies.

There are at least two possible explanations for the fact that the interviewed consultants did not actually use the IB Toolkit when supporting IBA companies. Firstly, there was a time-lag between the first IB Toolkit training for consultants in Mozambique and the BDS that these consultants provided to companies in the IBA project. The first IB Toolkit training took place end of July 2015. By then, about half of the BDS contracts had already started and some had already finished. More importantly, the kind of support that was required was often very specific, e.g. developing a project proposal for a grant fund or training vendors, for which the IB Toolkit was not so relevant.

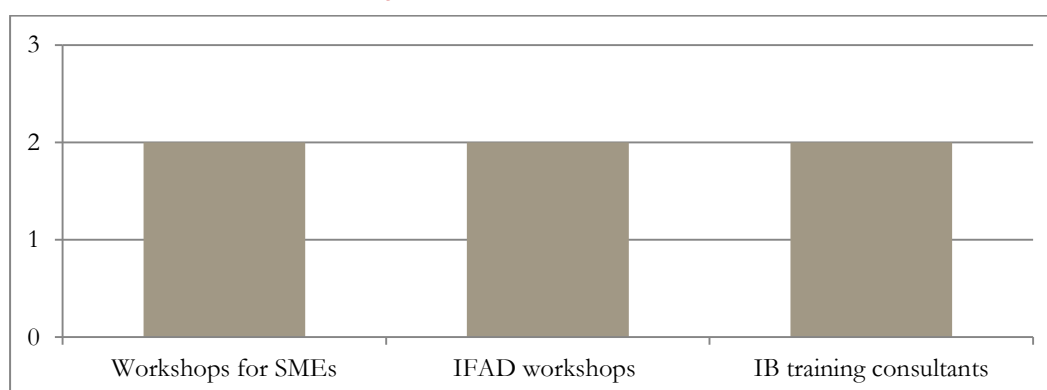
Where the IB Toolkit did have a bigger impact was in the training that was subsequently provided to SMEs, in the framework of the Viawater Knock-out Competition or the SEED Go Sustainable Challenge Fund, in which two of the consultants that had been trained by BoPInc played an important role as trainers and business advisors. Thus, while the relevance of the IB Toolkit training was not so high for the support that was provided to most of the IBA companies, it was relevant for the (start-up) entrepreneurs that took part in the two business plan competitions.

Moreover, all the workshops – for consultants, SMEs, start-ups, MNCs, NGOs and even one workshop for journalists – and business plan competitions did create awareness for the importance of an inclusive business approach focusing on the Base of the Pyramid. Thus, an approach was relatively new to the country when the IBA programme started is now high on the agenda.

Vietnam

In Vietnam, there were not as many training workshops as in Mozambique and they started later: the first IB workshop, aimed at training consultants from BDS providers, took place in August 2015 and was the only workshop in which BoPInc trainers were involved. A follow-up workshop was facilitated by SNV in January 2016. There were also 2 workshops for SMEs on cash flow management and 2 workshops to train companies on how to develop a proposal for the IFAD 4P Grant Fund, which were delivered by two of the trained BDS providers (see Appendix D).

Table 5.2 Six workshops were given in Vietnam in 2015 and 2016



Source: SEO Amsterdam Economics & Enclude (field work results)

Although IBA support to Vietnamese companies only started in 2015, the link between the support that was provided and the training received by local consultants was also weak. Nearly 40% (15 out of 39) of the BDS engagements with companies had started before the first training of consultants took place and 10 such engagements started after the second training (January 2016), including 9 companies that were trained by Nexia and Fresh Studio in how to write a grant proposal for the IFAD 4P project, for which the IB Toolkit was not very relevant.

The disconnect between the BoPInc training and the actual support provided to the IBA companies was confirmed by the interviews with the BDS providers in Vietnam. Four consultants were interviewed during the field trip and while they were all positive about the innovative content of the training and the quality of the BoPInc trainers, only one of them actually said that she uses the tools now and then, but not when supporting the IBA company that was assigned to them¹⁸.

The main reason for this disconnect, like in the case of Mozambique, was the specific character of the support that was provided to IBA companies in Vietnam. In many cases the support focused on developing a project proposal or a business plan for a grant fund, in other cases the support was very technical e.g. to assist a company to get ISO certification or to test the prototype of a product or service they wished to put on the market. Two consultants mentioned that the tools were too theoretical and not sufficiently tailored to the local context; one consultant mentioned that she was already familiar with the Business Model Canvas, which is a core element of the toolkit, and hence the content of the training did not have much added value for her.

In Vietnam, more BDS providers took part in IB training activities than in Mozambique. In fact, nearly all the BDS providers that were involved in supporting the IBA companies in Vietnam took part in one or more IB training. Nevertheless, the IB training did not play an important role in the kind of BDS that was provided to the companies, due to the limited relevance of the IB toolkit for the specific kind of support that was provided.

Overall Assessment of Training Activities at Local Level

To sum up the feedback that was given by SNV and consultants interviewed during the field trips, it is fair to say that all of them gave high points to the quality of the trainers and the dynamic, interactive character of the workshops. Most of them also felt that the content of the workshops had added value for them personally, but only two (25%) mentioned that they use the tools that were presented in the BoPInc workshops as BDS consultants, and only now and then. None of the consultants actually used the tools to support companies in the IBA project. Two consultants in Mozambique did use the tools when training start-ups in two business plan competitions.

¹⁸ The BDS provider was SPARK, which was set up by SNV in 2011. They only supported one company (Dai Viet) to develop a VIIP proposal. Afterwards SNV asked them to support Ecofarm, but they were too busy.

5.3 Support to SMEs

Mozambique

In Mozambique, a total of 33 companies were supported under the IBA framework. Most of the companies supported were SMEs, but there were also at least 5 larger companies¹⁹. The selection was done by SNV – using the aforementioned Client Selection Tool (see 6.1) – although there were several companies for which the scaling up potential and even the viability was doubtful. In total, 22 companies (67%) were interviewed in the course of the evaluation, half of them in person during the field trip to Maputo, the other half by phone.

Most of the support for the 22 companies focused on the early stages: 6 in “Initiate”; 8 in “Incubate” and 7 in “Implement”. Most of the support was aimed at assisting companies with carrying out a market survey (Initiate) or drawing up a business plan or project proposal (Incubate) for a grant fund. Only one company was actively assisted in getting funding (Invest). At least, this was our classification based on the original definition of the 4 types of services.

However, according to SNV, by far the largest share of the budget (after Management) was used for Implement-type activities (20%), followed by Incubate (11%), Invest (6%) and Initiate (4%)²⁰. It was not possible to clarify the exact reasons for this difference, but a potential explanation could be that all the Viawater and IFAD training and follow-up activities were classified under Invest.

Box 5.1 ZOE / N dzilo (Mozambique)

Thelma Venichand set up ZOE in 2006 to promote cook stoves using ethanol from locally produced cassava. In 2011, Cleanstar was set up in Beira with funding from Denmark and the Soros Foundation as the first local cassava processing plant. ZOE had close ties with Cleanstar, so when it went out of business in 2014 this was a severe blow for them. They now import cook stoves and ethanol from South Africa. In 2015, they were supported by SNV to expand the network of distributors and give them a sales training.

Examples of IBA support include:

- Set up electronic management control system and train staff to use it
- Formalise accounting system and install biogas equipment
- Train vendors to sell lunch packages and help launch the company
- Train vendors of environmentally-friendly cook stoves
- Develop market strategy and help with implementation, with results-based funding

The distinction between the different stages is not always clear and some of the examples above could also be considered as stage 2, because they are not yet ready for scaling up. This is relevant as there is an implicit, if not explicit assumption that the higher the stage, the likelier it is that the support will have an impact on the BoP. In other words, the more Implement- and Invest-type services are provided the higher the likelihood of achieving outcomes and impact²¹.

¹⁹ Tropigalia/Yupi Meals, OLAM, IKURU, JFS and ETG.

²⁰ See chapter 7.2 (Cost-Effectiveness).

²¹ Of course, the expected outcomes and impact will only be achieved if the business is successful.

Satisfaction with support and self-reported impact

All interviewed company representatives were asked to indicate whether they were satisfied with the support they received through SNV, and whether it had had a positive impact for them in terms of increased sales, employment, or access to finance. The results are shown in Figure 5.1.

Figure 5.1 The majority of companies were satisfied with SNV support, but an even larger majority did not consider the impact on SME performance to be positive.



Source: Field work Mozambique, May 2017.

Thus, 12 interviewees (77%) were satisfied with the support they had received from SNV or the consultant that had been assigned to them. However, only five respondents (23%) felt that this support had had an impact on their business (or project). Three respondents (14%) were not satisfied at all and two respondents (9%) were only partially satisfied.

Access to finance

As mentioned above, none of the companies in Mozambique were linked to private investors or were supported with applying for a bank loan. About 10-12 companies obtained assistance with developing a project proposal for a grant from various donors (IFAD, Unilever or Viawater), but so far this has only been successful in two cases. A few are still pending.

There is one other case of funding worth highlighting, namely Sogepal, a company producing energy-efficient cook stoves for BoP households in rural areas. This company received Results Based Funding from GiZ, as a result of intermediation from SNV. Thus, the support provided by SNV through the IBA project enabled various companies to access funding as well as non-financial support from other development agencies, such as IFAD, GiZ, Technoserve and USAID²².

Jobs and sales growth

The data collected through interviews suggests that the outcomes of the support, in terms of job growth and sales growth, were more modest than reported by SNV.²³ This is illustrated in Table 5.3, which refers to the main data of companies that were interviewed during the field trip.

According to SNV, 7 of the 11 interviewed companies reported substantial job growth (“creation of new jobs due to business developments during IBA contract period”). In our interviews,

²² This was at least the case for 5 companies in the IFAD-Promer project and 3 others.

²³ It's important to note that all data, both from SNV as well as the data collected during the field trips, is based on self-assessment by the companies and not verified by formal baseline and end-line surveys.

however, only one company confirmed that it had created new jobs as a result of the support they received from SNV. Likewise, the SNV data suggests that 8 of the interviewed companies “report annual growth due to sales expansion during IBA contract period”, whereas in interviews only 2 of these 11 companies reported sales growth²⁴.

The lower numbers mentioned during the interviews suggests that the total numbers reported by SNV may be overestimated. There may have been some changes between the end of the project and the current situation, but based on our sample there is reason to believe that the actual outcomes were significantly lower than reported by SNV. This does not necessarily mean that the support was inadequate; it simply means that it did not lead to the envisaged outcomes.

Innovative products or services

It is also questionable whether IBA reached its goal of contributing to the development of innovative products or services. A few companies mentioned some products that were developed due to IBA support, but none of these were very innovative. More importantly, it is doubtful whether any of these would not have been developed without the support from SNV. For instance, the nutritious meals that Tropigalia produced under the name of Yupi Meals or the expansion in the recycling business of Incala, could not be attributed to the support from SNV. (Box 5.2)

Box 5.2 Yupi Meals (Mozambique)

Tropigalia is a large, domestic wholesaler of FMCG which supplies supermarkets and small shops across the country with brand products. In 2015, they launched a project, Yupi Meals, to provide “nutritious lunch boxes” consisting of a sandwich and a fruit juice for Mzn 50 (about \$1) to be sold by local street vendors. SNV helped them with a market study and training vendors. The consultant later took over the business, but this did not last long. Tropigalia still owns the brand name and is thinking of re-launching. The impact was positive, but the business was not sustainable

Reasons for observed outcomes

There may be several reasons to explain the disappointing outcomes. First and foremost, the private sector in Mozambique is still weakly developed. Thus, it is not easy to find promising SME companies that have a viable business model, are innovative, have scaling-up potential and a strong management²⁵. SNV therefore had to lower the bar to achieve the target in terms of number of companies supported. This is also illustrated by the fact that none of the companies paid a cash contribution to the consultant for the BDS that was provided²⁶.

²⁴ Two of the companies for which SNV reported sales and job growth (IKK and Yupi Meals) no longer exist and one (Agronata) is nearly bankrupt due to poor harvests as a result of drought.

²⁵ These 4 factors make up 50% of the total score in the IBA Selection Tool.

²⁶ Although there were a few cases of in-kind contribution, such as Yupi Meals, ZOE and OLAM.

Table 5.3 The reported increase in sales and job growth in Mozambique was substantially lower in interviews than in the numbers reported by SNV.

Company	Business description	Sector	BDS provider	BDS	Sales growth (acc. SNV)	Sales growth (interview)	Job growth (acc. SNV)	Job growth (interview)	Overall assessment of outcomes
Agroserviço	Producing liqueur and jam from wild fruit and spices sourced from rural households in Inhambane	Agro	Intellica	Improve management control system & train employee to use it	yes	stable	5	0	Business was set up in 2010 but it is still in infant stage. SNV support was very relevant. Now supported by Technoserve to get bank loan to set up factory in Inhambane.
Agronata	Horticulture, aquaculture and poultry with outgrowers	Agro	Mohan Nair (Milma)	Formalise his business and improve his accounting system	yes	> 10% decrease	32	0	Former policeman turned farmer. Main asset is 14 ha. of land near Moamba, but he is nearly bankrupt due to drought.
A. Cumbane Chlorine	Prototype for local chlorine production	WASH	Taco de Nies & SNV	Support to write BP for Viawater Competition.	no	no sales	0	0	Business has not yet started. Has talked to a potential buyer (MLT).
GreenLight	"One-stop-BoP-shop" to sell solar systems in rural areas of Sofala province	Energy	Emmett Costel	Market survey to assess viability of concept	no	no sales	0	0	Pilot project failed due to security situation. No follow-up.
IKK	Solar lamps & accessories for BoP in rural areas in Inhambane province	Energy	Sara Fakir (Ideia Lab)	Support with market study / pilot project.	yes	no sales	5	0	Business was set up by MD without relevant experience. It is now on hold. He hired some part-time vendors, but just for a few months.
JAM Creditos	Micro-finance institution low-income families in Greater Maputo	MFI	M. Pereira (GreenLight)	Strategic support to expand the business	yes	> 10% decrease	0	0	Economic crisis has hit this MFI hard. It now has only 450 borrowers with loan portfolio of less than USD 40,000.
Machados Know-how	Processing and sales of (deep-freeze) chickens.	Agro	M. Pereira (GreenLight)	Develop road-map for ingrower scheme	yes	stable	53	0	Sales in 2016 were about \$400,000, but no change due to SNV support.
Sogepal	Energy-efficient cook stoves for BoP in rural areas of Gaza province	Energy	Ideia Lab & SNV	Training, BP support & results-based funding	yes	> 10% increase	26	6	Sales of 1800 cook stoves a month at €12 = € 30,000 p/m, including €5 RBF. They claim there is a huge unmet demand, but is this still the case when RBF ends?
Vamobi Net	Technology to reduce loss in water consumption	WASH	Ideia Lab & SNV	Support to write BP for Viawater Fund.	no	no sales	0	0	Business has not yet started. Needs grant funding or private equity.
Yupi Meals	Nutritious lunch packages for low-income clients	Food	Fernando Mendes	Market assessment & training of vendors	yes	> 10% increase	66	0	After a year company closed down. No new jobs, only 60 street vendors (part-time and only for a year).
ZOE	Sell cook stoves and ethanol imported from RSA for BoP clients/shops	Energy	Jam Creditos & SNV	Training of vendors to expand sales points	yes	stable	7	0	Company doing well despite drastic drop in purchasing power due to crisis. Ca. 50 new shops sell cook stoves and ethanol.

Source: SNV Mozambique, and field work results Mozambique, May 2017.

The weak development of the domestic private sector has also led to disappointing outcomes from various catalytic funds in recent years. For example, the Beira Agricultural Growth Corridor and the Innovation and Demonstration Catalytic Facility for the Zambezi Valley and the Nacala Corridor have had difficulties in finding eligible companies from the domestic private sector. Thus, a common complaint from local entrepreneurs is that these catalytic funds only tend to benefit foreign companies. This was not the case for IBA, which was mainly focused on domestic companies – mainly SMEs – which implies a higher risk of failure.

Moreover, during the project period, Mozambique suffered a serious economic crisis from which it is still recovering. Due to the fall in demand of coal and political turmoil, the economy went into a slump and the national currency lost about half of its value, which led to high inflation and lower purchasing power of the population. In view of this economic decline, maintaining the sales level and not reducing staff, as reported by 3 companies, may actually be considered as a positive outcome.

Vietnam

In Vietnam, a total of 39 companies were supported under the IBA framework; 26 companies were interviewed in the course of the evaluation. Nine companies were interviewed in person during the field trip to Hanoi and Ho Chi Minh City, the rest by phone. For logistical reasons, only one company from outside Hanoi and Ho Chi Minh City was interviewed in person, whereas most of the companies (24) are based outside those cities.

Based on our own assessment, the support for these 26 companies was more or less evenly distributed over the first 3 stages: 7 in “Initiate”, 10 in “Incubate” and 8 in “Implement”. One company was matched with an investor, which is “Invest”. Most companies supported in Vietnam were SMEs, although there were also at least four large companies²⁷. In practice, company size was not an important selection criterion but did play a role in determining the subsidy level.

Box 5.3 BioSpring (Vietnam)

BioSpring was set up by Elcom – a tech company – in 2012, with the aim to invest in high-tech agricultural research. The company currently produces probiotics, which they have developed in their own lab with support from Holloway University (UK) and a grant of USD 700,000 from the Vietnam Business Challenge Fund (DFID) in 2013. The probiotics are added to animal feed and lead to increase in faster growth of pigs and poultry, and thus, increased income for farmers. The company has received IBA support to develop a VIIP proposal, to carry out further research and to get ISO certification. The total cost of the BDS was USD 44,422, of which 50% was covered by IBA. They were very satisfied with SNV support.

This is compatible with the SNV Vietnam financial report, which shows that the largest share of the budget was used for Incubate-type activities (35%), followed by Initiate (20%), Implement (5%)

²⁷ In Vietnam, a different definition is used for SMEs depending on the sector. For the primary (agriculture, forestry and fishery) and secondary (industry and construction) sectors it covers all those enterprises with 11 to 300 employees, whereas for the tertiary (trade and services) it covers firms up to 100 employees.

and Invest (3%). Contrary to Mozambique, where this only occurred in a few cases, many of the companies in Vietnam received different types of support, often from different BDS providers. Thus, 4 of the companies that received an IFAD grant are now being supported to implement the project proposal for which they received funding²⁸.

Many companies received support with developing project proposals for a variety of grant funds, such as IFAD (10 companies), of which 4 are still receiving follow-up support from SNV to implement the project proposal), VIIP (10 companies), V2i (2 companies) and FIRST. Most of these companies were not awarded a grant, although in the case of VIIP this was *force majeure* as the fund was cancelled by the World Bank²⁹. Only 6 of the 26 interviewed companies reported having received a grant as a result of SNV support, all from IFAD. According to SNV there were two more, but the attribution is disputed.

The IFAD 4P projects in Ben Tre and Tra Vinh came at just the right time for the IBA project, as it allowed SNV to focus the IBA support activities on 10 companies in the agri-sector, which were eligible for funding from IFAD. Not only did this facilitate the identification process of eligible companies for SNV, but it also contributed to achieving the desired outcomes as the IFAD goals were very closely aligned to the IBA objectives.

As for the stage 3 companies, this includes 4 companies that got a grant from IFAD and were subsequently supported by SNV to implement the project proposal. Examples of companies in Vietnam that received stage 3 support include:

- Support with implementing project proposals after winning a grant from IFAD
- Development of market strategy and training of staff to implement this strategy
- Design and implement a pilot test of the mobile water system

Co-funding

In contrast with Mozambican companies, most Vietnamese companies contributed a sizeable share of the cost. In fact, 7 of the 39 companies in Vietnam contributed 50% or more of the cost. This could be partly explained by the fact that the Vietnamese economy is more developed than that of Mozambique and private companies are more used to paying for BDS than in Mozambique. But it could also be that SNV Vietnam tried harder than SNV Mozambique to get beneficiary companies to share part of the cost.

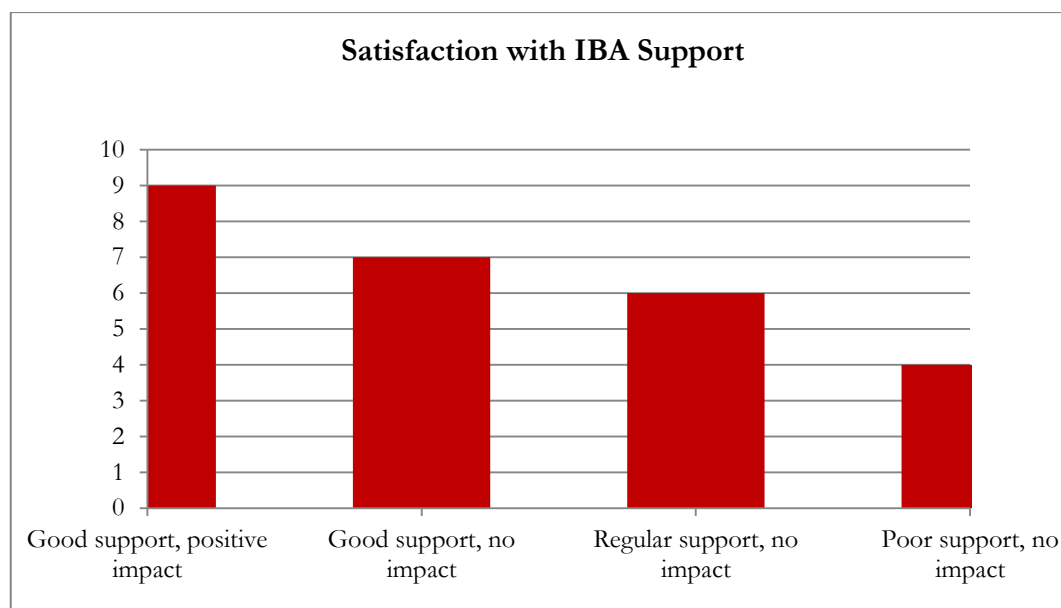
Satisfaction with support and self-reported impact

As for the satisfaction levels and outcome perception of the interviewed companies, the scores were slightly better than for Mozambique, as follows:

²⁸ These companies were classified under Implement, although they fall under Incubate in SNV's financial report, as the implementation of their projects only started after they were awarded the grant, in 2017.

²⁹ The Vietnam Inclusive Innovation Project (VIIP) included a fund of USD 40 million for loans through banks and grants through NGOs and research institutes, aimed at supporting IB initiatives. It was cancelled in mid-2016, after the Min. of Planning & Development and the Min. of Science & Technology could not agree on who was in charge of the project.

Figure 5.2 The majority of companies in Vietnam were satisfied with SNV support, but an even larger majority did not consider the impact on SME performance to be positive.



Source: Field work Vietnam, May 2017.

A total of 16 of the 26 interviewed companies (62%, or nearly 2/3) were satisfied with the support they had received from SNV or the consultant that had been assigned to them, of which nine (35% felt) that this support had had an impact on their business (or project). Six respondents (23%) were only partially satisfied, while four respondents (15%) were not satisfied at all. Compared with Mozambique, the overall satisfaction level is slightly lower, whereas the effectiveness is higher, despite the cancellation of the VIIP.

Access to finance

As for access to finance, 6 companies obtained a grant from IFAD, but none of the companies in Vietnam got funding from a private investor or a financial institution. One company was assisted to apply for a loan of USD 600,000 from ICCO Impact Investment Fund. The loan was approved by ICCO, but they did not reach an agreement on the terms. Once again, the cancellation of the Vietnam Inclusive Innovation Project (VIIP), which included both grants and debt financing, had far-reaching consequences for the success rate of this component.

