



King Baudouin Foundation

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Business Partnership Facility – Activity Report

Period: January 2023 – December 2023

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This activity report summarizes the activities carried out by the King Baudouin Foundation (KBF) in relation to the 'Business Partnership Facility – Enterprises for SDGs' (BPF). The report includes the activities between the date of the last activity report, end of December 2022, and the end of December 2023.

This is the final activity report. We will continue with the financial reporting until all installments to all grantees have been paid. The final payment will be made no later than 31/12/2026.

1. Financial information

Internal audit KBF

Twice a year, the KBF is the subject of an internal audit by BDO and a financial audit by PWC. During the audits in 2023 and 2024, no requests for clarification were raised by the auditors about the BPF.

Financial management

We received 12mio euros, the full budget to execute BPF. The final installment was received in December 2023.

We committed 10.657.372 euros for grants. Details on incurred expenses are listed in the second part of this report.

Since we will not organize more calls for projects, the remaining budget for grants (67.628 euros) will be transferred back to the DGD.

See also "Comparison of budget versus real expenses"

2. Call for projects in 2023

The 8th round of the call for project was launched on the 4th of August 2022 and closed on 1st of February 2023.

The 9th round of the call was launched on the 1st of March 2023 and closed on the 5th of September 2023.

Both calls were specifically focused on three priority themes, to meet the demand from the DGD:

1. Climate, environment and biodiversity

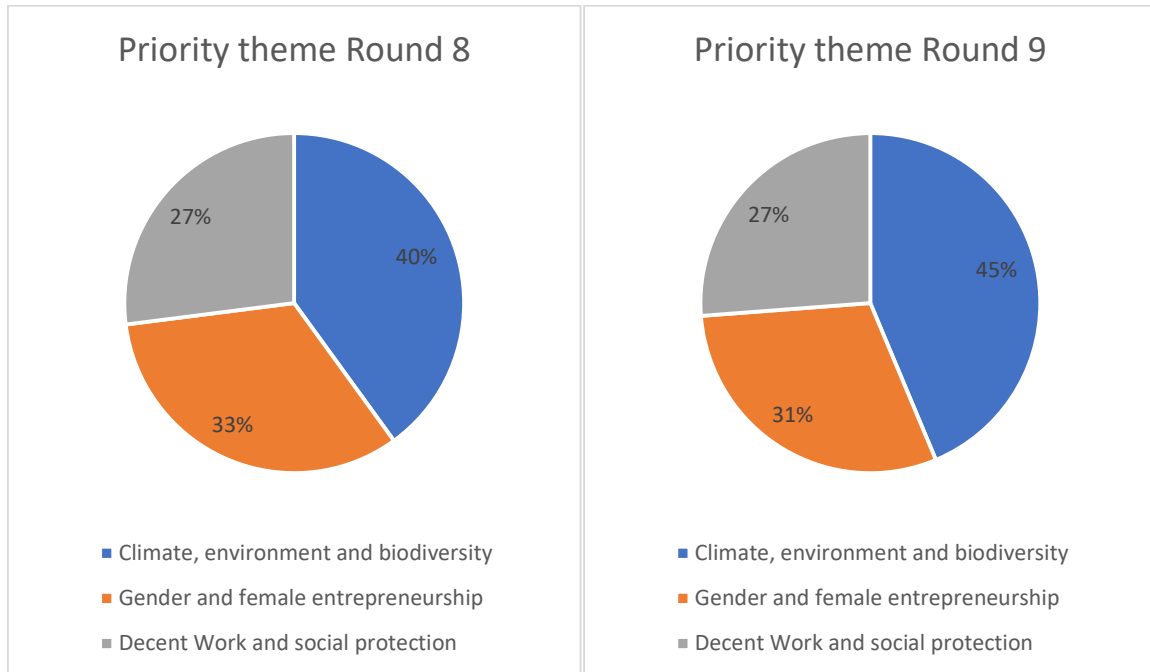
This includes projects that facilitate the transition to sustainable and renewable energy for businesses, promote access to adequate, affordable and sustainable energy services for the population, promote sustainable agricultural techniques, encourage access to bio- and environmental certification, promote the reuse of goods and waste treatment, etc. Candidate projects may also respond to the environmental changes that are already affecting their environment by adapting their (production) processes to limit the impact of these changes.

2. Gender and female entrepreneurship

Special attention will be given to projects and enterprises led by women, creating real employment opportunities for girls and women, promoting equal treatment and remuneration for women and men, strengthening the position of women in the family and in society, offering products that meet the specific needs of girls and women in the context in which they live, ...

3. Decent work and social protection

In pursuit of these objectives, initiatives will be supported which strive to ensure a fair and viable income for workers and/or suppliers (farmers, etc.), promote fair trade, foster safety at work, stimulate the creation of social protection systems, etc.



Preselection

Preselection of the projects

The KBF evaluated all applications between 01/02/2023 and 01/03/2023 (round 8) and between 06/09/2023 and 06/10/2023 (round 9). This resulted in a shortlist of 21 projects (round 8) and 17 projects (round 9), see annex.