Jobs and sales growth

For the outcomes from the support provided by SNV and the BDS providers, we refer to Table 5.4. For the 9 companies that were interviewed during the field trip, the outcomes reported by SNV are not that different in terms of sales growth. In fact, the numbers reported for sales growth during the interviews are overall slightly higher.

However, this is not the case for job growth as a result of IBA support, where the data reported by SNV is quite different from what was mentioned during the interviews. In the interviews only 4 respondents reported that new jobs had been created because of the IBA support, whereas SNV reported that this was the case for 6 companies. The total number of jobs created according to SNV was 244, as opposed to 80 from the same companies in the interviews.

Box 5.4 Mimosa (VN)

Tri Nguyen is a young tech entrepreneur who did some strawberry farming on the side. He realised that strawberries are very sensitive to irrigation. He also noticed that smallholder farmers did not use any IT know-how when producing different crops. So he came up with the idea of using internet-based sensors to determine the exact amount of irrigation, which is currently being piloted with pepper farmers in Gia Lai province in South Vietnam. SNV supported him with writing a VIIP proposal and sponsored his participation in various events so that they could present Mimosa and the services they offer. The total cost of the BDS was USD 18,000 of which Mimosa contributed about USD 2,000.

Innovative products or services

As for contributing to the development of innovative products or services, several companies that were interviewed mentioned that they had developed a new product during the course of the IBA project. Some of these products are quite innovative, such as probiotics for pig farmers or sensor-based irrigation systems. In general, the types of companies (and products) that were supported by SNV Vietnam (for IBA) were more innovative than the ones supported by SNV Mozambique.

In most cases the degree of attribution to the support they received in the IBA project is doubtful. In those cases where the innovation can be attributed to the support they received from consultants with IBA co-financing, e.g. in the case of the water treatment system set up by Pernam, the additionality can be called into question, as the consultants would have been hired even without IBA support.

The more favourable enabling environment for inclusive business and innovation in Vietnam is also illustrated by the stronger involvement of government institutions and universities. For instance, the Ministry of Science & Technology (MST) was involved in the aborted VIIP but also manages other grant funds to stimulate inclusive business, one of which is called FIRST. One of the BDS providers in Ho Chi Minh City, Energy Conservation Center (ECC), was set up by the Science & Technology of HCMC Municipality to promote energy conservation among private business, in particular in the construction sector. Finally, Vietnam Innovation Incubator (V2i) helps SMEs and start-ups to grow and innovate. This programme is managed by BK Holdings (linked to Bach Khoa Technical University in Hanoi), SNV and Business Development and Investment Consulting Company (BDIC). The funding comes from the governments of Finland, the Netherlands (IBA) and Vietnam. No less than 9 IBA companies are mentioned as V2i beneficiaries on the website, including 4 VIIP cases.

Table 5.4 The reported increase in job growth in Vietnam was often lower in interviews than in the numbers reported by SNV.

Company	Description	Sector	BDS provider	BDS	Sales growth (acc. SNV)	Sales growth (interview)	Job growth (acc. SNV)	Job growth (interview)	Overall assessment
BioSpring	Probiotics combined with animal feed for BoP farmers	Agro	BDIC, IDAS, SNV, VNUA	ISO certification and testing of prototype	5%	>10%	170	30	BioSpring had a lot of support from SNV, even before IBA in the Vietnam Business Challenge Fund (DFID) from which they got a grant of USD 700,000. Main outcomes of IBA support were ISO certification and testing of prototype. No additional funding was secured as VIIP Fund was cancelled.
ECC	State-owned research company in the field of energy conservation	Energy	SNV	Develop proposal for DFAT grant fund	n/a	0%	n/a	0	Company founded by Min of Science & Tech in 2002 to provide BDS on energy conservation to private companies. Only outcome was that ECC was also involved in supporting Vietesco.
Hiep Thanh	Exports of tea, spices, herbal products from highlands' farmers	Agro	Fresh Studio	Build brand for a new organic tea	0%	0-10%	16.4	3	Buyer/exporter of tea and spices was happy with support they got from Fresh Studio and SNV to develop their organic tea brand.
Mimosa	Smart irrigation technology for smallholder farmers	Agro	BDIC, EMI, SNV, KVIIM	Organise events with SNV, build up business relationships	n/a	0-10%	6	0	Very innovative start-up using sensor-based smart technology to monitor irrigation. Were invited to several events and assisted with grant proposal for VIIP.
MTX	Production of biogas tanks for smallholder farmers	Agro/ Energy	BDIC, Masso Group, SNV	Marketing training for sales staff and develop project proposal	10%	6%	45	45	Like BioSpring, they already knew SNV from the VBCF from which they got grant of USD 500,000. They have been on a steady growth path in recent years. Marketing training very useful; VIIP grant proposal.
Pernam	Water treatment plants for 6,500 BoP households	WASH	Various int'l consultants	Design/implement pilot test of the mobile water system	n/a	0%	2	0	Pernam was set up by Vietnamese returnees from NL. They received support from Vitens experts, paid for by SNV. VIIP proposal was developed but not submitted.
SEN (SmartEdu)	Online textbooks for students, at affordable prices	Other	Nguyen Anh Tuan, SNV	Project proposal for FIRST (MoST), but grant not awarded	10%	0%	5	0	Proposal was submitted to FIRST (Min of Science & Technology) but no grant was awarded. Other than that, no support from SNV.
Vietesco	Investment and consultancy to develop technology to save energy	Energy	ECC	To develop new technology for solar dryers for agri-produce	n/a	>10%	0	2	Happy with support from their mother company ECC, co-funded by SNV. Positive outcomes in terms of products developed, sales and job growth, but additionality is doubtful.
VietPearl	Small-scale pearl production with appropriate technology	Other	OCD	Develop project proposal for Min of Science & Technology (MoST)	n/a	0%	0	0	Were supported to develop project proposal, which did not result in funding. Disappointed in BDS provider, who lacked sector expertise.

Source: SNV Vietnam, and field work results Vietnam, May 2017.

Reasons for observed outcomes

As Table 5.5, illustrates, most of the output targets of IBA Local were achieved but only some of the outcome targets. This table is based on the reported results in the M&E data (the full list of which is in Appendix A), which in turn is based on SNV inputs, but we have also added the updated estimates based on the interviews.

The differences in outcomes between Vietnam and Mozambique appear to be mostly due to the more advanced development level of Vietnam as compared to Mozambique, and in particular its private sector development. This difference has allowed SNV Vietnam to be more selective when selecting the companies they supported and requiring them to contribute, in some cases substantially, to the cost of the BDS that was provided to them.

As a result, the BDS that was provided to companies in Vietnam was allegedly more demand-driven than in the case of Mozambique. This is also reflected in the fact that nearly all the supported companies shared part of the cost of the BDS. This may have contributed to relatively lower satisfaction levels: only 62% of the interviewed companies in Vietnam were satisfied with the support they received vs. 77% in Mozambique. It stands to reason that companies that have paid for the support services will have higher expectations than those that have received the services for free.

Another factor that likely contributed to both lower satisfaction levels and lower outcome and impact levels in Vietnam was the cancellation of the VIIP (Vietnam Inclusive Innovation Project). The negative impact of this unforeseen setback can be observed in the fact that, out of the 10 companies that were not satisfied with the support they had received, 8 mentioned that this was because they did not obtain funding. The other two mentioned the lack of expertise on the part of the BDS provider.

We will discuss these explanations in further detail in the following chapter.

Table 5.5 Main indicators for IBA Local (targets, progress reported by SNV, interviews)

Indicator #	Result level	Pillar	Indicator	Achieved?	Target	Total December 2016	Mozambique	Vietnam	Estimate based on interviews
1. BoP Impact	Local		40.000 BOP people (F/M) with increased income, since registered with IBA	✓	40,000	89,016	54,825	34,191	-
7. Outcome	Local		70.000 BOP producers (F/M) have seen increased productivity since IBA registration	✗	70,000	54,639	22,273	32,366	-
8. Outcome	Local		12.000 female producers have seen increased productivity since IBA registration	✓	12,000	19,433	3,758	15,675	-
9. Outcome	Local		Local BOP consumer markets needs are matched by 5 “new” products (developed or adjusted), during IBA local contracts.	✓✓	5	9	4	5	10
10. Outcome	Local		Local BOP consumer markets needs are matched by 10 “new” services (developed or adjusted), during IBA local contracts.	✓	10	29	13	16	-
13. Outcome	Local		70 locally supported companies show creation of new jobs due to business developments during IBA contract period	✗✗	70	53	24	29	18*
14. Outcome	Local		Number of Jobs created under IBA contract period	✓✗	?	4,336	1,101	3,235	429**
15. Outcome	Local		70 locally supported companies increased access to basic goods and services under IBA contract period	✗	70	66	30	36	-
16. Outcome	Local		45 locally supported SMEs report annual growth due to sales expansion during IBA contract period	✓✗	45	55	25	30	25*
24. Output	local		IBA local hubs supported # business cases through direct contracting	✓	70	93	42	51	-
28. Output	local		IBA local hubs supported at least 10 companies (out of 70) where women are owners	✗✓	10	7	3	4	17
29. Output	local		140 women hold mgt positions in 70 companies supported by local hubs	✓✓	140	1319	12	1,307	177**
32. Output	local		20 locally registered companies upgraded for investment	✓	20	58	26	32	-
33. Output	local		30 locally supported SME's finance proposals send to funders	✗✗	30	27	12	15	25

* Extrapolated from our sample of 20 companies (11 in Mozambique; 9 in Vietnam)

** Extrapolated from our sample of 48 companies (22 in Mozambique; 26 in Vietnam)

6 Effectiveness, Efficiency & Relevance

6.1 Effectiveness

Outputs Achieved, Outcomes Fall Short of Targets

Based on the M&E data complemented with interviews with IBA staff and companies and BDS providers in Vietnam and Mozambique, we can conclude that IBA achieved most of the expected results at the output level. However, in terms of outcomes the results achieved were more limited and possibly even lower than reported in some cases.

One of the main expected outcomes of IBA Local was that: “70 locally supported companies show creation of new jobs due to business developments during IBA contract period”. Moreover, 45 local SMEs were expected to achieve “sales growth due to expansion into the BoP market”³⁰. It is reasonable to assume that these 45 local SMEs were supposed to be a subset of the 70 local SMEs.

The output target of supporting 70 companies was achieved, in purely quantitative terms, as 33 companies were supported in Mozambique and 39 in Vietnam. However, the reporting in practice focussed on the number of companies that were supported by SNV, regardless of whether these companies had actually benefited from specific IBA support in terms of products developed for the BoP, jobs created, or sales growth.

In many cases, the support provided was limited to assisting the company with developing a project proposal or a business plan. Therefore, while all the selected companies – or the project for which they were supported – had an IB focus, the tools developed by BoPInc were not that relevant for the support that was provided in most cases.

Based on the information obtained during the interviews, only 7 of the 20 companies (35%) that were interviewed in person reported sales growth as a result of IBA support. If we include the phone interviews, the number is 12 out of 48 or 25%. Thus, we can assume that not more than 18-24 of the 72 companies achieved sales growth due to expansion into the BoP market. This is about 50% of the target of 45 that was set at the outset.

As for the goal of promoting access to finance, this was partially achieved in the sense that many companies were supported to obtain grants and at the time of writing, 10 companies were awarded a grant (2 in Mozambique and 8 in Vietnam). Most of these grants were for agribusinesses and came from IFAD projects, Promer in Mozambique (2) and AMD or SRDP in Vietnam (6). Thus, the target of “5 successfully submitted PPP finance proposal” was comfortably met. However, the matchmaking outcomes of 50 SMEs upgraded for investment and 17 ready for investment was not met, if we understand that this investment was not supposed to be in the form of grants.

³⁰ Inclusive Business Accelerator: Scaling up private sector engagement at the BoP, BoPInc, 2013, page 61.

As for the goal of supporting SMEs to develop innovative products or services that benefit the BoP, the picture is better for Vietnam than for Mozambique. In the latter case, there are a few companies with innovative products that were supported by SNV, but the development of those products cannot be attributed to the IBA support. The only exception in this respect is Sogepal, but this company that makes improved cook-stoves for rural areas, was also supported by GiZ, which subsidized their production costs.³¹ In Vietnam, the companies that were supported and the kind of support that was provided were more innovative, but this probably says more about Vietnam than about SNV, as innovative companies like BioSpring, Mimosa or Vietesco are difficult to find in Mozambique. Attribution of the results to IBA is also questionable in the case of Vietnam, as all ‘innovative’ companies the programme worked with already had support from other development agencies (DFID, GiZ, ECC).

The latter finding suggests that the additionality of IBA was probably more limited than envisaged. In both Mozambique and Vietnam, IBA to some extent reinforced a practice that SNV had already initiated long before IBA. Particularly in Mozambique, the focus on IB and BoP was not that different from the support that SNV and other development agencies (such as GiZ, IFAD, SEED and Technoserve) were already offering when IBA was created. Perhaps the main difference for SNV was the exclusive focus on private companies, but that is precisely where the challenge was lying in Mozambique.

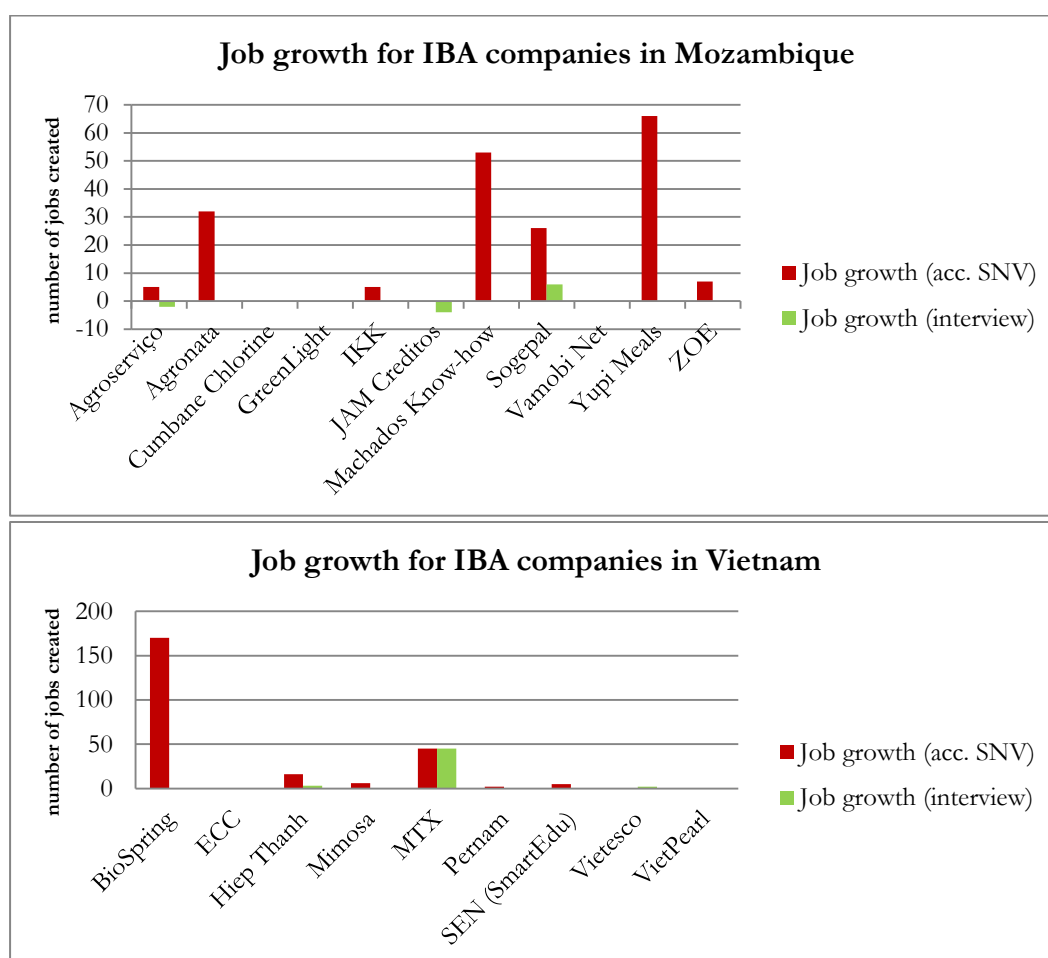
While the goal of becoming a hands-on ‘one stop shop’ for IB support was not achieved, both BoPInc and SNV were able to place themselves strategically in the IB space with perhaps some impact on the enabling environment for IB. BoPInc did this through its collective agenda setting activities, and SNV through their training workshops and support for local companies. Moreover, awareness of the importance of an Inclusive Business strategy was raised both in the private and the public sector, and in particular among BDS providers. BoPInc and SNV were able to extend their network and gave rise to similar IB-related programmes, including the Innovations Against Poverty (IAP) programme, which is funded by SIDA.

While BoPInc made steps towards becoming a recognised global player in the IB field, we doubt that this is the case for the IBA programme as a whole, given the limited use of the ‘brand name’ IBA in the field. Neither in Mozambique nor in Vietnam did SNV try to promote the name IBA. Very few of the respondents during the interviews were familiar with the name IBA; most of them simply referred to SNV or to the consultant who had supported them. In fact, in Mozambique the programme was marketed under the name LINK rather than the name IBA.

Difference between Observed and Reported Outcomes

SNV collected data on jobs and sales growth for the 24 supported companies in Mozambique and 14 supported companies in Vietnam. Jobs were created in all cases and only two companies in Mozambique did not report sales growth. However, only 4 of the 20 companies interviewed during the field trips reported job growth – 3 in Vietnam and 1 in Mozambique – and only 7 reported sales growth – 5 in Vietnam and 2 in Mozambique. According to SNV, 13 of the 20 companies reported a growth in jobs and 11 in sales. This is shown in the bar diagrams below.

³¹ Results-based funding from GiZ allowed them to keep the sales price low while improving the cook-stove.

Figure 6.1 Reported job growth was much lower in interviews than in SNV data

Source: Field work Mozambique and Vietnam, May 2017

The differences are even more pronounced if we include the data from the phone interviews. In the case of Mozambique, in the phone interviews, only 2 out of 11 companies reported having hired more employees owing to the IBA support, whereas SNV reported that there were jobs created in 8 of those 11 companies. The total number of jobs created in those companies was 251 according to SNV and only 9 according to the phone interviews.

In the case of Vietnam, 17 companies were only interviewed by phone. SNV reported job growth for 7 of those companies, including 5 of the IFAD cases, ranging from 2 to 1000 employees. Only 6 companies – all of them from the IFAD batch – felt that IBA support had contributed to new jobs. The total number of jobs created in those companies was 1137 according to SNV and only 225 according to the phone interviews.

While the data from the phone interviews is less complete and detailed than the data from the in-person interviews, it confirms the overall conclusion from the in-person interviews, which suggests that the actual outcomes from the support that was provided to SMEs in the IBA project was not so significant, in particular in Mozambique. While some of the outcomes may still occur at a later stage, for instance for those companies that have received a grant, there is reason to believe that this will not change the general picture.

There are several reasons to explain the difference between the outcomes reported by SNV and those found in the evaluation.

First, there may have been some reluctance from companies that were interviewed by phone to share this kind of data with the interviewer. This may have played a role in Vietnam, where several respondents were unable to answer some of the questions, but not in Mozambique. Neither was there any sign of this during the in-person interviews.

Second, it is not clear to what extent the jobs and sales growth estimates the companies were requested to report (i) referred to *total* jobs and sales growth during the reference period, or (ii) only referred to the *additional* jobs and sales growth that resulted from the support they had received from SNV. Some of the companies may simply have reported (i) to SNV, which could explain why the SNV numbers are higher than the numbers obtained in interviews.

As all the data is self-reported, the reliability is subject to debate, but the overall trend is clear. Even though most outputs were achieved and with relatively high levels of satisfaction, the outcomes have been quite modest.

Possible Explanations for Modest Outcomes

An explanation for the modest outcomes may be that this is a new area for SNV and in some cases it was difficult to find a consultant with the right profile and expertise to provide the right kind of support to the selected. This was mentioned by a few of the interviewed companies. Another possible explanation is that some of the support that was provided was very specific – e.g. testing of a prototype or carrying out a market survey – which does not automatically create jobs or lead to sales growth.

In both countries, external factors played an important role as well. In the case of Vietnam, as we mentioned in the previous chapter, the cancellation of the VIIP grant and loan fund had far-reaching repercussions on the outcomes, as no less than 10 companies were supported to write a project proposal for the VIIP. Some of these companies also received other types of support and 4 were subsequently channelled towards the V2i project, but the results could have been better if the VIIP had not been cancelled. In the case of Mozambique, the fact that some of the companies reported stable sales and no loss of employment may actually qualify as a positive outcome, if we take into account the economic crisis that hit the country in 2015-16, which led to a sharp fall in purchasing power.

Another explanation may be the weak link between IBA Local and IBA Online. Although the link and collaboration between IBA Global and IBA Online was well established, this was not the case for the link between IBA Local and IBA Online, in part because of limited involvement of BoPInc in the IBA Local activities implemented by SNV. Very few of the companies supported by SNV in Vietnam and Mozambique registered or were active on the online platform.

Regarding access to investors, the effectiveness of these IBA Online activities appears to be limited or at best unknown. The inability to track follow-up activities after introductions are made is a large shortcoming, since the major motivation for companies to register for the IBA website is to find investments for their company (personal communication IBA).

At the same time, it is important to point out that some of the outcome targets that were set for the IBA programme in the approved project proposal were very optimistic for a project which was essentially a pilot to test a new methodology, with a lot of uncertain factors.

Strategic Decisions

The original plan had been to set up the Inclusive Business Support Offices (IBSOs) in close collaboration with BoPInc partners, such as SNV, ICCO, iDE and Ashoka. In practice, this role was exclusively delegated to SNV in both countries. This decision probably influenced the selection of companies that were supported, as they were nearly all active in three priority sectors for SNV: Agriculture, Energy and WASH. In fact, several selected companies already had a relation with SNV from previous projects³².

While this may have created a preference for certain sectors and excluded companies in other sectors, the pros seem to outweigh the cons. For one, it allowed the project to get off to a flying start, in particular in Mozambique and to a lesser extent in Vietnam. Secondly, it allowed the IBA project to build upon the expertise and experience of SNV staff in those areas. In fact, in those cases where the project ventured into new areas, such as the cases of SmartEdu (education) and VietPearl (jewellery) in Vietnam or JAM Credits (MFI) in Mozambique, their lack of expertise was mentioned in the interviews.

The delegation of IBA Local to SNV also helped to bring the project more down to earth, away from some of the fancier (and over-ambitious) objectives of the project proposal, which referred to “orchestration of the eco-system”. In the case of Vietnam, IBA also benefited from a study that SNV had carried out into agri-sectors with growth potential, commissioned by the Asian Development Bank.

Finally, delegating the implementation of the IBSOs to SNV allowed the project to involve existing partnerships of SNV with donors and other stakeholders, which proved to be crucial in launching the project and obtaining the required co-funding. The existing partnership with IFAD in both countries stands out in this respect, but also the partnerships with GiZ, SEED, Technoserve and ViaWater in Mozambique, and with DFID, GiZ and UNIDO in Vietnam, played an important role in rolling out the project.

However, the fact that the first BoPInc training workshops took place a year and a half after the start of the project, when many of the contracts to support companies had already kicked off (and some had already concluded), was not very opportune. Moreover, the fact that the training was not tailored to the local context reduced the relevance of the training for the actual services that the consultants needed to provide to the companies.

To some extent this was compensated by the fact that SNV organised many other training workshops both before and after the BoPInc workshops for consultants and SMEs. Many of those workshops were also the result of partnerships with other stakeholders such as IFAD, SEED and

³² In the case of Vietnam, SNV had played a role in the Vietnam Business Challenge Fund set up by DFID in 2012. At least one of the supported companies in the IBA project had received a grant from the VBCF.

ViaWater. Besides providing useful skills to the participants these workshops also contributed to raising the awareness regarding the BoP and Inclusive Business.

The selection of SMEs by SNV could have been better. Whether because of pressure to achieve the set targets or for other reasons, some of the supported companies – in particular in Mozambique – did not have a lot of growth potential or were start-ups. The decision to drop the requirement of cost-sharing in Mozambique also played a role in this respect.

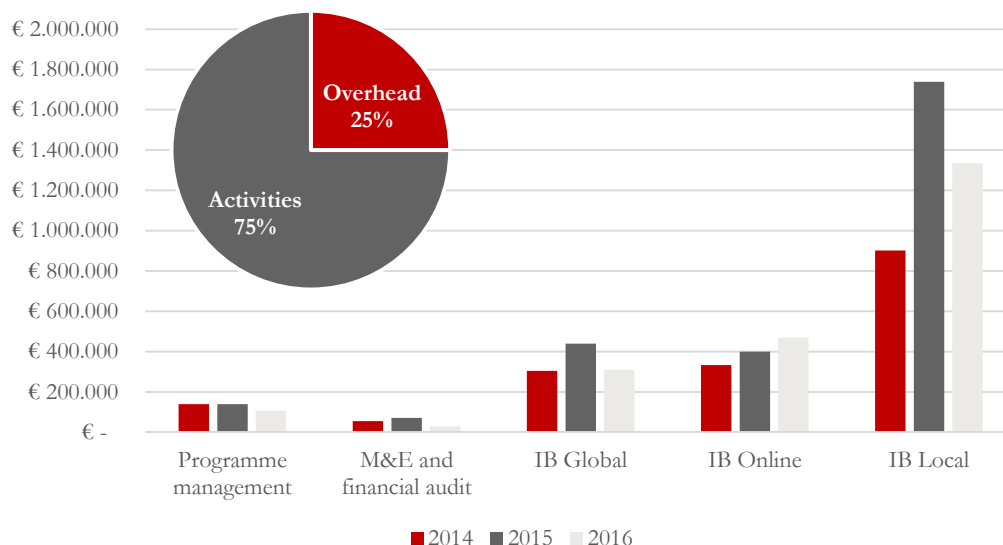
6.2 Efficiency

Budget expenditures & Cost-Effectiveness

The cost-effectiveness for the overall programme and for each of the pillars is measured by the total budget spending, overhead compared to programme activities and the actual results achieved through each of these pillars, whether at output or outcome level.

Overhead expenditures for the overall IBA programme, including programme management, M&E, pillar management (Global, Online, Local), represented 25% of the total IBA expenditures (or €1.7 million). Thus, overhead was a large part of the overall programme expenditures. Especially when considering that overall synergy and linkages between the activities of the three pillars was limited (see effectiveness). See Figure 6.2.

Figure 6.2 Spending per year & category for IBA programme



Source: IBA budget; own calculations.

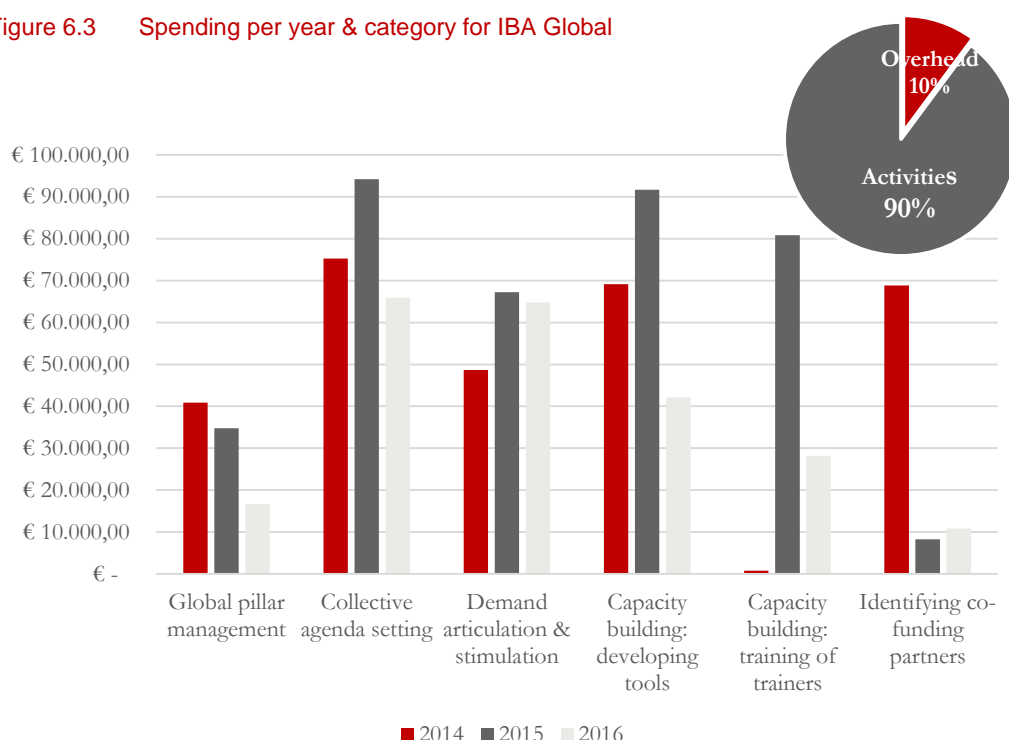
IBA Global

Specifically, for IBA Global, the total expenditures were €1,052,349 of which €909,246 (86%) came from subsidies from the Ministry of Foreign Affairs and €143,103 (14%) was co-funded. Figure 6.3 provides an overview of spending per year and activity. Of these expenditures only 10% can be

accounted as overhead expenditures (management and organisation), which even decreased over the years.

Expenditures for capacity building, especially for training of trainers, expenditures increased considerably in 2015 and then decreased again in 2016. The expenditures verify that no training of consultants took place in 2014. Interestingly, the identification of co-funding partners took place almost exclusively in 2014.

Figure 6.3 Spending per year & category for IBA Global

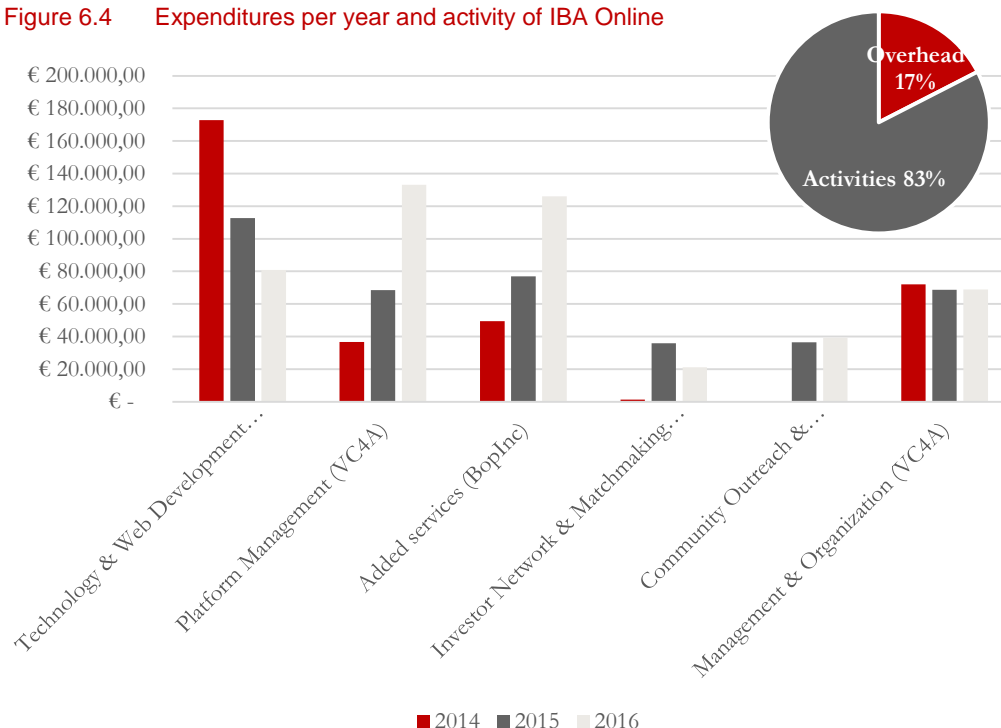


Source: IBA budget; own calculations.

IBA Online

The total expenditures for IBA Online were €1,200,856, of which €1,000,093 came from the Ministry of Foreign Affairs. The remainder of €200,763 (17% of total) was co-funded. The co-funding generally came from companies sponsoring the boot-camp sessions, e.g. Siemens and MIT. Figure 6.4 below provides an overview of spending per year and activity.

A large portion of the budget was spent on ‘technology & web development’ and ‘platform management’. BoPInc also used a rather large portion (30% or €355,259) of the IBA Online budget for ‘added services’ (content generation and boot camps), whereas similar activities were included in the budget of IBA Global (under demand articulation and stimulation). Also, while around €60,000 was spent on ‘Investor network & matchmaking activities’, the targets aimed at matching companies to investors were in fact deleted, so that we do not know (apart from the fact that introductions were made) whether this amount was effectively spent.

Figure 6.4 Expenditures per year and activity of IBA Online

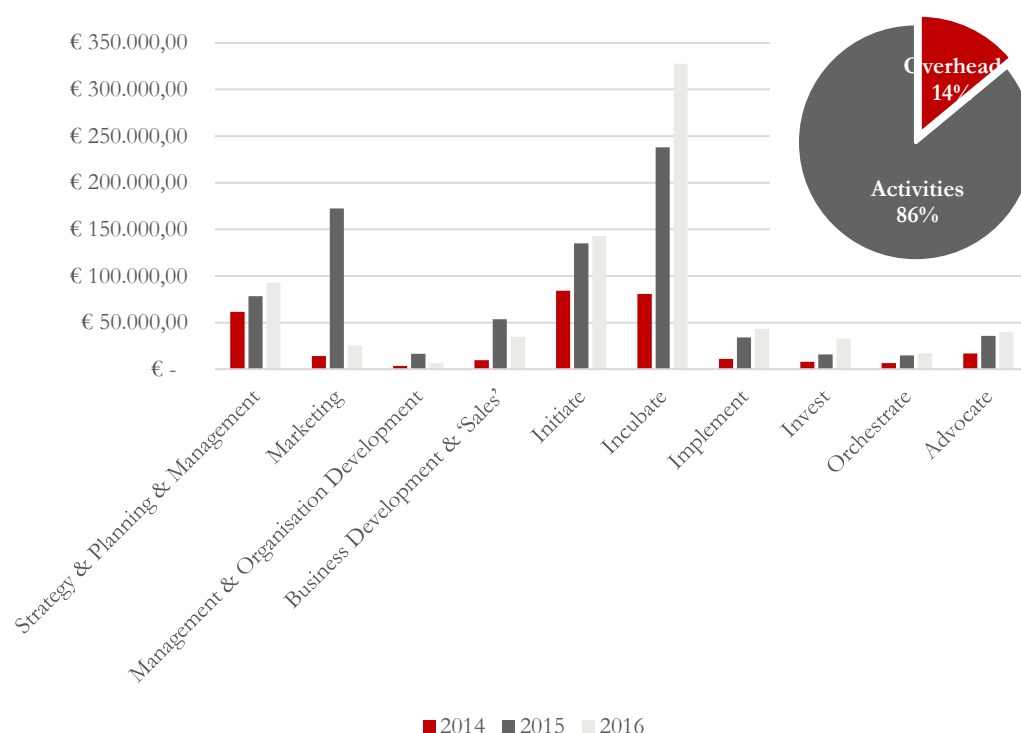
Sources: IBA budget; own calculations.

IBA Local

The total expenditures for IBA Local were €3,976,172 of which €2,411,346 came from the Ministry of Foreign Affairs and €1,564,825 (39% of total) was co-funded. Overall spending differs significantly between the two countries, which is further detailed below.

Vietnam

Total expenditures for IBA activities in Vietnam were €1,854,907, of which 23% (€422,152) was co-funded. More than half (€220,004, or 52%) of this co-funding came from the contributions for the advisory support received from the SMEs themselves. SNV Vietnam spent most of the budget on “Incubate” (35%) and “Initiate” (21%) activities.

Figure 6.5 Expenditures per year and activity of IBA Local: Vietnam

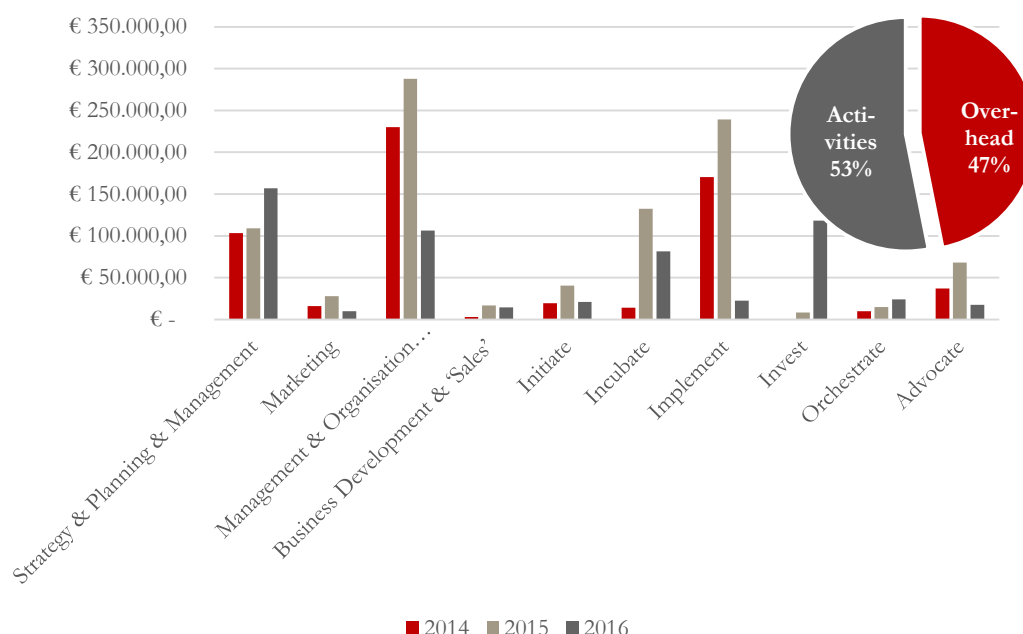
Sources: IBA budget; own calculations.

The numbers are quite compatible with the findings from the field visit, although there appeared to be more “Implement”-type interventions. Apparently, some of those activities were classified under “Incubate” by SNV Vietnam. A possible explanation could be that this allowed them to award a higher IBA subsidy, as the subsidy was lower for Implement activities.

Mozambique

Total expenditures for IBA activities in Mozambique were €2,119,594 of which 53% (or €1,126,911) was co-funded, but there was no contribution from the companies themselves. Initially, the Client Selection Tool was supposed to determine the maximum subsidy that SNV could provide from the IBA funds. However, in practice it was difficult to find companies that were willing to share part of the BDS costs, so this requirement was dropped in Mozambique. Thus, there was no pressure to classify support activities under “Initiate” or “Incubate” to raise the share of the costs that SNV could cover, as in the case of Vietnam.

The high spending on ‘management & organisation development’, in total (€1,138,022), especially in 2016, was due to the high costs of employment of the ex-pat project manager (incl. housing and schooling costs). These costs were much higher than initially budgeted. Also, the relatively high HR costs in Mozambique are captured by this activity. Due to these high costs (and that of strategy & planning management) the overhead costs for Mozambique accounted to 47% of the total budget, which can be considered high. It is also surprising to note that they spent nearly €200,000 on ‘Invest’ activities, while in terms of actual activities related to invest not much was achieved.

Figure 6.6 Expenditures per year and activity of IBA Local: Mozambique

Sources: IBA budget; own calculations.

Overall, it seems that the IBA project was more cost-effective in Vietnam than in Mozambique, at least in terms of total costs of the programme and the high share of management costs in the total costs. However, this may be because SNV staff in Vietnam was already covered by budgets of other projects, whereas this was not the case in Mozambique. The fact that there were no expenditures at all for management in Vietnam in 2014 suggests that this was the case.

As for the co-funding, SNV Mozambique was more successful than SNV Vietnam in obtaining funding from other donors, both in absolute terms (€1,126,911 vs. €202,148) and in percentage terms (53% vs. 11%). Nevertheless, SNV Vietnam was able to generate €220,004 in cost-sharing payments from the companies themselves.

Cost-effectiveness

In Figure 6.7, we provide an estimate of the cost-effectiveness of the IBA programme by calculating the average cost per participant. This average cost-per-participant for IBA is calculated by dividing the total running costs of the IBA Local activities (for the programme period) and dividing this by the number of companies supported in the programme. We only took the expenditures of IBA Local, although some of IBA Global and Online expenditures are also linked to the support provided under IBA Local. This cost-per-participant is then compared to other acceleration programmes in Africa. The comparison is illustrated in Figure 6.7.

Our analysis suggests that the cost per participant is higher for the IBA programme than for other similar programmes. For the 72 companies supported, the average cost-per-participant was €55,225. Moreover, our evaluation suggests that some of the 72 companies only received minimal support from IBA (Chapter 6 IBA Local). If these had been omitted, the estimated cost per participant would be even higher.

Box 6.1 Accelerator Programmes

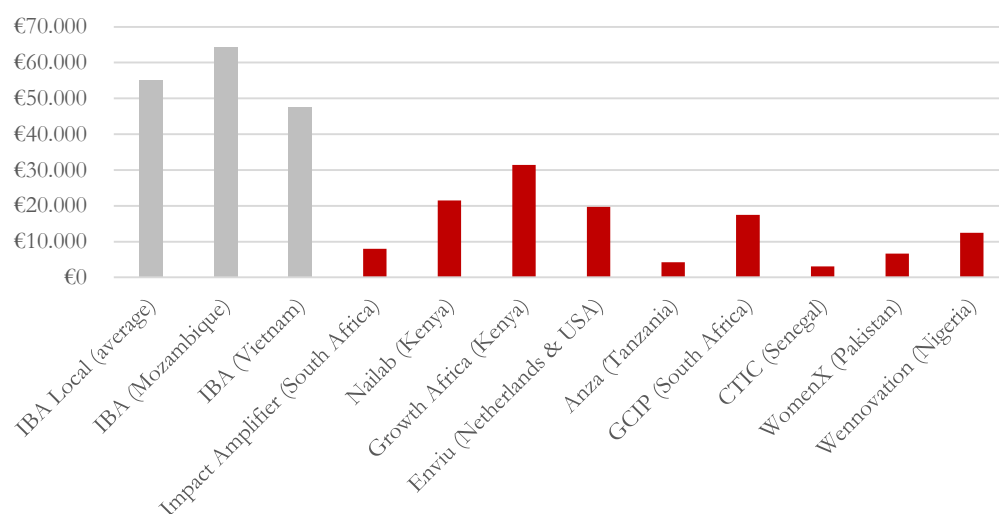
In the past decade, a wide range of business acceleration models have emerged around the world, both in developed countries and increasingly in developing countries, including Africa. These Accelerator Programs are a way to shorten the journey of start-ups, resulting in either quicker growth or quicker failure. More specifically, an Accelerator Program aims to *add value more effectively and be resource efficient, by grouping start-ups into cohorts, or teams whose members can learn from one another, through intensive mentoring and structured events*¹.

Although programmes offering support to early stage entrepreneurs are not a new phenomenon, they differ from other business support programmes in a couple of ways:

- **Time bound:** they offer short intense programmes, typically between 3 to 6 months
- **Cohort based:** they tend to be organised in cohorts, selecting and training/mentoring a group of enterprises in a 3- to 6-month period
- **Open intake:** have an application process that is open to all businesses yet is competitive
- **Promise A2F:** they provide participating enterprises with either direct access to finance or link them to investors

In these ways, accelerator programmes are different from the more traditional incubators or business development support programmes, which became widespread in the early 90s, and have been criticised for lacking an exit policy and for their reliance on long-term public funding. Although most accelerator programmes are based on Silicon Valley initiatives like Y Combinator and Techstars, a variety of different accelerator models of funding and structuring support to start-ups are emerging.

As Box 6.1 shows, no accelerator programme is the same anywhere in the world; therefore, a one-on-one cost comparison is impossible. In the case of the IBA programme, many activities were not part of the “accelerator” component. However, this is also the case for other accelerator programmes. If we only take the expenditures that can be directly linked to the support that was given to the companies (“the four I’s”), the cost per supported company in the IBA programme would be €28,070, which is still at the high end of the spectrum. Only Growth Africa in Kenya is more expensive. The main purpose of this comparison is to underpin the statement that the IBA programme was relatively expensive in terms of the number of companies supported.

Figure 6.7 Cost-per-participant comparison with other accelerator programmes worldwide

Source: IBA, SEO and Enclude.

Governance

The overall management and governance of the IBA programme was part of BoPInc's responsibilities, as lead partner in the consortium. As mentioned above, the activities at the local level were insufficiently linked with activities at the Global and Online levels. As a result, there was not a lot of interaction between the different pillars. For example, more effort could have been put into ensuring that SMEs from IBA Local used the online system and that IBA Online monitored the investment matches that resulted from their platform.

The disconnect between IBA Local and the other two pillars arose as soon as the management of the IBSOs was delegated to SNV. This was partly due to BoPInc's limited track record in the two countries, partly due to different agendas between BoPInc and SNV. While BoPInc was mainly concerned with piloting a new methodology, SNV was mainly concerned with managing a larger programme in both countries, of which IBA was just one component.

The connection between the pillars could have been improved by more collaboration and overlap in terms of activities between the pillars. It may also have made a difference if the lead partner, BoPInc, had been responsible for actively tracking the results from the collaboration.

Smart Cooperation

The decision to delegate the role of IBSO to SNV in both countries implicitly or explicitly led to a preference for projects in those areas in which SNV already had a strong track record and proven expertise. To some extent this may have limited the innovative character of IBA Local. At the same time, there was a lot of cooperation with other stakeholders besides BoPInc, such as GiZ, SEED, Technoserve, ViaWater and individual consultants from BDS providers with IB agendas, e.g. Fresh Studio, GreenLight and Idea Lab. This cooperation enriched the diversity of the IBA programme and contributed to a wider impact in terms of developing an enabling environment for inclusive business approaches.

6.3 Relevance

Demand driven

The IBA programme was not demand driven in the sense that companies were knocking on the door to receive support to develop an IB strategy or that the local consultants were approaching the IBA partners to be trained in how to incorporate an IB vision into their consultancy services. Like any innovative (and most development) projects, it usually starts with awareness creation to generate a demand for the services on offer. Thus, in order to generate sufficient interest, IBA Local invested a lot of effort and resources in seminars and training events and networking with other stakeholders especially in the first two years of the project.

Eventually there was sufficient demand from the private sector to meet the targets for IBA Local, though perhaps not enough to be able to apply strict selection criteria, in particular in Mozambique. As for Vietnam, the fact that 22 of the supported companies contributed a sizeable share of the cost of the BDS (41% on average) indicates that there clearly was a demand.