The DGD was not involved in the preselection anymore.

Non preselected projects

The non-preselected candidates were informed by email right after the preselection.

Selection

Environmental-Social-Governance (ESG) screening

Sedex screened the for profit organisations of the 8th and 9th round of selections (see annex). The KBF was actively involved in contacting all organisations and urged them to participate in this screening and to deliver the requested information on time. The results of the screening were shared with the jury members.

The collaboration with Sedex is going well, but a close follow-up from the KBF is necessary. Sedex normally needs at least 3 months for this kind of screening, but they make an exception for BPF. To be able to keep to these strict timelines, the KBF is in constant close contact with the candidates and with Sedex.

The ESG screening by Sedex is a snapshot of the current situation of the company.

See annex for the ESG scorecards of round 8 and 9.

Information from the Belgian diplomatic posts

After the preselection, the DGD sent out the applications to the embassies of the concerned countries for feedback.

The feedback was shared with the jury members before the jury meeting.

The level of detail and the timing of the embassies' feedback varies, but the jury members regard this input as valuable.

Jury meeting

Eighth selection round:

The jury received online access to the preselected projects and submitted their scores and comments between 21/03/2023 and 22/05/2023. The average scores were the starting point of the jury meeting. A clear briefing on scoring and deliberation was shared with the jury members before the meeting, see annex.

The jury meeting took place on 26/05/2023 with representatives from the KBF and without a representative from the DGD. The KBF representatives were not allowed to take part in the decision.

The jury selected 9 projects, see annex, for a total budget of €1.552.915.

- Pure and Just Company Limited, Ghana - €199.944

- The Rewoven Company, South Africa - €97.000
- Turaco Valley Foods, Uganda – €63.118
- Coco-Waste Hub Limited, Ghana - €200.000
- Yeyasso cooperative, Ivory Coast - €199.500
- Solarly SRL, Cameroon - €200.000
- Le Lionceau, Senegal - €200.000
- SOPRAL, Madagascar - €193.353
- Jump Energy /African Drive, Kenya - €200.000

Nineth selection round:

The jury received online access to the preselected projects and submitted their scores and comments between 06/11/2023 and 04/12/2023. The average scores were the starting point of the jury meeting. A clear briefing on scoring and deliberation was shared with the jury members before the meeting, see annex.

The jury meeting took place on 07/12/2023 with representatives from the KBF and without a representative from the DGD. The KBF representatives were not allowed to take part in the decision.

The jury selected 6 projects, see annex, for a total budget of €912.391.

- Iriba Water Group, Rwanda - €200.000
- Mrembo Naturals, Tanzania - €110.000
- Close the Gap, Kenya - €160.000
- Prothea, Kenya - €85.000
- Bleaglee, Cameroon - €196.926
- Yety Smart Grids; Kenya - €160.465

Communication, agreements and payment to grantees

The KBF contacted all preselected candidates and informed them of the outcome of the selection process.

KBF contacted the selected projects to discuss the distribution of the total financial support into different installments, the timing for each installment and the mandatory evaluation report that needs to be submitted before the subsequent installment can be paid. We also drew up the agreements and distributed them to the grantees for signing.