On the other hand, the assumption that was made in the approved project proposal, that “there is a growing interest among Dutch, international and local businesses to develop innovative products and services for BoP markets”, was not validated for the two selected countries, at least not where Dutch and/or international companies are concerned.

All the other assumptions in the project proposal were to some extent validated:

- The private sector can have a significant impact on reducing poverty by developing market-based solutions for low income markets.
- Business do need help – with access to information and networks, access to risk capital, technical assistance and knowledge transfer – to be successful in BoP markets, as demonstrated by the number of market assessments that were done in both countries and the technical assistance that was provided to 72 companies.
- Inclusive innovation is not ‘one-size fits all’ and requires adaptive and flexible pathways to follow the BoP innovation cycle. This is clear from the wide diversity in types of interventions and consultants that were involved in the process.
- Scaling-up does bring new challenges. It requires new business models, innovation and multi-stakeholder collaboration to remove systemic barriers (No access to finance, Weak Business Plan, Lack of entrepreneurial skills and attitude and Limited market demand). This is no doubt true, and some of these challenges proved hard to overcome.

Most of the BDS advisors that were interviewed during the field trips were satisfied with the training workshops in which they had participated. This was more the case in Mozambique than in Vietnam. At the same time only a few mentioned that they used some of the tools from the workshops regularly or in the support that they provided to IBA companies.

As for SMEs, the results of our interviews were presented in chapter 6. Overall, we can say that the support provided by consultants of SNV and other BDS providers was generally well appreciated, but the support only had a significant impact in terms of higher sales or job growth for 35% of the companies in Vietnam and 23% in Mozambique. Nevertheless, on the whole the

support that was provided to companies in both countries was relevant, in the sense that they needed this kind of support and in many cases could not have obtained it elsewhere.

As for investors, no successful matches were made with private investors. On the other hand, SNV was quite successful in assisting companies in obtaining grants, in particular from IFAD. Some of the companies that received those grants – in particular in Vietnam – would probably not have been able to get them without the support from SNV.

More in general, the large number of grant funds available in both countries made it logical for SNV to focus many of the interventions in that direction, as this also enabled them to get the required co-funding for the IBA programme. However, to some extent, it could be said that this converted the IBA programme into a kind of matching grant programme, more or less along the lines of the now extinct PSI programme.

End-Beneficiary Impact

The two main expected outcomes at this level were:

- 30,000 people at BoP level with increased income
- 50,000 people at BoP level with increased access to nutritious foods

As flagged earlier, it is probably too early to observe the full impact of the IBA programme at the end-beneficiary level. Moreover, in view of the complications encountered to assess the outcomes at the levels of SMEs, it is doubtful whether the impact at the level of end-beneficiaries can be measured at all. The only thing we can say at this stage is that most, if not all, the supported companies did effectively have a business model which would have a positive impact on the BoP population if the business was successful.

In most cases the positive impact is on the supply side – i.e. smallholder producers – and in some cases on the demand side – i.e. consumers. The latter is more the case in Mozambique than in Vietnam, where there is a strong focus on BoP producers, e.g. all the IFAD projects. Moreover, even in those cases where the IBA support did not lead to direct outcomes in terms of jobs or sales growth, it may have contributed to impact at end-beneficiary level. For instance, BioSpring claims that farmers can earn up to USD 10 more per pig they produce, if they add the probiotics that the company sells to the animal feed.

Nevertheless, despite the relatively modest (service market) outcomes of the IBA programme, it cannot be ruled out that the support that was provided to companies will eventually lead to a positive impact on the end beneficiaries, provided that the companies prove to be sustainable and can scale up their business activities over time. However, at this stage it is not possible to make any quantitative estimates of this impact.

Innovation and Additionality

We have defined ‘innovation’ in this context as activities or sector focus that are new to a specific context or country. Although IBA is atypical and therefore difficult to compare with other accelerators, there are doubts whether the term ‘accelerator programme’ is in fact used correctly in the case of IBA. As mentioned above, IBA Local is more similar to a matching grant programme

with an IB focus, than to an accelerator programme. Certain key characteristics of accelerator programmes were missing, such as working with cohorts that receive a similar package of support services (including training and counselling/mentoring). In IBA, SMEs were typically supported on a case-by-case basis and the main support provided was the cost-sharing of the BDS. In that sense, the programme was not innovative.

Moreover, when comparing the IBA programme with alternative programmes that offer advisory services on business development in general and specifically regarding BoP activities, IBA is not that different. Many other development agencies, e.g. GiZ, IFAD, or SEED, also target the BoP and promote an IB approach. In fact, SNV has had a BoP focus from long before the term was coined, which is why it was a natural choice for them to implement IBA Local. SNV had already been supporting SMEs previously, including r in the three priority sectors (Agro, Energy and WASH).

Of course, the additional funding that the IBA programme provided allowed SNV to shore up their relationship with private enterprises that might otherwise not have been interested in working with SNV. It also allowed them to access funds from other sources, such as IFAD or GiZ, which would otherwise not have been possible. Last but not least, by aligning the programme with other (innovative) initiatives, such as UNIDO or ViaWater, some synergies were created.

As for the innovativeness of the companies that were supported by SNV in IBA Local, this was more prominent in the case of Vietnam than in the case of Mozambique, as mentioned in Chapter 5 (p. 40). In fact, some of the companies that were supported in Vietnam have highly innovative products or services. However, the support that was provided to them was not so innovative and in some cases this support was provided by consultants suggested by the company itself, so that SNV's role was limited to co-financing the BDS, e.g. Pernam in South Vietnam.

This leads to the question of additionality of the IBA project at the local level. We define additionality as the likelihood that the outcome would have occurred if the support had not been provided, in this case by SNV. In other words, the SNV support is additional if the company had not been able to achieve certain outcomes without that support.

Most of the interviewed companies believed that they could have obtained the same or a similar kind of support from other sources, if SNV had not offered it to them. This applies in particular to the more successful and innovative cases, such as BioSpring or Mimosa in Vietnam, which had obtained funding from various sources even before SNV approached them. That does not necessarily mean that they would all have been able to get this support if it had not been offered to them by SNV. Moreover, in many cases it was precisely the combination of the SNV support with the support from GiZ or IFAD that contributed to positive outcomes.

The general platform of VC4A that also caters for SMEs, investors, business advisors, and accelerator programmes, has a much larger community that each of these stakeholders can engage and make use of. Even some of the same investors, advisors and companies that are a member of the IBA online platform are also a member of the VC4A platform. Hence the additionality of the IBA online platform can also be questioned.

7 Financial Sustainability

7.1 Co-funding

The Dutch Ministry of Foreign Affairs provided IBA with a grant of €4.8 million, for the period of 01/01/2014 until 31/12/2016. Because of a budget neutral extension of 6 months, the period was extended until 30/06/2017. As part of the programme, IBA was expected to co-fund €2.4 million (or 33% of the total) through participating organisations of IBA (e.g. SNV, SEED), private sector fees (both from local SMEs and international private sector sources such as MIT), and financial contributions from international organisations (e.g. IFAD).

Based on the overall budget received from BoPInc, Table 7.1 shows that the overall spending of the IBA programme (until 31/12/2016) was €6.7 million, of which €4.8 million (71%) came from MFA and €1.9 million (29%) from different co-funding sources. This 29% co-funding is €0.5 million lower than the target of 33%. See Table 7.1. About 80% of the co-funding came from donors (MFA grant, IFAD funding, etc.) and 20% from the private sector funders (the supported SMEs, MIT, Siemens, etc.).

Table 7.1 IBA spent about €6.9 million, of which 71% was funded by MFA

	Realised costs	MFA grant	MFA grant % of total	Co-funding	Co-funding % of total
IB Accelerator Global	€1,052,349	€909,246	86%	€143,103	14%
IB Accelerator On Line	€1,200,856	€1,000,093	83%	€200,763	17%
IB Accelerator Local	€3,976,172	€2,411,346	61%	€1,564,825	39%
<i>Vietnam</i>	€1,854,907	€1,432,755	77%	€422,152	23%
<i>Mozambique</i>	€2,119,594	€992,683	47%	€1,126,911	53%
M&E and financial audit	€154,582	€109,118	71%	€45,464	29%
Programme management	€385,229	€378,261	98%	€6,968	2%
Total (at 31/12/2016)	€6,769,187	€4,808,064	71%	€1,949,834	29%
IBA foundation		€150,000			
Total (at 30/06/2017)	€6,919,187	€4,958,064			

Source: IBA budget

The largest part of co-funding was generated by IBA Local, or more precisely by SNV in Mozambique and Vietnam. This co-funding represented 39% of the total IBA Local budget. Mozambique contributed 53% of their budget and Vietnam 23%. Over half of the co-funding for Vietnam activities came from the contribution of the SMEs themselves.

Although SNV did well in generating co-funding, the co-funding for IBA Global and Online activities (e.g. boot camps) was very limited, 14% and 17% respectively. However, according to BoPInc, it was foreseen that IBA Local would generate more co-funding than IBA Global and Online, due to the direct support to companies and the availability of donor funds in the two

countries. Initially IBA Global was not even supposed to bring in co-funding. With this in mind the co-funding of 14% and 17% for IBA Global and Online exceeded expectations.

7.2 Financial Sustainability per Pillar

IBA Local

We have defined financial sustainability as being able to generate, for at least 50% of the total budget, own revenues or private sector support (be commercially driven), while the other 50% can come from donor support. We have set the minimum threshold for the private sector component at 50% based on our experience with other BDS support and acceleration programmes. It is highly unlikely that a programme like IBA and more specifically IBA Local can become fully financially sustainable on a commercial basis. This would mean that the costs of the programme are fully borne by service fees paid by beneficiaries or some type of cross-subsidy (e.g. SMEs, IBSOs). This is even doubtful in the Netherlands, unless the project was run by volunteers, let alone in Vietnam or Mozambique.

Although co-funding was a large part of the budget in both IBA Local countries (on average 39%), based on the definition above, IBA Local cannot be considered financially sustainable. Only in Vietnam did co-funding come from contributions of the SMEs themselves and this was only 12% of the total Vietnam budget.

The outcomes of the IBA project in Vietnam have also been more significant, which may be a catalyst for other companies to seek IBA-type support from SNV Vietnam on a cost-sharing basis. Based on this assessment and the much lower management costs in Vietnam, it may be worth extending the programme in Vietnam provided that some programme funding may be obtained from another donor to replace the MFA contribution.

Clearly, IBA Local is not financially sustainable in Mozambique, unless other donors are willing to provide the same kind of funding that MFA invested in the IBA project (53% of the total budget). This is not very likely considering that many donors have withdrawn from Mozambique (e.g. DANIDA) or are reducing their available budgets for the country. Moreover, the results (outcome and impact) that have been achieved in the 3-year programme do not justify investing such amounts of money without carrying out an in-depth assessment of what works and what does not and what impact has been reached.

If the project generates significant outcomes in terms of job creation, tax payments or other benefits for society, some level of donor or sponsor funding could potentially be justified. Unfortunately, that is definitely not the case for Mozambique and, as things stand now, not even for Vietnam. SNV Vietnam has decided to become a member of the newly created IBA Foundation, which entitles them to receive support from IBA Global and Online. They also have some funds left over from the IBA project, e.g. payments from donors like IFAD. If they use these funds wisely and carry out a strict selection of the companies they can support, this may still go a long way.

IBA Global & IBA Online

Taking the definition detailed above, the financial sustainability of IBA Global and IBA Online, based on the IBA approach used till end 2016, is even more questionable than that of IBA Local. As mentioned, for the IBA Global and Online activities (e.g. boot camps), co-funding was limited; 14% and 17% respectively. Although part of this funding came from the private sector (e.g. Siemens) most of it was donor funds. Based on this approach, the likelihood of becoming financially sustainable, generating 50% of commercial financing, can be considered unlikely.

Having said that, the fee-based network model that is proposed for the IBA activities started in 2017 as part of the newly set up IBA foundation, seems to have the potential to become financially sustainable. As proposed in the strategic plan³³ IBA expects to generate income from two different sources:

- Annual platform fee: IBA network partners (i.e. business support organisations including local hubs), a fee of €5000 a year (e.g. BopInc, MDF, Link, SEED, SNV, Endeva)
- IBA standardised service packages: € 5000 for IBA acceleration support, €10,000 for IBA training of Advisors, and €40,000 for IBA (online) boot camps
- Tailor made services, no specific value attached

Based on the aforementioned contributions, the expectation is that IBA will be able to generate €206,000 in 2017 and require an additional €190,000 (48%) from public funds. This is expected to increase to €604,000 and €160,000 (21%) from public funds in 2020. These budget amounts are far below the IBA overall expenditures of between €1.7-2.7 million a year. However, when only considering the IBA Global expenditures, which were about €300,000 a year (not taking into account over management and M&E expenditures), the new budget amounts are similar.

7.3 Future Sustainability

Becoming fully commercially sustainable is not realistic for an accelerator programme, even when supported SMEs share part of the cost for the advisory services. In many countries, particularly in Africa, SMEs are not willing or able to pay for capacity building services. Many SMEs are used to receiving business advisory services through the many available donor programmes for free³⁴. This was also the case for IBA Local in Mozambique. On the other hand, in Vietnam many companies were willing and able to provide a (small) contribution for the advisory services, but this did not cover more than 12% of the total cost of the programme. Moreover, based on the evaluation team's experience with other BDS providers and accelerator programmes in Africa³⁵, the vast majority of accelerator programmes rely either fully or partially on subsidies from donor organisations, family foundations, philanthropic capital and some private sector investments.

To help ensure future financial sustainability, the remainder of the MFA grant (around €150,000) was reserved for setting up the IBA foundation, with the aim of extending the number of network

³³ IBA Strategic Plan 2017-2020

³⁴ Based on Enclude experience from over 30 projects in supporting business, through training incubation and acceleration in Africa.

³⁵ Knowledge and database of accelerator programmes worldwide that Enclude developed for the 'InfoDev - lessons from venture acceleration project of accelerator programmes'. This database includes over 170 acceleration programmes in Sub-Saharan Africa only

partners to 10 in 2017. As mentioned above, the IBA foundation model uses a fee-based approach, generated from annual fees from network partners and incomes from advisory services (training workshops, boot camps). While the expected overall budget for IBA foundation activities is limited, especially in comparison to the IBA programme budget, it seems likely that this commercially-driven model will be sustainable. However, as BoPInc/IBA itself mentions in its Strategic Plan,³⁶ there is a risk of competition from other network organisations and IB platforms.

At the time the IBA project started, there was still ample donor money available in Mozambique, which is now no longer the case. However, the fact that SNV obtained funding from SIDA (the Swedish International Development Cooperation Agency) for an IBA-type project called Innovation Against Poverty (IAP) and focuses on Cambodia, Ethiopia and Zambia, suggests that there is still sufficient donor funding available for SNV to carry out similar projects elsewhere in the world.

Finally, as part of financial sustainability, IBA will need to be able to provide more proof that the programme activities have actually led to positive outcomes and impact. As explained in this report, that has not yet been sufficiently demonstrated by the IBA project that was implemented in Mozambique and Vietnam from January 2014 to June 2016.

³⁶ IBA Strategic Plan 2017-2020, November 18, 2016 (draft), page 25.

8 Conclusions

This chapter summarises the overall conclusions of the evaluation in terms of the effectiveness (8.1), relevance (8.2), efficiency (8.3) and financial sustainability (8.4) of the overall IBA programme.

8.1 Effectiveness

- *Did IBA achieve the intended results? If not, why not?*
- *Which unintended results have been achieved which are relevant to notice?*
- *To what extent did IBA make the right strategic decisions in terms of its effectiveness (doing the right things), in the view of the changing global IB sector and BOP markets?*
- *Is IBA on its way to become a recognised global player in the IB field, given its aim to become a hands-on one stop shop for IB support?*

Each IBA pillar has been reasonably effective at achieving the intended outputs. Numerous activities were implemented in each pillar that in general have been effective at output level and service market outcome level. The online system was set up and filled with content; trainers and consultants were trained; and local SNV staff supported local companies. However, some outputs did not lead to the expected outcomes: a number of targets regarding ‘collective impact initiatives’ were not met; in many cases the support provided to SMEs did not lead to direct outcomes in terms of jobs or sales growth; the number of investors registered on the website and the matches between companies and consultants on the website fell short of the target (or was not measured).

The overall effectiveness of IBA in terms of service market outcomes and impact was limited, in part due to missing links between the three pillars. The interaction between IBA Global and IBA Local was less effective due to the late implementation of the ToC workshops and the specific nature of the BDS provided for which the IBA Toolbox was not always relevant, in view of the specific nature of the BDS that was provided to SMEs in the IBA project. Training participants generally reported to have increased their knowledge and skills as a result of the training, and to have improved the quality and quantity of their IB advisory services, but this was only the case for a few of the local consultants that subsequently advised SMEs in Vietnam or Mozambique. The link between IBA Online and IBA Local was also missing, as there were virtually no matches between local SMEs and impact investors registered on the online platform.

The lower-than-expected effectiveness at outcome and impact level results in part from strategic decisions. First, the targets were likely too ambitious, which may have led to a relaxation of selection criteria (e.g., output targets may have been achieved at the expense of outcome targets). Second, the choice of countries may not have been the most appropriate. While Mozambique had the advantage that there were a lot of other sources of co-financing, it is a challenging environment for private sector support programmes. This made it difficult for SNV to identify sufficient SMEs that met the selection criteria, had growth potential, and could financially contribute to the programme.

In addition, external factors contributed to lower-than-expected outcomes in both countries. For Mozambique, the main external factor that affected outcomes is that the country was hit by a severe economic crisis in 2015. This led to a substantial devaluation of the national currency and a serious loss of purchasing power, which affected the entire private sector and in particular SMEs. For Vietnam, an important external factor was the cancellation of the Vietnam Inclusive Innovation Project (VIIP). This led to lower outcomes, as at least 10 companies had received IBA support specifically to develop a project proposal for this VIIP fund. This had repercussions on several outcome indicators, including jobs and sales growth as well investments. Finally, SNV and local BDS providers in both Vietnam and Mozambique sometimes could not find the required expertise in a specific sector or with regard to the specific support that was required. In some cases, foreign experts were asked to assist, but this was not always successful.

Another limiting factor is the low ‘additionality’ of IBA with respect to what was already available in the market. In both Mozambique and Vietnam, the IBA funding allowed SNV to continue and strengthen certain activities that they had already initiated before the IBA programme started. While this strategy mitigated the risk of failure by staying on familiar terrain, it also reduced the additionality of the programme. Particularly in Mozambique, the focus on IB and BoP was not that different from the support that SNV and other development agencies (such as GiZ, IFAD, SEED and Technoserve) were already offering when IBA was created. Perhaps the main difference for SNV was the exclusive focus on private companies, but that is precisely where they faced challenges in Mozambique. Additionality was also limited in the case of Vietnam, as most of the ‘innovative’ companies the programme worked with also received support from other development agencies (DFID, GiZ, ECC). As a result, it is difficult to attribute the already limited outcomes exclusively to IBA.

While the goal of becoming a hands-on ‘one stop shop’ for IB support was not achieved, IBA still made steps towards becoming a recognised global player in the IB field. Both BoPInc and SNV were able to place themselves strategically in the IB space; BoPInc through their collective agenda setting activities, and SNV through their training workshops and support for local companies. Awareness of the importance of an Inclusive Business strategy was raised both in the private and the public sector, and in particular among BDS providers.

8.2 Relevance

- *To what extent are activities and results of IBA satisfying the needs and wishes of the target groups? (Local BDS advisors, Investors, local SMEs)*
- *To what extent does IBA have impact at the level of end-beneficiaries (BOP consumers/producers)?*
- *To what extent does IBA have the potential to have impact at the level of end-beneficiaries (BOP consumers/producers)?*
- *To what extent are the activities and results satisfying the needs and wishes of the direct stakeholder groups? (MFA; Partners who have contributed to the IBA6; Other stakeholders in the IB sector.)*
- *To what extent is IBA relevant (reason of being), in influencing the global IB sector and BOP markets?*

The IBA programme did not fully address the needs of all target groups. For local BDS advisors, the IB toolkit training offered by IBA Global was considered valuable but did not always

address what was needed locally. For investors and local SMEs, IBA Online did not (yet) fulfil its goal of matching the two parties. However, it is often necessary to create awareness first in order to generate a demand for the services on offer, so this may still take time to materialise. In order to generate sufficient interest, IBA Global first had to develop the IB toolkits, IBA Online had to develop the online platform, and IBA Local had to invest considerable effort and resources into seminars and training events, especially in the first two years of the project. Based on the field research, this has been more successful in Vietnam, as illustrated by the fact that over half of the supported SMEs in Vietnam contributed a significant part of the BDS cost, suggesting that the BDS is at least addressing their needs to some extent.

In terms of impact at BoP level, the relevance of IBA appears to have been limited or unknown. Given the low quality of the M&E data collected at BoP outcome and impact level, it is difficult to assess to what extent IBA outcomes have in fact translated into impact at the level of end-beneficiaries (BoP consumers and producers). It is still too early to be able to measure the impact at the BoP level, as this usually takes time to materialise. However, in view of the lack of reliable baseline data, it is doubtful that it will be possible to measure this impact at all.

There is, however, certainly potential to have an impact at the level of end-beneficiaries. Many participants in the IB training increased their IB knowledge and improved their IB advisory services, which may generate impact at the BoP level. There were also several companies that managed to obtain grants or improved their BoP focus as a result of the advice provided by IBA consultants. In most cases, the observed ‘impact’ was the result of activities at the IBA Local level, and cannot be attributed to IBA Global or IBA Online. Even in the cases where the consultants had been trained by BoPInc, the BDS they provided to SMEs did not make much use of the IB Toolkit developed by BoPInc, calling into question the relevance of this toolkit.

Finally, it is likely that IBA has had a positive impact on the global IB sector. Interviews and desk research revealed a number of examples that suggest that IBA was successful in raising awareness of the importance of an IB strategy both in the private and public sector, both globally and specifically in the target countries of Vietnam and Mozambique. This is also reflected in the many IB partnerships and increased network that BoPInc has generated and the follow-up IB projects that BoPInc was able to secure in developing countries.

As a result of the IBA programme, both BopInc and SNV were able to raise their profile in the IB domain, while establishing sustainable relationships with other important players in the field, such as DFID, GiZ, IFAD and SEED. As such, the IBA programme contributed significantly to raising the awareness of the importance of an IB/BoP focus. It also led to the involvement of BopInc and SNV in the second phase of the Innovations Against Poverty programme (funded by SIDA), which from the BopInc and SNV perspective can be seen as a follow-up project to IBA.³⁷

³⁷ The IAP is a matching grant programme to facilitate innovative private sector solutions to environmental and social issues in Cambodia, Ethiopia, Uganda and Zambia, focusing on the Agro, Energy, ICT and WASH sectors. The second phase was launched in 2016. (See: <https://iba.ventures/iap>)

8.3 Efficiency

- *To what extent have the results been achieved in an efficient manner?*
- *To what extent have core activities in the three IBA pillars been cost-effective?*
- *To what extent was IBA overall management carried out in an efficient manner?*
- *Has IBA executed its activities for the three pillars in the most efficient way compared to alternatives?*
- *To what extent has IBA been efficient in terms of “smart cooperation”; leveraging activities and assets with like-minded partners and programmes?*

IBA Online seems to have been the most efficient (cost-effective) pillar, while IBA Local appears to have been the least cost-effective, also when compared with other similar programmes. IBA Local activities were relatively expensive in terms of the number of SMEs that were supported. If we include all the costs at this level, the cost per supported company was around €55,000; even if we only include the costs that relate directly to this support, excluding management costs, it was still about €28,000 per supported company.

However, it should be pointed out that the most significant outcomes were also obtained at the local level. Moreover, in Vietnam, nearly all the companies that were supported, contributed significantly to covering the costs of the BDS, which improved the cost-effectiveness. Without a better estimate of the final impact of IBA Local, it is impossible to make a final assessment of the ‘value for money’ of the IBA programme vis-à-vis other programmes.

At the overall management level, IBA has generally been efficient, but the coordination between the three pillars and between the two SNV offices was insufficient. As mentioned, there was a lack of interaction and synergy between the three pillars, in particular between IBA Local and the other two pillars. More interaction may not only have contributed to better outcomes but could also have led to higher cost-effectiveness.

IBA efficiency was better in terms of “smart cooperation”; leveraging activities and assets with like-minded partners and programmes. IBA was quite successful in cooperating with other stakeholders, both at the global and at the local level. For instance, the IB toolkit was developed by BoPInc in close cooperation with SEED and SNV, among others. At the local level, there was a lot of cooperation with other stakeholders both for training and consulting purposes, as well as for securing the required co-funding and identifying companies to be supported.

8.4 Financial Sustainability

- *To what extent is IBA Local financially sustainable (based on the local business plans of May 2014)?*
- *To what extent has the current IBA local model the potential to become fully financially sustainable (commercially driven)?*
- *To what extent has IBA been able to leverage co-funding from other stakeholders and partners?*
- *To what extent is IBA financially sustainable, regarding the IBA Global and Online? a.o IBA foundation and network model?*
- *What should IBA do (what kind of business model) to become financially sustainable after 2017?*

While not entirely achieving the overall co-funding target of 33%, the IBA programme in general (and specifically, SNV Mozambique) performed rather well in attracting co-funding sources for different activities. Co-funding for the IBA Global and Online activities was limited to 14% and 17% respectively, and most of this came from donor funds rather than commercial sources. Co-funding for IBA local was 39% for Mozambique and Vietnam together. The largest share of co-funding came from Mozambique (53% of the total expenditures in Mozambique and 72% of the total co-funding attracted by IBA Local), whereas in Vietnam only 23% of the total expenditures came from other sources.

Interestingly, more than half (52%) of the co-funding for IBA activities in Vietnam came from contributions by the supported SMEs themselves, whereas hardly any contributions were received from supported SMEs in Mozambique. This suggests that the programme is likely more sustainable in Vietnam than in Mozambique. While it was easier to access donor funds in Mozambique during the project implementation phase, this has become more difficult recently. Moreover, (nearly) complete dependence on donor funding is not sustainable in the long run.

While complete financial sustainability will not be possible, achieving 50% co-funding from non-donor sources may be feasible. Even partial financial sustainability, defined as 50% funding from client fees, will be difficult to achieve. What may be more realistic is to eventually cover 50% of the budget from non-donor sources, which could include own revenues, private sector support, and contributions from clients/members. Defined in this sense, the fee-based network model that is proposed for the new IBA foundation may have the potential to become financially sustainable, although that is not likely to be the case in Mozambique.

9 Lessons learned

This section draws three sets of lessons learned from the evaluation: (1) Ensure coordination between pillars; (2) select beneficiary countries carefully, and (3) set clear and realistic targets.

9.1 Ensure coordination between pillars

Perhaps the most important lesson learned from this evaluation is that, when different implementing organisations of a programme do not cooperate sufficiently, important synergies are lost. IBA was a very ambitious programme in which several new actors in the development sector (BopInc and VC4A) joined forces with organisations with a long track record (SNV and Nyenrode). This by itself was innovative, but at the same time challenging. Organisations with a completely different culture, staff composition and core activities need time to get used to each other and build synergies between their activities, particularly when a new type of programme like IBA is piloted.

While each pillar on its own was able to produce important results, the coordination between pillars was clearly suboptimal. Initially there was a lot of interaction between BopInc and SNV, but gradually each organisation increasingly focused on its own activities: SNV on IBA Local and BopInc on the other two pillars. From that moment onward, the main link between SNV and BopInc was the Inclusive Business Toolbox, which BopInc developed, mainly based on material from SEED. This took longer than expected and by the time the Training of Consultants (ToC) workshops were held in Mozambique and Vietnam, the programme was already well under way and several BDS assignments had already been allocated to consultants. The toolkits could therefore not be used by these consultants.

Moreover, the specific nature of the BDS that was required to support the local enterprises resulted in the IB Toolbox not being so relevant in most cases. As a result, even though ToC participants were overall pleased with the training they received, the training in practice did not prove to be very useful in Mozambique and Vietnam. This may have been one reason why the link between BopInc's role and SNV's role in IBA gradually seem to have loosened.

To some extent this was unavoidable, as SNV also needed to generate co-funding both from BDS beneficiaries (mainly in Vietnam) and from other donors (mainly in Mozambique). This had a significant impact on the kind of BDS that was provided, e.g. preparing business plans for IFAD funding.

With hindsight, more involvement of IBA Local in the other two pillars could have improved the effectiveness of the programme. First, more involvement of SNV in the development of the IB Toolbox by IBA Global could have helped to make it more relevant for local consultants and could have strengthened the impact on inclusive business (especially at the level of goods and services provided to BoP markets). Second, more interaction between IBA Local and IBA Online would have allowed SMEs to benefit more from synergies between these pillars.

9.2 Select beneficiary countries carefully

A second lesson learned is that beneficiary countries should be selected more carefully in future programmes.

Initially, the IBA programme was supposed to focus on three countries: Mozambique, Uganda and Vietnam. It is not quite clear why those countries were chosen, except for the fact that SNV was already present in all three countries and BopInc also had had some experience in all of them. Later Uganda was dropped and only Mozambique and Vietnam were left. Despite both having a communist legacy, these two countries are at very different stages of development and, in particular, the private sector in Vietnam is much more developed than in Mozambique. Therefore, applying the same selection criteria in Mozambique in terms of innovativeness, growth potential and cost-sharing quickly proved unrealistic. As a result, IBA Local was naturally less successful in Mozambique than in Vietnam in terms of outcomes reached. If Uganda had been chosen instead of Mozambique, effectiveness would have likely increased.

Nevertheless, the experience of working with two very different countries in terms of private sector development provides us with useful lessons learned. Based on this experience, we can identify certain minimum criteria that need to be taken into account when selecting a target group for a PSD programme with a strong matching grant component. A non-exhaustive list of such selection criteria includes the following:

- An enabling environment for private sector development, including e.g., not too rigid bureaucratic procedures and favourable tax policies for innovative investments.
- Sufficient market demand for innovative private companies.
- Political stability and limits to political interference in the private sector.
- Sufficiently developed entrepreneurial culture.

9.3 Set clear and realistic targets

Many of the quantitative targets set by IBA were too ambitious. For instance, given that it was already difficult to meet the target of supporting 70 companies in Mozambique and Vietnam, it was not realistic to expect that all of them would create jobs and that 45 of them would report annual growth during the IBA contract period. With hindsight, this was particularly unrealistic in a country like Mozambique where private sector development is still in its early stages. It is hardly surprising, therefore, that not all expected outcomes were achieved.

There are several lessons learned in this regard:

- First, defining more realistic and less ambitious targets can in fact help to improve effectiveness, as it allows for stricter application of selection criteria when selecting beneficiaries. In other words, there is a trade-off between quantity and quality.
- Second, indicators should be clearly measurable. This is not the case for targets such as “70,000 BoP people with increased access to nutritious food and/or basic services”, where the terms ‘BoP’, ‘access’, ‘nutritious food’, and ‘basic services’ are all not clearly defined, and where it would be impractical to conduct a survey to determine whether the 70,000 mark was met.

- Third, when defining indicators and targets, one should be very clear in specifying whether or not the definition refers to ‘attributed results’ or merely ‘results’. For example, the targets set for job creation seemed to have in mind ‘jobs created by the programme’ but in many cases where SNV reported job creation, this was simply total job creation that could not (or only partially) be attributed to the specific support that the company had received from SNV. In terms of monitoring data it is generally easier to measure ‘unattributed’ outcomes (e.g., total increases in jobs, sales, etc.) rather than ask beneficiaries themselves to assess whether the change was ‘due to’ the programme. Determining the extent to which observed changes can be attributed to an intervention is best done by an independent evaluator, in the context of a quantitative or qualitative evaluation (in the context of which beneficiaries could of course still be asked for their views on attribution).
- Finally, if an indicator turns out to be impossible to measure or a target appears to be impossible to achieve, it is preferable to explicitly acknowledge this instead of redefining or deleting the indicator, let alone providing unverifiable estimates based on assumptions. Particularly at a late stage of a programme, it is generally more transparent to explain ex post why an indicator could not be achieved or could not be properly measured.

Sources

Topic	Document name	Assessment	description
Annual reports & plans	170425 assurance report project Inclusive Business Accelerator 2016 nr 26370	qualitative	Assurance-rapport
Annual reports & plans	170425 financial report project Inclusive Business Accelerator 2016 signed nr 26370	qualitative	Accountant declaration
Annual reports & plans	annual plan IBA 2015 30112014 FV	qualitative	Annual Plan 2015
Annual reports & plans	Annual Report IBA2015	qualitative	Annual progress report 2015
Annual reports & plans	annualreportIBA2014-designed29.04.2015-NC.docx	qualitative	Annual progress report 2015
Annual reports & plans	AnnualreportIBA2016_final	qualitative	Annual report 2016
Annual reports & plans	IBA Annual plan 2016 FV	qualitative	Annual plan 2016
Annual reports & plans	IBA Strategic Plan 2017 -Paul	qualitative	Strategic plan 2017-2020
Budget	170414 consolidated report consortium IBA 2016 based on budget 01-12-2015 (1)	qualitative	Budget final report 2016
Budget	IBA budget 24072014FV	quantitative	Budget 2014
M&E --> Forms data collection	Company Form 1 - Interest in IBA	qualitative	form 1 for companies
M&E --> Forms data collection	Company Form 2 - Registration for the IBA	qualitative	form 2 for companies
M&E --> Forms data collection	Company Form 3 - Quarterly Progress Form IBA	qualitative	form 3 for companies
M&E --> Forms data collection	Company Form 5 - Leaving the IBA	qualitative	form 5 for companies
M&E --> Forms data collection	Evaluation form IBA Local Training course (Responses) (1)	qualitative	Participant evaluation IBA toolkit training
M&E --> Forms data collection	Evaluation Forms TOCs summary 2015-2016	qualitative	Summary of training evaluations
M&E --> Forms data collection	IBA - testimonials and success stories.pptx	qualitative	IBA testimonials and success stories

M&E --> Forms data collection	IBA - testimonials bootcamp participants	qualitative	Bootcamp Participants Feedback
M&E --> Forms data collection	Intervention Evaluation Form	qualitative	Intervention Evaluation Form
M&E--> Indicators & monitoring data	170124 IBA VN Indicators 2015-2016	quantitative	M&E data on Vietnam
M&E--> Indicators & monitoring data	17016 Data collection ME IBA Q4 2016 IBA Local Vietnam - Completed	qualitative	M&E data Vietnam per quarter
M&E--> Indicators & monitoring data	Copy of Company Form 2 - Registration for the IBA (Responses) 5 april	quantitative	Responses company form 5
M&E--> Indicators & monitoring data	Copy of Company Form 5 - Leaving the IBA (Responses) 5 april	quantitative	Responses company form 2
M&E--> Indicators & monitoring data	Data Collection - IB Online - Q4 2016 (VC4Africa) - Completed	qualitative	M&E data IBA Online per quarter
M&E--> Indicators & monitoring data	Data collection ME IBA Q4 2016 Global - Completed	qualitative	M&E data global per quarter
M&E--> Indicators & monitoring data	Data collection ME Q4 2016 IB Local Mozambique Completed	qualitative	M&E data Mozambique per quarter
M&E--> Indicators & monitoring data	IBA General Impact Table 2014-2016 FINAL mozambique	quantitative	M&E data Mozambique 2014-2016
M&E--> Indicators & monitoring data	IBA General Impact Table 2016 FINAL GR180417	quantitative	Company info & indicator list Vietnam & Mozambique
M&E--> Indicators & monitoring data	IBA General Impact Table Vietnam Phat	quantitative	Company info & indicator list Vietnam
M&E--> Indicators & monitoring data	IBA indicators progress list 2016	quantitative	Indicator progress list 2016, in PDF
M&E--> Indicators & monitoring data	IBA indicators progress list 2016- shared march 20 2017 with calculations.xlsx	quantitative	Indicator progress list 2016, completed
M&E--> Indicators & monitoring data	IBA indicators progress list 2016_1	qualitative	Company info Vietnam, in PDF
M&E--> Indicators & monitoring data	IBA new indicators list 2016	quantitative	Indicator list with new and old indicators, PDF
M&E--> Indicators & monitoring data	IBA progress 2015 on original indicators	quantitative	Indicator list 2015
M&E--> Indicators & monitoring data	Management dashboard Q4 2016 (1) (1)	quantitative	Management dashboard 2016 - not updated

M&E--> Indicators & monitoring data	Management dashboard Q4 2016 Updated	quantitative	Management dashboard 2016
M&E--> Indicators & monitoring data	ManualfortheIBAManagementDashboardv5January2015_mh.docx	quantitative	Guide for Monitoring & Evaluation as a foundation for the IBA Management Dashboard
M&E--> Surveys IBA bootcamps	Surveys IBA bootcamps	qualitative	Docs on responses to surveys among IBA bootcamps
Original proposal docs	IB Accelerator proposal- Approved	qualitative	original plan of IBA
Original proposal docs	IB global guidelines concept_forDCED_24052016	qualitative	Global Guidelines for Inclusive Business Development Service (IBDS)
Original proposal docs	MINBUZA-2014.89895 bemo 16-12-2013 (26066)(2)	qualitative	Policy memo on IBA from MFA
Other & future activities	Trace Verified_Impact Framework_VF	quantitative	impact evaluation of Trace Verified
Other & future activities	TraceVerified_Data CollectionPlan_VF	qualitative	Trace Verified Data Collection Plan
Other & future activities	TraceVerified_Impact Summary_VF	qualitative	Trace Verified Impact Report
Other & future activities	Reporting 2013 - Activities - 3P4PPI-final	qualitative	Three pilots on market driven pro poor innovation
Portfolio data	Activities IBA 2014-2016	qualitative	Overview of IBA activities per pillar
Portfolio data	IBA Moz list of companies and BDS - GR240417	qualitative	Company info Mozambique
Portfolio data	IBA VN BDS Providers	qualitative	Company info Vietnam
Portfolio data	List of Trained advisors IBA	qualitative	List of training workshops & participants
Portfolio data	Trained advisors IBA	qualitative	List of training workshops & participants
Toolkit & training	training slides IB toolkit	qualitative	Training slides IB Toolkit
Toolkit & training	training slides II	qualitative	Training slides IB Toolkit

Appendix A Full Indicator List

Indicator nr.	Result level	Pillar	Indicator	Achieved?	Target	Total December 2016	Risks/notes
1	BoP Impact	Local	40.000 BOP people (F/M) with increased income, since registered with IBA	✓	40.000	89.016	Definition and calculation questionable: How are these people counted, when are they considered to have 'increased income'? Values based on SNV estimations Might be impossible to assess income increase due to lack of information on (number of) customers
2	BoP Impact	Online	BOP consumers saved money due to innovation	X✓	100.000		Changed indicator into qualitative measurement, so no data (only 'qualitative')
3	BoP Impact	Local	70.000 BOP people (F/M) with increased access to nutritious food and/or basic services, since registered with IBA	X	70.000	74.329 (actually 63.001)	Definition and calculation questionable: How are these people counted, when are they considered to have 'increased access'? Values based on SNV estimations Might be impossible to assess income increase due to lack of information on (number of) customers Error in data! Moz table says: 22.273
4	Sector impact	Global	# \$ invested in inclusive innovation with private resources	X✓			indicator deleted; no data
5	Sector impact	Global	# ventures replicating inclusive innovation models	X✓			indicator deleted; no data
6	Sector impact	Global	# inclusive public policies, regulations and actions	X✓			indicator deleted; no data
7	Outcome	Local	40.000 BOP producers (F/M) have seen increased productivity since IBA registration	✓	40.000	54.639	Definition and calculation questionable: How are these producers counted, when are they considered to have 'increased productivity'? Values based on SNV estimations
8	Outcome	Local	12.000 female producers have seen increased productivity since IBA registration	✓	12.000	20.904 (actually 19.433)	Definition and calculation questionable: How are these producers counted, when are they considered to have 'increased productivity'? Values based on SNV estimations
9	Outcome	Local	Local BOP consumer markets needs are matched by 5 "new" products (developed or adjusted), during IBA local contracts.	✓	5	9	Definition and calculation questionable: How is 'new product' defined and when is it considered 'as a result of IBA'? Values based on SNV estimations No data on Vietnam
10	Outcome	Local	Local BOP consumer markets needs are matched by 10 "new" services (developed or adjusted), during IBA local contracts.	✓	10	29	Definition and calculation questionable: How is 'new services' defined and when is it considered 'as a result of IBA'? Values based on SNV estimations No data on Vietnam
11	Outcome	Global	Consumer satisfaction on new product or service	X✓	no target		Indicator changed Definition and calculation questionable: How is this defined and can we validate this? No target, no data for Mozambique, data on Vietnam based on estimations SNV
12	Outcome	Global	100% of paying BOP consumers (F/M) for the innovation product/service	X✓			indicator deleted reason: all companies have paying customers
13	Outcome	Local	70 locally supported companies show creation of new jobs due to business developments during IBA contract period	X	70	53	Definition and calculation questionable: When is a company counted as having 'created new jobs'? Values based on SNV estimations. Conflicting numbers on number of companies that really participated in IBA No data on Vietnam
14	Outcome	Local	Number of Jobs created under IBA contract period	X✓	?	4336	Definition and calculation questionable: how is the number of jobs calculated? Values based on SNV estimations No target

Indicator nr.	Result level	Pillar	Indicator	Achieved?	Target	Total December 2016	Risks/notes
15	Outcome	Local	70 locally supported companies increased access to basic goods and services under IBA contract period	✗	70	66	Definition and calculation unclear: When is a company counted as 'increased access to basic goods and services'? Values based on SNV estimations No data on Vietnam
16	Outcome	Local	45 locally supported SMEs report annual growth due to sales expansion during IBA contract period	✓	45	55	Definition and calculation unclear: When is a company counted as 'sales growth'? Values based on SNV estimations No data on Vietnam
17	Output	Global	12 IBA activities where international business have benefitted from IBA services in their IB ambition.	✓	12	21 (actually 22)	Indicator changed because target not met Definition and calculation questionable Values based on SNV estimations Error in add-up, 12+10=22 No data on Vietnam
18	Output	Global	10 international businesses providing innovative products / services to the BoP	✗✓			indicator deleted, reason: SME focus no data
19	Output	Global	10 inclusive business initiatives in Vietnam and Mozambique.	✗			indicator deleted, reason: not achievable
20	Output	Global	IBA participation in 3 multi stakeholder collaborations for systemic change, creating an IB enabling environment with Globally influential partners	✓	3	6	Definition and calculation questionable: Unclear what 'multi-stakeholder collaborations are' and when it is 'creating an IB enabling environment with Globally influential partners' Indicator changed: downgraded to 'IBA participation'
21	Output	Global	6 impact investors involved in multi stakeholder collaborations	✗✓	6		indicator deleted, reason: not achievable no data
22	Output	Global	5 IBA activities sponsored by Private sector (=receiving direct funding from PS partner)	✓	5	7	indicator changed from '30%' to '5'
23	Output	Global	5 IBA activity (bootcamp, webinar, event, training, lobby, etc) that have clear focus on gender.	✓	5	7	
24	Output	local	IBA local hubs supported # business cases through direct contracting	✓	70	93	Definition and calculation unclear: when is a company considered as being 'supported' by IBA? Indicator changed: Target changed to 200 online companies and 70 local companies. Target for at least 20 Dutch companies dropped. Values based on SNV estimations No data on Vietnam
25	Output	online	IBA ventures published online and linked to other communities and bootcamps	✓	200	276	
26	Output	Global	3 collective impact initiatives started by IBA and at least 2 more parties, to collaborate and activate on mutual ambition at local or Global levels	✓	3	20	Definition unclear: What is a 'collective impact initiative'?
27	Output	Global	5 finance proposals submitted involving IBA, based on partnerships between public and private partners actors	✓	5	17	Indicator changed: word 'successfully' removed. Definition unclear
28	Output	local	IBA local hubs supported at least 10 companies (out of 70) where women are owners	✗	10	7	Definition and calculation questionable: When is a company considered 'women owned'? Values based on SNV estimations No data on Vietnam Target not met
29	Output	local	140 women hold mgt positions in 70 companies supported by local hubs	✓	140	1319	Definition and calculation questionable: When is a position considered a 'management position'? Values based on SNV estimations Biospring (Vn) claims to have 1100 women in management position?
30	Output	online	% of online ventures that are female owned	✗✓	30%	79	Definition unclear. 79/276 companies = 29% = 97% of target
31	Output	online	25% of IBA online registered ventures that use IBA online for fundraising	✓	25%	74	Definition unclear: what is 'used for fundraising'? 74/276 companies = 27% = 107% of target

Indicator nr.	Result level	Pillar	Indicator	Achieved?	Target	Total December 2016	Risks/notes
32	Output	local	20 locally registered companies upgraded for investment	✓	20	58	Definition and calculation questionable No data on Vietnam
33	Output	local	30 locally supported SME's finance proposals send to funders	✗	30	27	Indicator changed: From 'SMEs investment ready' to 'finance proposal sent' No data on Vietnam Target not met
34	Output	Global	Validated Inclusive Innovation assessment Tool	✗✓	?		indicator deleted, reason: overlap with other indicators no data
35	Output	Global	IBA network expanded to 5 countries based on clear value proposition from IBA	✓	5	5	Definition and calculation unclear: when does 'expand' count?
36	Output	Global	Opportunity data base (playbook) available for local BDS services and IBA network partners	✗			Not yet in place, target not met
37	Output	Global	online market place for IB advisory services available	✓	1	1	
38	Output	Global	# of studies developed under IBA	✗✓	?	6 (actually 7)	No target Vn 3, Moz 1, Global 3 = 7 in total
39	Output	Global	2 comprehensive, stateofheart "generic" IBA tool packages" available	✓	2	2	
40	Output	Global	1 training package available for toolkit training	✓	1	1	
41	Output	Global	# IBA trainers operational delivering training to interested BD advisors in multiple countries	✗✓	?	15 (actually 12)	Definition and calculation unclear: when can someone be counted as an 'IBA trainer' that is 'operational'? 12 trainers in trainer list, some trainers were participants in trainings earlier no target
42	Output	Global	Proven tools for impact evaluations promoted through IBA	✗	?		Target not met, 'too challenging for locally supported companies'
43	Output	Global	# of capacity development activities on social Impact evaluation carried out	✓	4	8	Definition and calculation unclear 'in total 8 activities carried out that touched content of social impact evaluation': what does this mean?
44	Output	Global	IBA advisor online support and certification system in place	✓	1	1	
45	Output	Global	Monitoring and feedback mechanism in place for IBA advisors using toolkits.	✓	1	1	
46	Output	Global	Staff of all parties that cocreated in development of IBA toolkits have been trained	✓	1	1	Indicator changed: from all staff to staff that cocreated.
47	Output	Global	8 trained business advisors using IBA tools	✓	8	127	Data source unclear In interviews reference was made to 64 consultants
48	Output	Global	2 Local IBA Hubs operational under IBA brand	✓	2	2	
49	Output	Global	2 local Hubs have raised additional funding using IBA brand and services, reached financial independence by 2016 based on submitted business plans for MoZ and VN.	✓	2	2	SNV Vietnam and Mozambique are counted, did the local hubs reach financial independence?
50	Output	Global	2 Local hubs have been able to use IBA to attract new funding (% of total local IBA program value) for TA/BDS services	✓	2	2	Both SNVs are counted, but did the local hubs attract additional funding? Data source unclear
51	Output	Global	6 newly developed service packages delivered against local market rate	✗✓	6		indicator deleted, reason: overlap with other indicators no data

Indicator nr.	Result level	Pillar	Indicator	Achieved?	Target	Total December 2016	Risks/notes
52	Output	Global	25% of IBSO revenue from paid services	X✓	0		indicator deleted: why?
53	Output	online	1200 monthly unique visitors to the website	✓	1200	13612	Are the numbers in the dashboard cumulative?
54	Output	online	# IBA market information docs published, target 5 publications	✓	5	17	Definition of 'market information docs' unclear
55	Output	online	20% of visitors viewed market information docs	✓	20%	24%	
56	Output	online	3 online challenges carried out	X	3	2	What is meant with an 'online challenge'? If it was carried out, what was the result of it? Target not met
57	Output	online	190 ventures publishing their online profile	✓	190	276	What is the difference with indicator 25, between 'published online' and 'publishing an online profile'?
58	Output	online	1900 members registered online	✓	1900	5128	19,000 or 1,900?
59	Output	online	19 business plans checked for quality, before published for online fundraising	✓	19	74	
60	Output	online	100 members of IBA online participated in IBA bootcamps	✓	100	1609	
61	Output	Online	120 coaches successfully matched to private companies (same indicator overall IB Accelerator)	X			Indicator deleted because "results were limited" (Annual report 2016) This seems an important indicator: how many times was a company actually matched to a business advisor?
62	Output	online	30 online introductions made between IBA ventures and investors,	X	30	35	Indicator changed because "results were limited" (Annual report 2016) Indicator changed from 'matches' to 'introductions': a sign that matches weren't made?
63	Output	online	50 investors registered on IBA online	X	50	52 (actually 42)	Number is actually 42 (left in Dec 2016). Target not met
64	Output	Global	Future business case for IBA 2017 is based on yearly 50% increase income from market based activities	✓	50%	100%	
65	Output	Global	Transparent pricing strategy in place based on value proposition of IBA 20172020	✓	1	1	
66	Output	Global	Future business case for IBA 2017 is based on 3 different revenues streams	✓	3	4	
67	Output	Global	Interest shown by 3 potential new IBA network partners	X✓	3	6	IBA reports that 6 potential partners are interested
68	Output	online	Annually increase of number of users/registrations online (# ventures, # advisors, # investors) as from 2014	✓	increase	increase	
69	Output	Global	At the end of program period, IBA is institutionalized into an independent foundation, with agreed collaborative governance model	✓	1	1	
70	Output	Global	An agreed and mutually defined strategy and theory of change in place for IBA foundation 20172020	✓	1	1	

Source: SEO Amsterdam Economics, based on IBA M&E data.

IBA Local indicators

Indicator 1. Increased income for BoP people

The concepts of ‘BOP people’ and ‘increased income’ are not clearly defined. IBA does not appear to have provided a definition to SNV. However, SNV Mozambique inserted comments in some places, from which we can see how they estimated the number of ‘BOP people with increased incomes’ for some projects. For example, they claim 830 BoP people for the company ‘IKK, EI’, for which they note that “according to business plan projections from 2015, IKK intends to sell 165 solar home systems in 2016.” This suggests that (1) these numbers are based on projections instead of actual sold solar systems; (2) 165 solar systems are considered to correspond to increased incomes of 830 BoP people, which seems high. One company only, Sogepal, accounts for 31,824 BoP people with increased incomes, which seems very high as well.

For SNV Vietnam, no further background information is available. It is therefore not possible to validate how they arrived at the estimated number of ‘BOP people with increased income’.

Indicator 3. Number of BoP people with increased access to nutritious food and/or basic services, since IBA registration

The concepts of ‘BOP people’, ‘increased access’, ‘nutritious food’ and ‘basic services’ are not clearly defined by IBA, and it is not clear how SNV has defined it. Moreover, the indicator says ‘since IBA registration’, but according to our knowledge, BoP people (consumers?) are not explicitly registered at IBA.

There is a mistake in the overview table of IBA: here, Mozambique numbers are calculated based on Vietnam numbers. It is assumed that Mozambique numbers are proportional to Vietnam numbers (corrected for the number of projects). However, SNV Mozambique did provide an estimate, which is 22,273 instead of 33,601. Using this estimate, the total is 63,001 and the target for the number of BOP people reached is not met.

SNV Mozambique has reported exactly the same numbers of ‘BOP people’ as for indicator 1, except for 2 companies. This seems awkward because in theory, the number of BoP people with increased incomes does not need to be the same as the number of BoP people with increased access to nutritious food and/or basic services.

SNV Vietnam has sometimes also reported exactly the same number of BOP people as for indicator 1 per company, but in most cases indicator 3 is less than indicator 1. It does not become clear why this is the case. One comment gives more information: “Assumption: of 7,500 users, 10% are low income learners”. From this comment we learn that that (1) this estimate is based on an ad hoc simplifying assumption, and (2) ‘BoP people’ is interpreted as ‘low income learners’.

Indicator 7. 40,000 of BOP producers (F/M) which have seen increased productivity since IBA registration

The concepts of ‘BOP producer’ and ‘increased productivity’ are not clearly defined by IBA. Moreover, the indicator says ‘since IBA registration’, but according to our knowledge, BoP

producers are not explicitly registered at IBA. Probably what is meant is IBA registration of the companies for which these BoP producers serve as suppliers.

Both SNV Vietnam and SNV Mozambique claim high numbers of reached producers, together accounting for almost 55,000 producers. SNV Vietnam defines this indicator as “# of Low Income Producers with production volume increase and quality improvement” but it is not clear whether SNV Mozambique uses the same definition (and even then, the concepts of ‘production volume’ and ‘quality improvement’ are not clearly defined). Especially the Vietnamese companies ‘Biospring’ and ‘MTX’ claim high numbers of BOP producers: Biospring claims 14,300 in 2015 and 12,508 in 2016, while MTX claims 10,000 in 2015 and 3600 in 2016. SNV Vietnam did correct for the part of the year in which companies joined IBA, by multiplying the numbers with the part of the year the company joined IBA. Mozambique reports numbers in a range of 1 or 3 producers per company for certain companies, and 3,600 for Olam.

Indicator 8. 12.000 female producers have seen increased productivity since IBA registration

The definition of increased productivity for female producers is as unclear as for indicator 7, the difference being that this indicator indicates female producers only. SNV Mozambique claims almost 3,800 female producers with increased productivity, while SNV Vietnam claims almost 19,000. SNV Vietnam bases this on the estimated overall percentage of female producers, which was 52% in 2015 and 42% in 2016. There is, however, a calculation error in this way of calculating, not taking into account the fact that different companies have a different number of employees. To explain, an example of the calculation is given in the table below for Vietnam for the year 2016. SNV has taken the total number of producers (19,500) and multiplied this by the average percentage of female producers (42%), which results in 8,218 female producers. However, when the number of female producers is calculated per company, the total is much lower, 6,909 female producers. When calculated like this, the total number of female producers comes down to 19,733 (instead of 20,904).

Table A. 1 Example to illustrate the difference in weighted and unweighted averages

	Company 1	Company 2	Company 3	Company 4	Company 5	Company 6	Company 7	Company 8	Company 9	Company 10	Total / average
# suppliers	106	59	257	188	700	1.500	200	12.508	3.600	378	19,500
% female	50%	90%	70%	30%	70%	60%	50%	10%	100%	60%	42%
# of female producers	53	53	180	56	490	900	100	1251	3600	227	19,500 * 42% = 8,218
Total # fem. suppliers = 6,909											

Indicator 9. 5 “new” products (developed or adjusted) that match local BOP consumer markets, during IBA local contracts.

It is not clear how ‘new products (developed or adjusted)’ is defined. SNV Mozambique reports 4 new products having been developed or adjusted during the IBA contract period (which does not necessarily mean that they have been developed or adjusted as a result of the IBA programme). SNV Vietnam does not report this indicator. Instead, the IBA team appears to have assumed that the share of companies that have developed new products is the same in Vietnam as in

Mozambique (which yields a predicted number of $4/33 \times 40 =$ around 5 new products for Vietnam, given that Mozambique has 4 new products and 33 companies, while Vietnam has 40 companies). This is a major simplifying assumption which is unlikely to be correct given the small sample and the differences between the two countries.

Indicator 10. Local BOP consumer markets needs are matched by 10 “new” services (developed or adjusted), during IBA local contracts.

It is not clear how ‘new service’ is defined. SNV Mozambique reports 13 new services as having been developed or adjusted, SNV Vietnam does not report this indicator. The value of 16 for Vietnam is based on the major simplifying assumption that the number of new services per company is the same for both Vietnam and Mozambique..

Indicator 11. Consumer satisfaction on new product or service

This indicator has been changed: from a target of 50% to a qualitative target. SNV Vietnam in its monitoring data still reports consumer satisfaction rates, ranging from an average 89% in 2015 to 94% in 2016. For SNV Mozambique, consumer satisfaction is not measured.

Indicator 12. 100% of paying BOP consumers

This indicator was dropped, for the reason that all companies supported by IBA were considered to have paying customers.

Indicator 13. 70 of locally supported companies show creation of new jobs due to business developments during IBA contract period

The definition is unclear: when is a company marked as “showing creation of new jobs” and how does one determine whether these jobs can be attributed to “business developments”?

SNV Mozambique reports 24 companies showing creation of new jobs due to business developments. SNV Vietnam does not report this indicator. IBA has once again assumed that the number in Vietnam is proportion to the number in Mozambique, assuming the same share of companies creating new jobs. Even with this calculation, the target of 70 is not met with in total ‘53’ companies creating new jobs.

Indicator 14. Number of jobs created under IBA contract period

For number of jobs created, again there is no clear definition. When is a job of sufficient quality and quantity to count as a job? There is no target for this indicator. SNV Mozambique claims 1,101 created jobs, fairly evenly distributed over de different companies. SNV Vietnam claims more than 3,200 jobs, of which 1,900 at one company (Bac Lieu, with 900 jobs created in 2015 and 1,000 in 2016)

Indicator 15. 70 locally supported companies increased access to basic goods and services under IBA contract period

Also for this indicator, the definition is not clear: when can a company be counted as providing (or having?) increased “access to basic goods and services”? SNV Mozambique claims this for 30 companies (exactly their target). SNV Vietnam does not report this indicator. Once again, the number for Vietnam is assumed to be proportional to the Mozambique number.

Indicator 16. 45 locally supported SMEs which report annual growth due to sales expansion during IBA contract period

The definition of “annual growth due to sales expansion” is unclear

SNV Mozambique reports 25 companies as having “annual growth due to sales expansion”. For SNV Vietnam again the numbers are not reported but estimated based on the assumption that the proportion of companies is the same in both countries

Indicator 24. 12 IBA activities where international businesses have benefitted from IBA services in their IB ambition.

This indicator was changed: the original target to support 200 companies was changed into a dual target of supporting 200 online companies and 70 local companies. The original target stipulated that at least 20 companies should be Dutch, but this condition was dropped in the new indicator because it was considered too ambitious..

The values for IBA Vietnam are once again missing, and the reported number of 40 companies in Vietnam against results from an assumed extrapolation of the numbers reported for Mozambique (42 cases per 33 companies in Mozambique implies $42/33 \times 40 \approx$ approximately 51 cases per 40 companies in Vietnam). Even for SNV Mozambique, the definition of this indicator remains unclear.

Indicator 28. Women owners

The definition of this indicator is unclear: companies can have several owners and ownership constructions and it is not clear when SNV has counted a company as ‘women owned’ (e.g., does this mean that the majority of owners is female, or that there is a woman among its owners?). Data on women-owned companies are missing for Vietnam, the assumption appears to be that the share of women-owned companies in Vietnam is the same as in Mozambique.

Indicator 29. IBA local hubs supported at least 10 companies (out of 70) where women are owners

The definition of ‘management position’ is not clear. One company in Vietnam alone, Biospring, is claiming 1100 women in management positions. This accounts for the vast majority of the 1319 reported women with management positions. While it is not possible to validate this number, it is clear that without Biospring, the target would not have been met.

Indicator 32. 20 locally registered companies upgraded for investment

However, the number of Vietnam is again assumed to be proportional to the number reported by Mozambique. Also, the concept of ‘investment ready’ is not clearly defined.

Indicator 33. 30 locally supported SME's finance proposals sent to funders

IBA seems to have had problems with (helping with) finding investment for participating companies. This indicator was changed from 'SMEs investment ready' to 'finance proposal sent', which is more measurable but may be a weakening (and even then, the target is not met). Again, data on Vietnam is missing and is assumed to be proportional to the number of proposals from Mozambique.

IBA global indicators

Indicators 4, 5 and 6: sector impact

These indicators were deleted without any explanation. They do not appear in the document ‘IBA indicators progress list 2016’ and only appeared in a PDF version of the indicator list that was shared by IBA with the evaluation team. It is not clear why these indicators were deleted from the other document altogether, while other deleted indicators are transparently reported.

Indicator 17. IBA activities where international business have benefitted from IBA services in their IB ambition.

Originally, IBA planned to form a group of companies, an ‘inclusive business initiative’ or ‘multi-stakeholder collaboration’, that would work together to remove ‘systemic barriers’ to be able to grow further. ‘International companies’ (presumably larger multinational companies based in Europe and the Netherlands) would participate in these activities, provide products and/or services to the BOP, launch initiatives and collaborations and would also involve impact investors in this. However, according to IBA (personal communication), these plans appeared to be too ambitious from the beginning and therefore indicators 17-21 were deleted and no longer monitored.

Indicator 17 was changed from “12 international businesses *co-funding* in designing, validating and commercially launching inclusive innovation” to “12 IBA activities where international business have *benefitted* from IBA services in their IB ambition”. IBA staff clarified that getting 12 international businesses to co-fund activities turned out to be too ambitious, and that this was the reason for the proposed change.

For Mozambique, 10 business reportedly have ties with international businesses. For Vietnam, the number of companies that are international is not reported, and the reported 12 are calculated based on the 10 from Mozambique (assuming proportionality to the number of companies).

Indicator 18. Innovative products and services to the BoP

According to IBA staff, this indicator was deleted because the focus of IBA changed from international business to local SMEs. It is not clear whether this change in focus occurred because it was difficult to involve international businesses in the work of IBA (the reason why indicator 17 was deleted). There are no data on this indicator.

Indicator 19. Inclusive business initiatives in Vietnam and Mozambique

Indicator 19, 20 and 21 are closely related to each other. They refer to the same idea. A group of companies called a ‘inclusive business initiative’ or ‘multi-stakeholder collaborations’ would work together to remove ‘systemic barriers’ to be able to grow further.

The concept of this indicator was never properly defined. According to IBA, the indicator was dropped when early in the process it became clear that this target was too ambitious.

Indicator 20. IBA participation in 3 multi stakeholder collaborations for systemic change, creating an IB enabling environment with globally influential partners

This indicator was not dropped, like indicators 19 and 21, but changed in 2016. The text changed from ‘collaborations established or strengthened’ to ‘IBA participation in [...] collaborations’,

which implies only participation of IBA. However, the definition of 'collaborations' remains somewhat unclear.

Indicator 21. 6 impact investors involved in multi stakeholder collaborations

Just as indicator 19, the concept of this indicator was never properly defined. According to IBA, the indicator was dropped when early in the process it became clear that this target was too ambitious.

Indicator 22. 5 IBA activities sponsored by Private sector (=receiving direct funding from PS partner)

This indicator changed from '30% increase of private sector contributions' to '5 IBA activities sponsored by private sector'. It is not clear why the target and definition were changed.

Indicator 23. 5 IBA activity (bootcamp, webinar, event, training, lobby, etc) that have clear focus on gender

The term "focus on gender" is not well defined and no list of activities is given, so it is impossible to validate whether this indicator is correctly reported.

Indicator 26. 3 collective impact initiatives started by IBA and at least 2 more parties, to collaborate and activate on mutual ambition at local or global levels

This indicator was changed from 'collective impact plans with viable investment model' to 'collective impact initiatives started by IBA and at least two more parties'. The condition of a 'viable investment model' seems to have been dropped. However, the overall definition of the term 'collective impact initiative' remains unclear.

Indicator 27. 5 finance proposals submitted involving IBA, based on partnerships between public and private partners actors

This indicator changed from 'successfully submitted' finance proposals (which could be (mis)interpreted to mean that the finance proposal should be approved by an investor) to 'proposals submitted', which is more clearly defined and easier to measure.

Indicator 34. Validated inclusive innovation assessment tool

This indicator was deleted because of the overlap with indicators 39 and 40 about the toolkits.

Indicator 35. IBA network expanded to 5 countries based on clear value proposition from IBA

The original indicator was "Database on IB opportunities for five countries and three themes introduced in IBSOs and strategic partner organizations" and was split into indicator 35, 36 and 37. According to IBA, it has expanded to Uganda, Ghana, the Netherlands, Mozambique and Vietnam. The extent to which IBA is active in these countries is however unclear, as is the duration of these activities.

Indicator 36. Opportunity data base (playbook) available for local BDS services and IBA network partners

The exact idea of this 'playbook' is not very clear. It is 'work in progress', according to the IBA indicator list.

Indicator 37. online market place for IB advisory services available

With 'online market place' IBA means the website where companies and Business Development Consultants can find each other.

Indicator 38. # of studies developed under IBA

The definition of 'studies developed' is not entirely clear. There was no target set for the number of studies.

Indicator 39. 2 comprehensive, stateoftheart "generic" IBA tool packages" availabl

The original indicator was "4 tools developed for inclusive co innovation and ecosystem management". The definition of the original indicator is not clear. The 'IBA tool packages' from the new indicator are the online course material about inclusive business developed for consultants and SMEs.

This indicator has been split into indicator 39 and 40. These indicators have become more measurable but have also been adjusted downwards from '4 tools developed' to 2 'IBA tool packages' and '1 training package', so 3 in total.

Indicator 40. 1 training package available for toolkit training

IBA has developed a training package for the training on the toolkit.

Indicator 41. # IBA trainers operational delivering training to interested BD advisors in multiple countries

This indicator does not have a target and it is not clear what conditions someone should meet to be an 'operational' IBA trainer. The reported number of 15 may be incorrect, because according to the document 'List of Trained advisors IBA', the IBA Toolkit trainings were given by 12 different people.

Indicator 42. Proven tools for impact evaluations promoted through IBA

The original indicator was "IB guideline for impact evaluation mechanism validated." This indicator was redefined and split into indicator 42 and 43.

It is not clear how this indicator fits into the Theory of Change. From the M&E system it becomes clear that a pilot was started, but appeared to be too challenging for locally supported companies.

Indicator 43. # of capacity development activities on social Impact evaluation carried out

The definition of indicator 43 is not clear: what is a 'capacity development activity' or a 'social impact evaluation'?

Indicator 44. IBA advisor online support and certification system in place

The original indicator was "Services and toolkit up to date". This indicator was redefined and split into indicator 44 and 45. This indicator 44 refers to the certification system for IBA advisors that has been developed by IBA. The system exists, but meeting this target does not tell us whether or how the system functions.

Indicator 45. Monitoring and feedback mechanism in place for IBA advisors using toolkits

Indicator 45 refers to a mechanism for monitoring and feedback that IBA developed for its advisors. The mechanism exists, but meeting this target does not tell us how effective this mechanism is.

Indicator 46. Staff of all parties that cocreated in development of IBA toolkits have been trained

This indicator has been changed. First it was “Dutch and local BoPInc alliance staff trained”, now only staff that ‘cocreated’ the IBA toolkits should be trained.

Indicator 47. 8 trained business advisors using IBA tools

This indicator has changed from “8 local BDS developed and validated in IBSO countries” to ‘trained business advisors’. This is an improvement, as the number of ‘BDS developed’ appears very difficult to estimate, while the number of trained business advisors is easy to estimate..

Indicator 48. 2 Local IBA Hubs operational under IBA brand

This indicator was slightly changed to 2 IBA ‘hubs operational’. No definition of ‘operational’ was given however.

Indicator 49. 2 local Hubs have raised additional funding using IBA brand and services, reached financial independence by 2016 based on submitted business plans for MoZ and VN

The original indicator was “2 IBSOs economically sustainable”. This indicator has been clarified and split into current indicators 49 and 50.

Indicator 50. 2 Local hubs have been able to use IBA to attract new funding (% of total local IBA program value) for TA/BDS services

For this company, the two SNV hubs in Mozambique and Vietnam are simply counted. Qualitative research should clarify whether and to what extent these local hubs have been able to attract new funding.

Indicator 51. 6 newly developed service packages delivered against local market rate

This indicator was deleted because of overlap with various other indicators. This appears justified.

Indicator 52. 25% of IBSO revenue from paid services

This indicator was deleted because of overlap with various other indicators. This appears justified.

Indicator 64. Future business case for IBA 2017 is based on yearly 50% increase income from market based activities

New indicator for the business case 2017. “Market based activities” are not clearly defined and it is not clear which income should increase (50 % of what exactly?).

Indicator 65. Transparent pricing strategy in place based on value proposition of IBA 2017-2020

New indicator. “Transparent pricing strategy” is not clearly defined.

Indicator 66. Future business case for IBA 2017 is based on 3 different revenues streams

New indicator. “Revenue streams” is not clearly defined, but the ‘business case’ for 2017 could give more clarity about this indicator.

Indicator 67. Interest shown by 3 potential new IBA network partners

New indicator. “Interest shown” and “potential new IBA network partners” are not clearly defined.

Indicator 69. At the end of program period, IBA is institutionalized into an independent foundation, with agreed collaborative governance model

New indicator. The time frame, “end of program period”, is not clearly defined. The definition of “foundation” is clear, as it can be checked if a foundation is set up or not. The definition of “agreed collaborative governance model” is unclear.

Indicator 70. An agreed and mutually defined strategy and theory of change in place for IBA foundation 2017-2020

New indicator. The definitions of especially “agreed” and “mutually defined”, and to a lesser extend “strategy” and “theory of change” are not clearly defined.

IBA online indicators

Indicator 2: 100,000 BOP consumers saved money due to innovation

This is one of the impact indicators which refer to impact at the consumer level, which is difficult to measure without doing a full-fledged impact evaluation. The measurement of this indicator therefore changed to qualitative measurement, and the target of 100,000 was dropped. While measurement problems appear to be a valid concern, it is unclear why other impact indicators were not deleted for the same reason.

Indicator 25. IBA ventures published online and linked to other communities and bootcamps

The number of IBA ventures published is measured in practice as the number of companies registering online. This is a clear definition and can be validated in the data IBA online provided (and, when necessary, even in the website registration system of IBA online).

Indicator 30. % of online ventures that are female owned

The definition of this indicator is unclear: companies can have several owners and ownership constructions and it is not clear when SNV has counted a company as ‘female owned’ (e.g., does this mean that the majority of owners is female, or that there is a woman among its owners?).

Indicator 31. 25% of IBA online registered ventures that use IBA online for fundraising

The definition of this indicator is unclear: what does IBA mean with ‘use IBA for online fundraising?’

Indicator 53. 1200 monthly unique visitors to the website

VC4A claims to have had more than 13,500 visitors the last quarter of 2016. If this is correct, the target is met.

Indicator 54. 5 IBA market information docs published

The original target was “20% monthly searches on the accelerator platform and download on BoP market info”. This target was redefined and split into indicator 54 and 55.

Although it is not totally clear what a ‘market information doc’ is, IBA published 17 on their website and so the target of 5 is more than achieved.

Indicator 55. 20% of visitors viewed market information docs

The definition of “view” is not clearly defined. This could indicate e.g. one click, a minimum amount of time or a download.

Indicator 56. 3 online challenges carried out

The concept of an ‘online challenge’ is not clearly defined. The original indicator mentions something about crowdsourcing, but it is not clear how or for whom this crowdsourcing is carried out or what the results were.

Indicator 57. 190 ventures publishing their online profile

This indicator looks very much like indicator 25, which had a target for the number of ‘IBA ventures published online’. The definition of “online profile” seems clear, although the indicator does not take into account to what extent an online profile should be completed or active.

Indicator 58. 1900 members registered online

The original indicator aims for 19,000 members registered online, the new indicator for 1,900. It is not clear whether this is a typing error or an adjustment of the target. The definition of ‘registering online’ is reasonably clear because it can easily be measured through the website registration system, although as with indicator 57 the indicator does not take into account to what extent an online registration should be completed or active.

Indicator 59. 19 business plans checked for quality, before published for online fundraising

This indicator is loosely defined: the original indicator mentions “19 full business plans developed”, the new indicator is ‘checked for quality’ and the management dashboard (the source file for this indicator) mentions 74 ‘investment request’. The exact definitions of these terms remains unclear.

Indicator 60. 100 members of IBA online participated in IBA bootcamps

It is not clear whether the online boot camps were followed by 1609 unique persons, but if this is the realised number, the target of 100 is easily achieved.

Indicator 61. 120 coaches successfully matched to private companies

This indicator was deleted, even though the number of times that IBA-trained coaches (consultants) advised companies appears to be a crucial outcome indicator in the Theory of Change. IBA indicated in meetings that initially a system was foreseen in which companies would be assigned a ‘mentor’ in the form of a business consultant. The demand for such mentor services from the companies’ side was larger than the supply of such services. This appears to have been the main reason why the indicator was deleted, along with a change of strategy.³⁸ It was, however, not replaced with any other indicator that measures the quantity or quality of the advisory services given by IBA trained consultants to IBA companies.

³⁸ The Annual Plan 2016 reads as follows: “Halfway 2016, online mentorship activities and the plan of realizing an online tender desk for investors matchmaking were put on hold. As the results were limited, IBA changed strategy in these areas.”

Indicator 62. 30 online introductions made between IBa ventures and investors

This indicator was changed substantially, as the old target of ‘5 matches between private actors and investors’ was changed into the new target of ‘30 online introductions’. According to BoPInc (personal communication) the main reason for this change in the indicator was because it was not possible to track whether the contact between companies and investors via the website also resulted in actual funding for the companies. VC4A had warned about this from the beginning and stated that they could only measure ‘introductions made.’ This does, however, change an outcome indicator (do companies actually find investors via IBA Online?) back to an output indicator (are introductions made via the website?). As a result, one of the most important envisaged outcomes of IBA Online has not been measured. In our view, this is a major shortcoming and could have been resolved by allocating resources to conduct a survey among companies and investors that had made introductions via the website.

Indicator 63. 50 investors registered on IBA online

The concept of ‘registered on IBA online’ is quite clearly defined, although as with indicators 57 and 58 the indicator does not take into account to what extent an online registration should be completed or active. The source file of this number, the management dashboard, mentions that 42 investors are registered at the IBA website and not 52.

Indicator 68. Annually increase of number of users/registrations online (# ventures, # advisors, # investors) as from 2014

This indicator is as (un)clearly defined as indicators 57, 58 and 62. It is not clear when something counts as an online user or registration. Moreover, it is not clear what should exactly increase for an “Annually increase” to be counted. For example, what if the number of venture registrations decrease and the others increase?

Appendix B M&E System

While Appendix A describes the assessment of the available monitoring data, this appendix describes the assessment of the M&E system itself.

Data collection evaluators

In order to assess whether IBA has achieved its targets, and to validate this information, the evaluation team collected all relevant data files from the IBA Monitoring and Evaluation (M&E) system. IBA staff from both BoPInc and Nyenrode were very cooperative in sharing all requested information and took ample time to guide the evaluators through this information. The evaluation team received around 40 documents and tables and were given access to the online training toolkits.

In order to better understand the data and the data collection processes, the evaluation team had several face-to-face interviews with BoPInc staff and one with Nyenrode University to discuss the indicators, the data collection process, and the interpretation of certain aspects of the data. Some face-to-face meetings were followed up with phone calls or emails.

Data collection IBA

The monitoring and evaluation (M&E) data for IBA was collected by Nyenrode University in cooperation with BoPInc, SNV and VC4A. The division of labour between these agencies was as follows:

- **Nyenrode** was responsible for the M&E system, data collection and processing.
- **BoPInc** was also partly responsible for the collection of data and the processing and reporting of mainly financial targets and data.
- **SNV** provided the information on local SMEs in Mozambique and Vietnam to Nyenrode and BoPInc, in cooperation with local SMEs. However, according to Nyenrode, SNV staff sometimes had their own ideas about how to collect data and which indicators to monitor. Therefore, many indicators listed in IBA's 'indicator progress list' are not one-on-one collected by SNV, and are based on estimates and sometimes far-reaching assumptions (such as that the value for Vietnam equals, or is proportional to, the value for Mozambique). This makes it difficult to assess whether the SNV affiliates have achieved its targets. The indicator list (Appendix A) shows for which indicators data from SNV Vietnam is missing.
- **VC4A** provided all data on the online tools, the online platform (website) and the information on SMEs that participate in IBA Online.

The data sources shared with the evaluation team include the following:

- **IBA indicators progress list 2016:** List of indicators and their realised values for each of the pillars: IBA Global, IBA Local (Vietnam & Cambodia) and IBA Online, at the end of 2016. This document contained two sets of indicators: the indicators as they were defined originally, and a revision of the indicators that was made based on the original proposal.

- **SNV Mozambique data collection:** On the indicators for which the local affiliates in Mozambique were responsible, SNV Mozambique collected and reported data and registered it in a table. Data was collected on a quarterly basis.
- **SNV data collection from Vietnam.** SNV Vietnam was responsible for collecting the monitoring data about its activities and the clients (SMEs) it was working with. Data was collected on a quarterly basis.
- **Management dashboard.** This is an extensive document containing a lot of data on project progress. Data was collected on a quarterly basis.

Achieved targets

Of the 70 indicators listed by IBA, 42 were achieved according to IBA administration. Only 12 were clearly not achieved. For the remaining 16 indicators, it is not clear if the target is met, either because the indicator was changed or dropped, there was no administered data on the value of this indicator or the target was not clear. Details per indicator and the evaluator's assessment can be found in Appendix A.

Deleted and redefined indicators

In 2016, at a fairly late stage, IBA proposed several changes in the list of indicators, which were subsequently approved by MFA. It appears that IBA had been in touch with MFA about these indicator changes on a number of occasions. In July 2016, there was an email exchange about an upcoming new indicator list. On 30 September 2016, this new indicator list was submitted to MFA prior to an explanatory meeting at the Ministry. This meeting took place on 6 October 2016, when the new indicators were presented. The new indicators were also presented in the Annual Plan 2017 and the Annual Report 2016, both of which were formally approved by MFA. We therefore infer that the new indicator list, including a number of deletions and changes to indicators, was approved by MFA.

The document 'IBA indicators progress list 2016' lists all original indicators, the proposed changes, and the new indicators. All but one indicator were changed and 7 new indicators were added, of which most indicate plans for the period 2017-2020. Most original indicators were clarified to make targets clearer and measurement easier. However, a number of indicators were deleted or changed substantially. We consider it relevant to discuss these indicators here. The most important revised or deleted indicators are listed in Table B. 1 below, with the numbering proposed by the evaluation team. The complete list of indicators, their numbers and our detailed comments on each deleted or changed indicator can be found in Appendix A.

Table B. 1 A number of indicators were revised or deleted.

#. Original indicator	Indicator	Change
2. 100,000 BOP consumers saved money due to innovation	BOP consumers saved money due to innovation	Target dropped, qualitative data used
4.	# \$ invested in inclusive innovation with private resources	Deleted
5.	# ventures replicating inclusive innovation models	Deleted
6.	# inclusive public policies, regulations and actions	Deleted
17. 12 international businesses co funding in designing, validating and commercially launching inclusive innovation.	12 IBA activities where international business have benefitted from IBA services in their IB ambition.	Clarified
18.	10 international businesses providing innovative products / services to the BoP	Deleted
19.	10 inclusive business initiatives in Vietnam and Mozambique.	Deleted
20. 3 multi-stakeholder collaborations established or strengthened aiming for systemic change in one of and/or across the three sectors	IBA participation in 3 multi stakeholder collaborations for systemic change, creating an IB enabling environment with globally influential partners	Clarified
21.	6 impact investors involved in multi stakeholder collaborations	Deleted
24. 200 SME business cases supported of which at least 20 Dutch (can differ among countries)	IBA Local hubs supported # business cases through direct contracting	Redefined + split
61. 120 coaches successfully matched to private companies (same indicator overall IB Accelerator)	120 coaches successfully matched to private companies (same indicator overall IB Accelerator)	Deleted
62. 5 matches between private actors and investors (same indicator overall IB Accelerator)	30 online introductions made between IBA ventures and investors,	Clarified

Source: SEO Amsterdam Economics, based on IBA M&E data.

Overall assessment M&E system

IBA appears to have a more sophisticated M&E system than many similar projects. Its M&E system includes an indicator list, targets, shared responsibilities in target achievement and data collection. The intention has clearly been to monitor progress and use the M&E data as a basis for assessing to what extent results can be attributed to BIA.

As far as we can assess, IBA has been transparent in sharing all relevant M&E information with the evaluation team. Relevant M&E staff from Nyenrode and BoPInc were very cooperative in sharing all underlying documents of the M&E system and were very open in answering all questions from the evaluators.

Despite the above, we have a number of concerns with the M&E system of IBA. Our key concerns are as follows:

1. **The definition of indicators is often unclear.** This lack of clear definitions has provided space for SNV and other stakeholders to use the most favourable indicator interpretations and makes it very difficult to validate data provided. It can also lead to differences in how Vietnam and Mozambique, or even different SNV staff from the same country, interpreted the indicators. BoPInc and Nyenrode confirmed that some of their indicators were not clearly defined and that this left the possibility for SNV to interpret the indicators differently.
2. **Some indicators were revised or deleted at a fairly late stage.** In 2016, IBA proposed several changes in the list of indicators, which were subsequently approved by MFA. In many cases, this was not necessarily a problem. Indicators were redefined or deleted because this made it clearer or because it reflected a change in strategy. However, some indicators were adjusted downwards, or in a way that made them easier to achieve, or were deleted because they were not achievable. Other indicators were deleted altogether without a clear justification. However, the new indicator list, including deletions and changes, was presented in the Annual Plan 2017 and the Annual Report 2016, both of which were formally approved by MFA.
3. **Information given by SNV regarding outcomes for local SMEs is difficult to verify.** SNV was expected to provide information on the outcomes of their support on the SMEs' KPIs, which was sometimes not available or impossible to confirm. Therefore, estimations were made. Given that SNV has an interest to show good results, it is possible that some of the data was interpreted too favourably, particularly when clear definitions were not given.
4. **Far-reaching assumptions were made to make up for missing data.** In particular, M&E data on many indicators turns out to be missing for Vietnam. Nyenrode has filled these gaps by assuming that the Vietnam values are equal or proportional to the Mozambique values. This is a far-reaching and likely unrealistic assumption, given the fact that the two countries are very different. It would have been preferable to state that Vietnam data was missing, or to collect this missing data through follow-up surveys or interviews.
5. **Altogether, the M&E system was too ambitious.** From the outset, there were too many indicators, and many of them are difficult if not impossible to measure (particularly at BoP outcome and impact level). This should have been flagged earlier and the M&E system should have been simplified.

Appendix C IBA Toolkit Training Participant Survey

IBA management provided information to the evaluation team on which trainings were provided to consultants (date and place), who were the trainers, and who were the participants of these trainings. IBA also had evaluations of some of these trainings in which participants gave their opinion, which were overall quite positive. Because we missed information on the effect of the trainings on the knowledge of participants, on the quality and quantity of their work, and on the companies they provide advice to, we decided to send out a survey to all training participants. An electronic survey was the most suitable method, since participants lived in different countries and there was no time to have interviews with each of them.

A web-based survey was sent out via email to a total of 101 potential respondents, which according to IBA were all participants of IBA Toolkit trainings during 2015-2016. Respondents were given 12 days to complete the survey, the specific time period being 19 to 31 May 2017. Several reminders were sent, including personal reminders. Out of the total of 38 completed surveys, 10 responses were partially completed. The overall response rate was around 38 percent. The submissions in which only 2 or less questions were answered, were deleted, which left 28 completed surveys.

Completed	28	27.7%
Partially completed	10	9.9%
Not Started	63	62.4%
Total	101	100%

Basic information on respondents

Gender

gender	No. Of respondents
female	9
male	18
unknown	1
total	28

Age

Mean age	34
Min. age	25
Max. age	52

Nationality

Nationality	No of respondents
Ghanaian	8
Ugandan	8
Dutch	3
Vietnamese	3
Mozambiquan	2
Portuguese	1
Indian	1
Kenyan	1
unknown	1
Eindtotaal	28

Training followed

Training followed	No. Of respondents
Hanoi, August 2015	4
Kampala, February 2016	9
Maputo, July 2015	3
Maputo, March 2016	2
Utrecht, June 2016	1
Accra, July 2016	7
Accra, November 2016	2
Other training	0
total	28

Respondents provide different services to client companies

(Question: "What service(s) do you generally provide to companies?", multiple responses possible.)

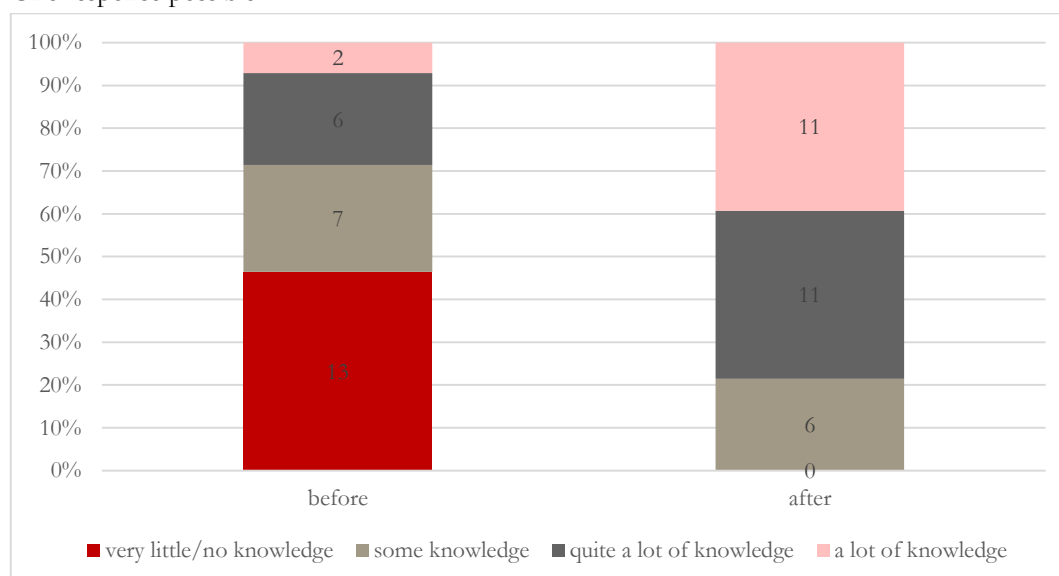
Service	No. Of respondents
Support with developing a business plan, business model or strategic plan	22
Due diligence	9
Marketing support	18
Setting up of quality system	6
Support to draw up a concept note	18
Support to write an investment plan/proposal	17
Support to carry out market study	14
other, ...	7
I don't advise companies	2

Other services provided by respondents (Question: "description of other...")

- support in access to finance and markets, training
- I use it in my business ideas
- Legal advice
- Monitoring and mentorship
- risk analysis, financial needs, pitching
- Financial support through FIs
- audit

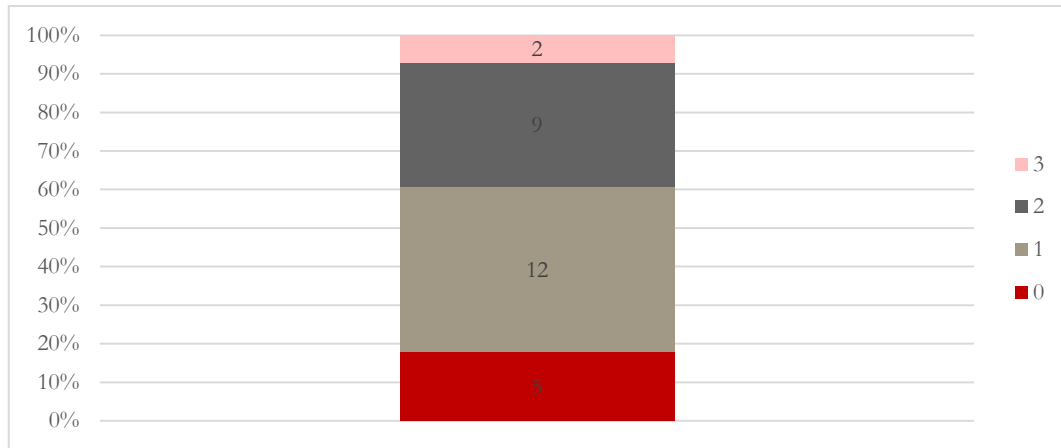
Respondents report to have had mostly very little knowledge before the training, and quite a lot of knowledge after

(question: "How much knowledge did you have about "Inclusive Business" before the training?" and "How much knowledge did you have about "Inclusive Business" directly after the training?", One response possible)



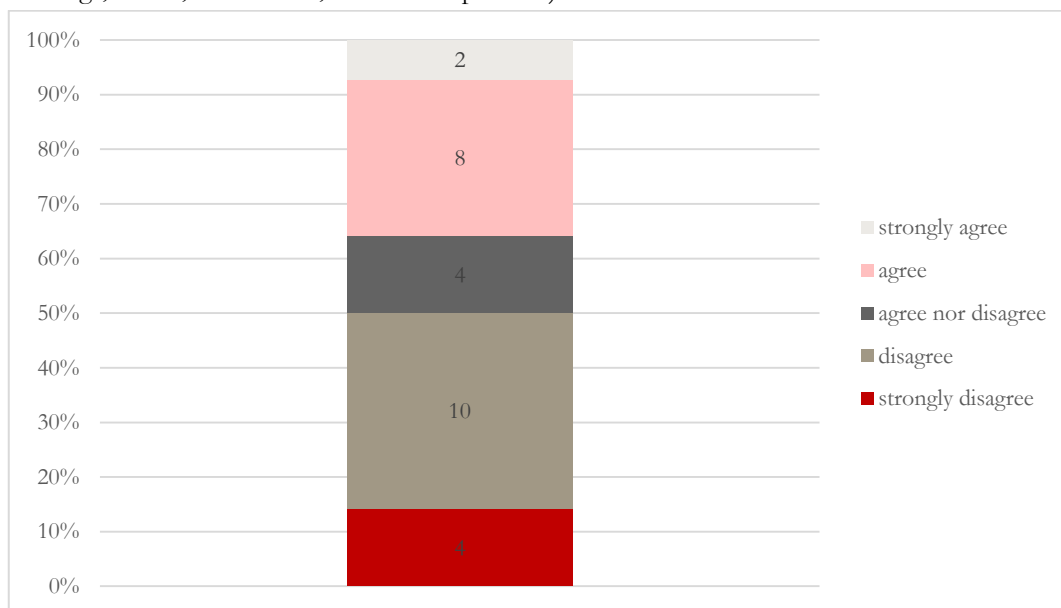
82% of participants report having more knowledge on Inclusive Business after the training

Difference between knowledge before and knowledge after (=knowledge after – knowledge before: very little/no knowledge=1, some knowledge=2, quite a lot of knowledge=3, a lot of knowledge=4)



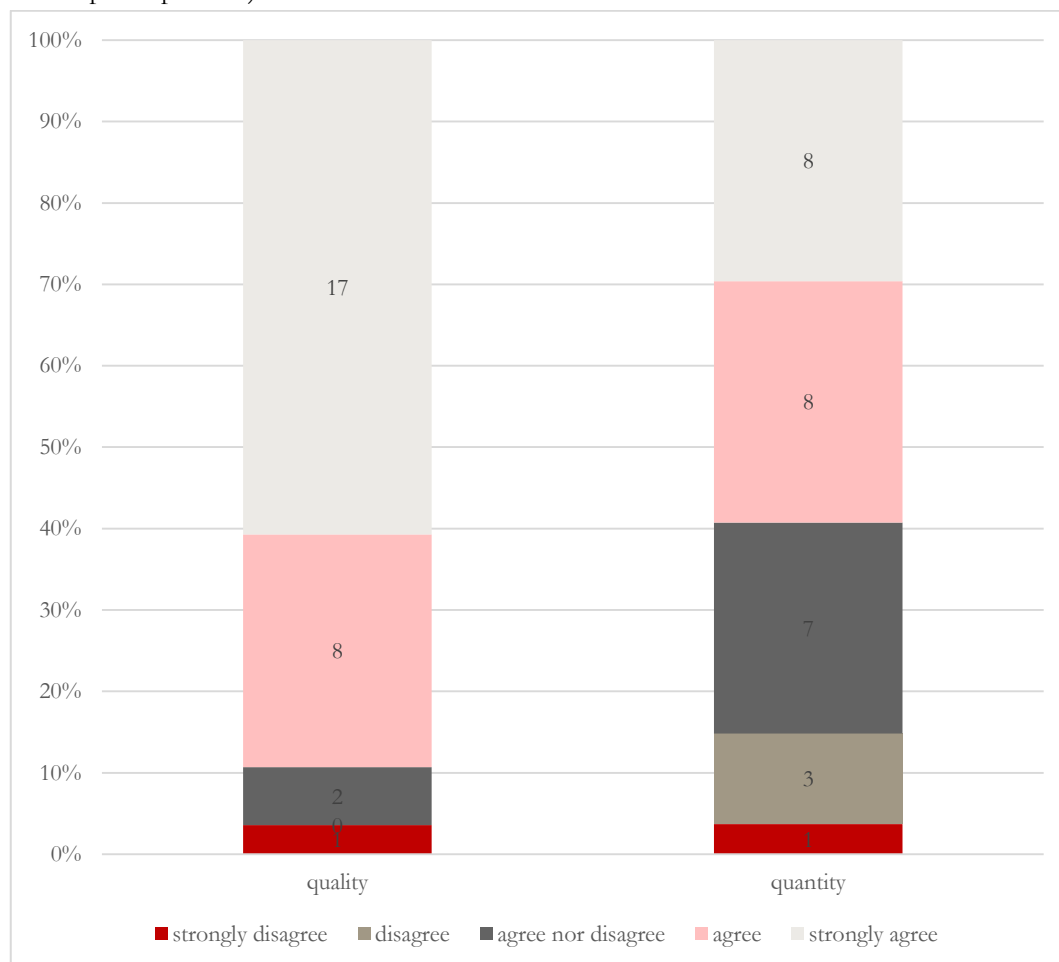
50% of participants report they could not have obtained the same knowledge in other ways

(Question: “I could have obtained the knowledge of this training in other ways as well (other trainings, books, online etc.”, one answer possible)



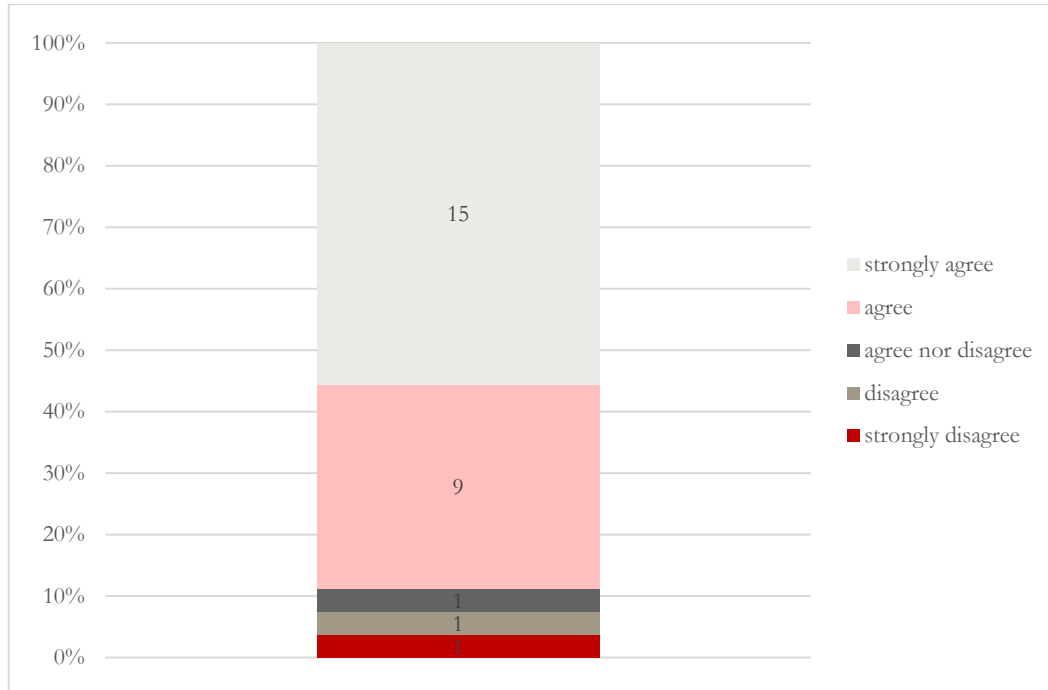
89% of participants feel that the quality of their advice has increased after the training, 57% feel that the quantity of their work has increased.

(Question: “As a result of the training, I have improved the quality of my advice to clients in the area of "Inclusive Business"”, and “As a result of the training, I have increased the quantity of my advice to clients in the area of "Inclusive Business" (for example, more clients or days of work)”, one response possible)



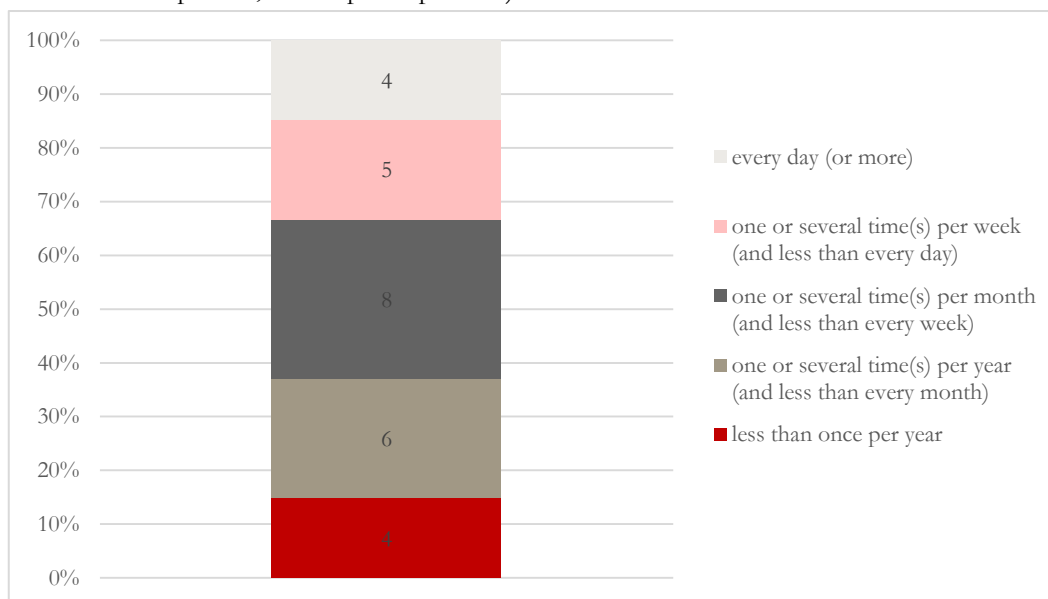
89% of participants report to be able to explain a Base of the Pyramid model to others

(Question: “I know what a 'Base of the Pyramid' business model is and can explain this to others.”, one response possible.)



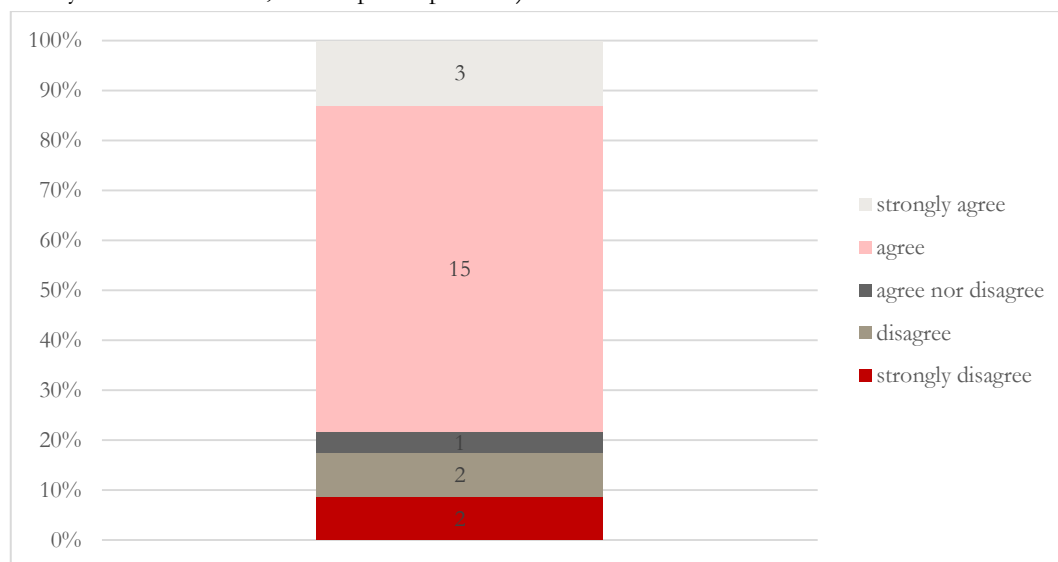
63% of participants report to use knowledge from their IBA toolkit training at least every month

(Question: How often do you use (lessons from) the IB Accelerator Toolkit training(s) in your services to companies?, one response possible)



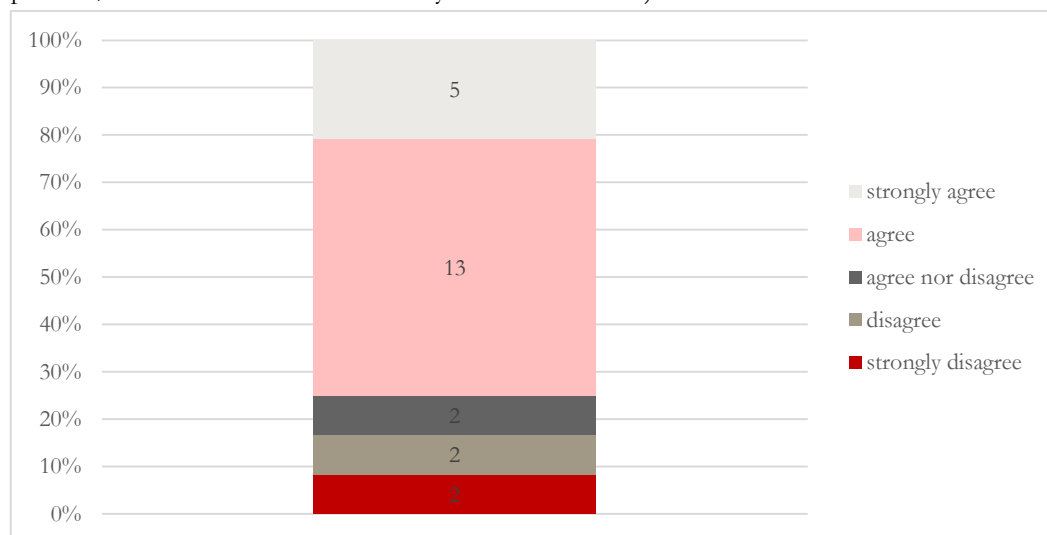
78% of participants report that client companies increased sales to the BoP due to their services

(Question: As a result of my services, the companies I have advised increased sales to the Base of the Pyramid consumers, one response possible)



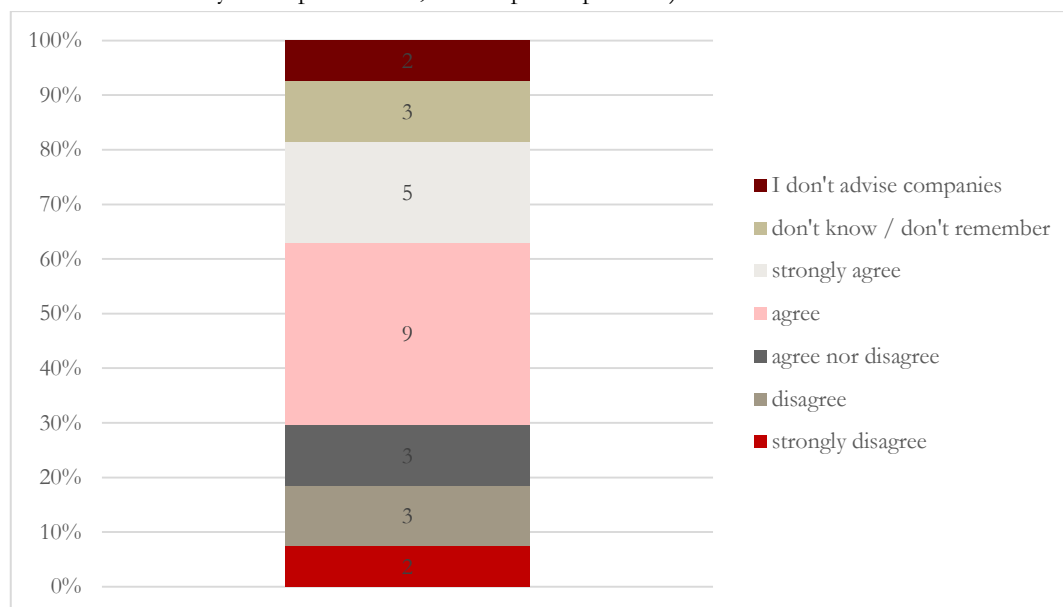
75% of respondents report that, due to their services, their client companies have developed a new product or service aimed at the BoP

(Question: "As a result of my services, the companies I have advised developed a new product/service aimed at Base of the Pyramid consumers")



52% of the respondents reports that as a result of their services, purchases from BoP producers have increased

(Question: “As a result of my services, the companies I have advised increased purchases (inputs) from Base of the Pyramid producers”, one response possible)



Answers to open questions

Question: Why did you join the training? What was your main motivation?

- I have a strong for crafting sustainable business models and wanted to learn and share and with others
- I wanted to learn more about the stages and aspects of business development
- I joined the training because i wanted to improve my knowledge in BDS and acquire more tools.
- improve my skills as an advisor
- To help other SMEs develop their business
- To become a preferred Trainer and consultant capable of delivering useful business development
- To learn more how to apply the business canvas model in relation to inclusive business
- To be able to use the IBA tools as consultant, trainer and master trainer at BoP Innovation Center.
- Being co-founder of Phinkliffe(www.phinkliffe.org)/Phinkliffe Institute I wanted new tools for my work
- To learn about Eco-enterprise development
- We care about IB model
- to know how to apply in my business the BoP and to learn new approaches in business
- To gain more skills & knowledge on the use of new models and tools to support businesses
- Am passionate about improving the livelihoods of the poor in communities.
- To boost and improve my business management advisory knowledge and skills.
- To gain knowledge on inclusive innovation.
- I am in the energy sector; wanted to gain skills to develop solutions for bottom-of-the-pyramid
- I wanted to see how inclusive business works and what can be done to help them, as a consulting comp
- I joined the training simply because it related to my area of work and I saw it as an opportunity.
- I wanted to learn how to make micro-enterprises both sustainable and profitable in the medium run.
- I joined the training because i wanted to learn more about IB and how to better use the tools.
- We provide audit and related services to our clients and many of our clients are projects and NGOs.
- I need to respond to the increasing demand for Inclusive Business advisory support.
- It is a subject close to my routine work. I am a teacher of Entrepreneurship in India
- To learn about the inclusive business Toolkit Training and improve the knowledge on the toolkit appl
- I Lead one of IBA's local implementing partner so my attendance was a must.
- To sharpen my advisory services skills and to network.
- To learn about the concept and adopt the course for implementation in Zambia.

What new knowledge or skills did you acquire in the training? Could you give some examples?

- Prior to the training i only worked with the Business model canvas but during the training i was exposed to more tools especially the triple bottom approach to developing more sustainable businesses. The training also gave me the opportunity t

- "I acquired knowledge about business financials, triple bottom line and an alternative risk management approach. Their style of training where the trainees are involved throughout the training is worth emulating"
- How to handle agricultural businesses on their value chain. That is from production to the end user.
- the use of the tools. not much content about inclusive business
- I was able to know how to connect with the various partners in the business model and the target market.
- How to deliver training using the IB tools and supporting clients to incorporate the triple bottom line in their business model
- None
- A structured approach on how to provide an integral training on Inclusive Business, covering various relevant topics in a coherent manner.
- I learn about Value Proposition and Tripple Bottom Line
- Business plan development skills, for example using the Business Model Canvas and the Prototyping
- "Some business ideas from other country; Business model"
- "brainstorming connect entrepreneurs different toolkits innovative business in the BoP market"
- New knowledge on the use of the Business Model Canvas - BMC
- The aspect of gender inclusivity and facilitating the refining of inclusive business models.
- Knowledge and skills on using the business model canvas, customer persona, partner identification, risk analysis, community engagement and partner brokering.
- Inclusive schemes management.
- It strengthened my appreciation of marketing and creating functional and yet simple distribution channels
- I took the training long ago, so I can not remember much. The survey should be done earlier to follow trainings. In fact, the course did not help us much since it is not much relevant to our practice
- Developing and using a business model canvass, and developing a triple bottom line for Eco Enterprises
- Business Model Canvas. Emphasis on Customer Persona, Value Proposition and Refining Business Pitch
- Facilitation skills. The way of using the tools with the entrepreneurs and facilitate their building process of ideas into business. The tools are visual and allow interactive sessions which promotes more collaboration.
- I know how to do budgeting for a project
- "The customer persona and the value proposition stand out. The customer persona helps our clients refine their target customer. Many of them had not clearly defined their customer hence affecting their implementation. The Value proposition o"
- SROI and the training technology
- Design a prototype
- Applying the IBA tool kit was the most significant new skill I acquired
- Use of tool kits; a wonderful method means for consulting.
- Marketing to the BoP

What was the most negative feature of the training?

Positive	Negative
Shared experiences from fellow Trainees and great advice from trainers	the program was so cramped up and packed.
Very simplified and easy to use tool kit	nothing
The training was very interactive and shearing of ideas	The duration for the training was limited.
networking and learning to apply the tools	not all tools covered/not enough time
How the tools were self explanatory due to the vivid presentation by the	It was very intensive
The practicality	A lot of information over a relatively short period
interaction in the work groups	examples were not always applicable for Vietnam
An integral approach on how to organise the training, and cover various relevant topics on IB	No negatives
More room for experience sharing	period of training very short
The participatory approach	No assistance (in accommodation and traveling) was provided for participants outside Accra
dont understand the question	dont understand the question
different views and ways for the same gold and different results for the same training	there was no negative feature as i recall
Interactive and inclusive	poor timing, training was done during election time. therefore not enough days
Networking with fellow consultants and sharing best practises in inclusive business development	Nothing to share.
The training was very participatory and lots of relevant examples were shared by the trainers.	The training was short, a lot of information had to be digested in a short period.
The videos.	The repetition of videos at different trainings.
Fully participatory	too much information to grasp in a few days. a little overwhelming
Teamwork and presentation as representing an enterprise	No negative feature
extremely interactive	limited time
The group sessions and participant-led group activities.	The content needed more time for in-depth discussions and group sessions.
the methodology	not being able to have a good internet connection in the room that could allow us to use the tools
Different types of attendants.	it was short
The Value Proposition Tool was very positive	None of the features was negative
The team work	nothing. I liked the entire format
Practice exercises	No material to follow up the train
The practical aspects of the training	Limited background reading
Identification of key customer.	Not refunding transport costs.
Team work	the hotel

Is there anything else you would like to mention about your experience with the IBA Toolkit training or this questionnaire?

- This training was free and highly impactful. I had a unique learning experience and thank you kindly for the requisite skills gained.
- "If IBA can add SWOT analysis to their tool kit, I will appreciate it.
- Similar content of the IBA toolkit can hardly be found elsewhere.
- The IBA to me is a great platform."
- The SEED training was very helpful especially in my profession as a Business Advisor on Market strengthening.
- The words inclusive or BoP don't resonate well here with entrepreneurs in Ghana. Most small-scale businesses are by definition inclusive, so we just help them increase sales, improve operational efficiency or develop their business model to att
- Not now
- It was definitely a great networking opportunity. It has enhanced my ability to provide our clients with effective business development support.
- For me it's a very helpful toolkit that I am using regularly, from working with MNCs to SMEs and startups. It's provides a concise approach from A-Z on how to approach and develop Inclusive Businesses.
- Will you still connect to open up new training opportunities? Are they way for collaboration with participants organisations?
- "The Toolkit actually helps best in advising or training clients to develop their businesses from scratch. This questionnaire is interactive and brief."
- The teacher' competency need be improved
- Hope to be informed about new toolkits training
- I still wonder how to move from the BMC to Business plan while helping entrepreneurs. and this is key
- It's one of the tools that I use to develop, support and promote the concept of inclusivity.
- The IBA Toolkit training is very educative and informative. I recommend it for all people engaged in the business world.
- Thanks for this training. Blessings.
- I hope there will be follow up training on tools
- A good exercise
- An add-on was to the IBA Toolkit called the Innovations Toolkit was released in January 2017. It would make an interesting and fully functional toolkit in addition to the IBA Toolkit. Would it be possible to have it as part of the upcoming training
- A lot of starter teams have been frustrated when their idea is not selected for the starter cohort. For example, if 200 teams have applied and only 20 are selected, the remaining 180 are frustrated and likely to abandon some great ideas.
- The IBA toolkit was excellent. looking forward to many more such toolkits. All the best
- Nothing for the moment
- Continuous review and improvement of the tool kit is advised
- There is need to move advisors to other countries to learn experience from their colleagues so they can share and improve their delivery.

Appendix D Training workshops

Table D. 1 IBA Training Workshops for Consultants and SMEs in Mozambique during 2014-2016

#. Training	Place & Date	Trainers	Training organisation	Participants
1. Social & Environmental Enterprise Devt. Toolbox	Maputo, 4-7 Nov 2014	Rainer Agster and Manuel Mutimucuo	SEED/SNV	25
2. Building Effective Partnerships for Devt	Maputo, 2-4 Dec 2014	Todd Kirkbride	SUN Civil Society Network/TPI	18
3. Inclusive Business for Journalists	Maputo, 25-26 Feb 2015	??	??	11
4. Social Return on Investment	Maputo, 9-11 Mar 2015	Marlon van Dijk and Mayke Harding (?)	Sinzer/BopInc	16
5. Cash Flow Management (for SMEs)	Nampula, 26-27 Mar 2015	Mohan Nair	Milma Holding	12/10
6. Cash Flow Management (for SMEs)	Maputo, 20-21 May 2015	Mohan Nair	Milma Holding	12/4
7. Inclusive Business Toolkit	Maputo, 28-30 Jul 2015	Benjamin v.d. Hilst and Gerwin Jansen	BopInc	15*
8. Quality Management (for SMEs)	Beira, 11 Aug 2015	Emmy Bosten and colleague	Energy Works	10
9. Quality Management (for SMEs)	Mocuba, 18 Aug 2015	Emmy Bosten and colleague	Energy Works	17
10. Quality Management (for SMEs)	Matola, 25 Aug 2015	Emmy Bosten and colleague	Energy Works	10
11. Several Viawater workshops (for start-ups)	Maputo, Dec 2015 – Mar 2016 (5 days)	Sara Fakir, Apogeu Siniquinha a.o.	Ideia Lab/SNV	21/7
12. Inclusive Innovation Toolkit	Maputo, 14-16 Mar 2016	Benjamin v.d. Hilst and Mayke Harding	BopInc	9
13. Inclusive Retail Channels**	Maputo, 23 Mar 2016	Taco de Nies, Emmett Costel	Free-lance (ex-BopInc)	14
14. “Go Sustainable” kick-off workshop (for SMEs)	Maputo, 1-3 June 2016	Magdalena Kloibhofer, S. Fakir, Mayra Pereira	SEED/Ideia Lab /GreenLight	14
15. 4P Agri-Finance Event (IFAD-PROMER)***	Maputo, 28 Nov 2016	Apogeu Siniquinha and Antonio Souto	SNV/GAPI	??

Sources: BopInc and SNV Mozambique

* Participants included two from SNV Vietnam and one from ZBIDF (Zambia)

** For SMEs and large companies, e.g. Coca-Cola, OLAM and GreenLight

*** Public-Private-Producers Partnership project funded by IFAD

Table D. 2 IBA Training Workshops for Consultants and SMEs in Vietnam during 2015-2016

#.	Training	Place & Date	Trainers	Organisa- tion	Partici- pants
1.	Cash-flow management (for SMEs)	Ho Chi Minh City, 2 July 2015	Dr. Nguyen Thanh Trung	Nexia	20
2.	Innovation management (for SMEs)	Ho Chi Minh City, 3 July 2015	Dr. Tung Bui	FTU	29
3.	Inclusive Business Toolkit	Hanoi, 11-13 Aug 2015	Benjamin v.d. Hilst and Mayke Harding	BopInc	25
4.	V2i Inclusive Business Toolkit	Hanoi, 26-28 Jan 2016	Nguyen Thanh Phat & Thieu Mai Huong	SNV	17
5.	Proposal development for IFAD 4P projects	Ben Tre, 28-29 Dec 2015	Dr. Nguyen Thanh Trung	Nexia	27 partic. 7 SMEs
6.	Proposal development for IFAD 4P projects	Tra Vinh, 7-8 Apr 2016	Sybo Zijlstra	Fresh Studio	10 SMEs

Source: BopInc and SNV Vietnam



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