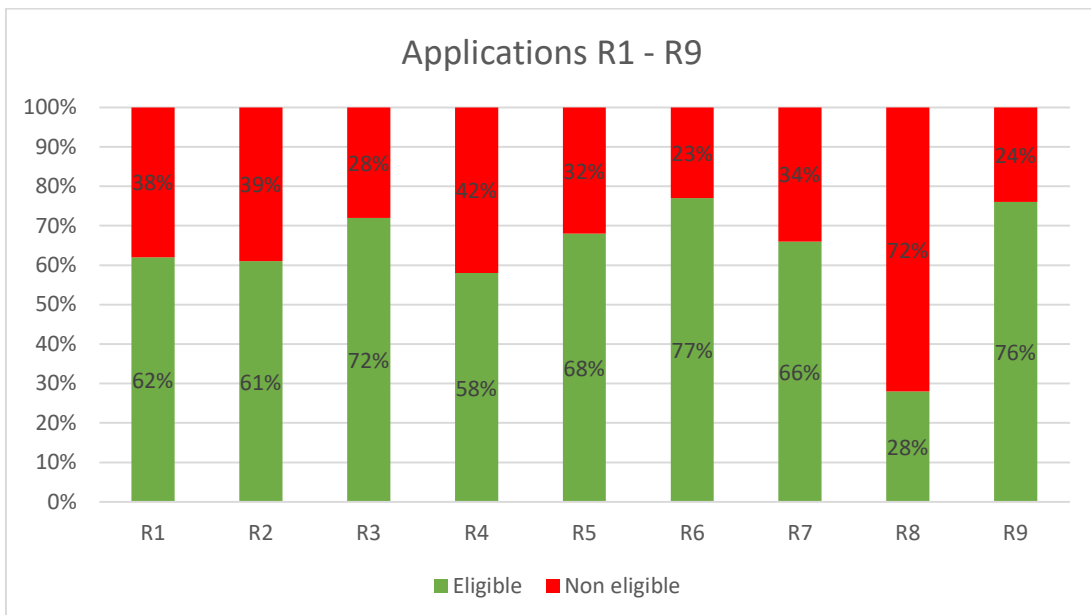
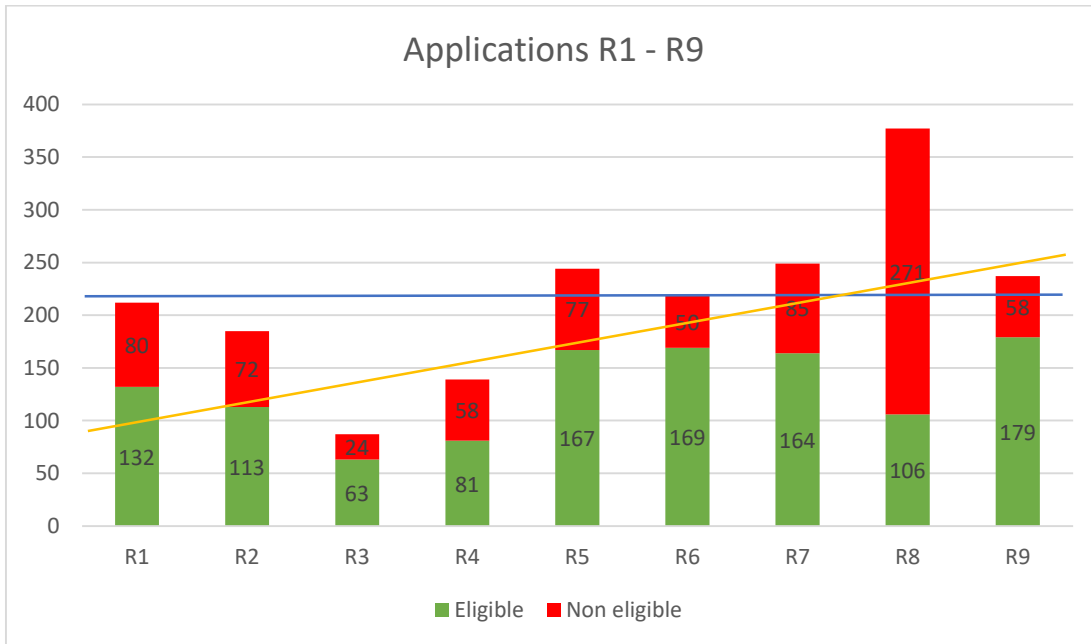
All new agreements were signed and an online meeting to discuss the reporting requirements was organized.

The agreement for the project submitted by Africa Drive was signed with Jump Energy. African Drive was the holding company of Baobab Express and Baobab Energie. During the Summer of 2023, African Drive went bankrupt because of the activities of Baobab Express, a bus company in Benin. The Baobab Energie team set up a new company, Jump Energy, and took over all intellectual properties and activities of Baobab Energie.

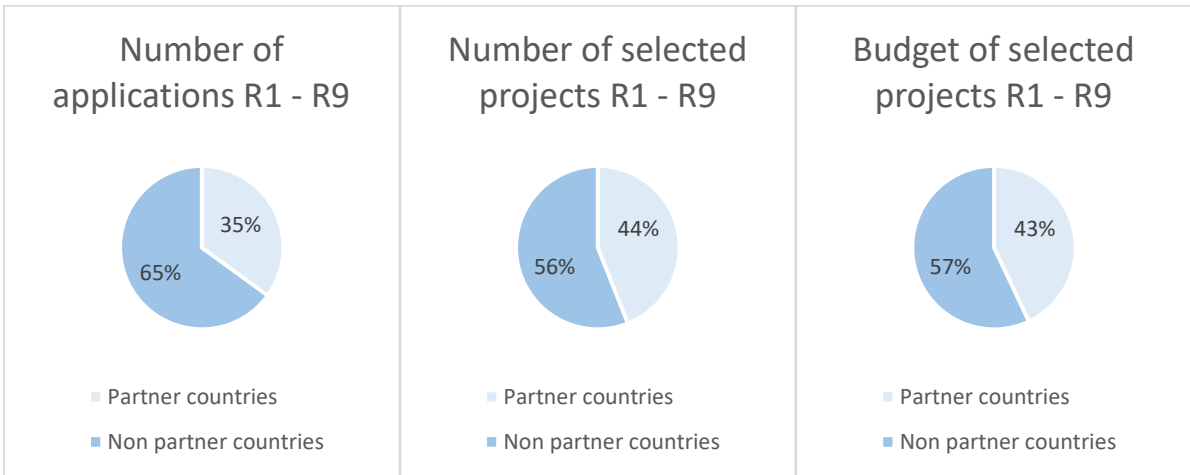
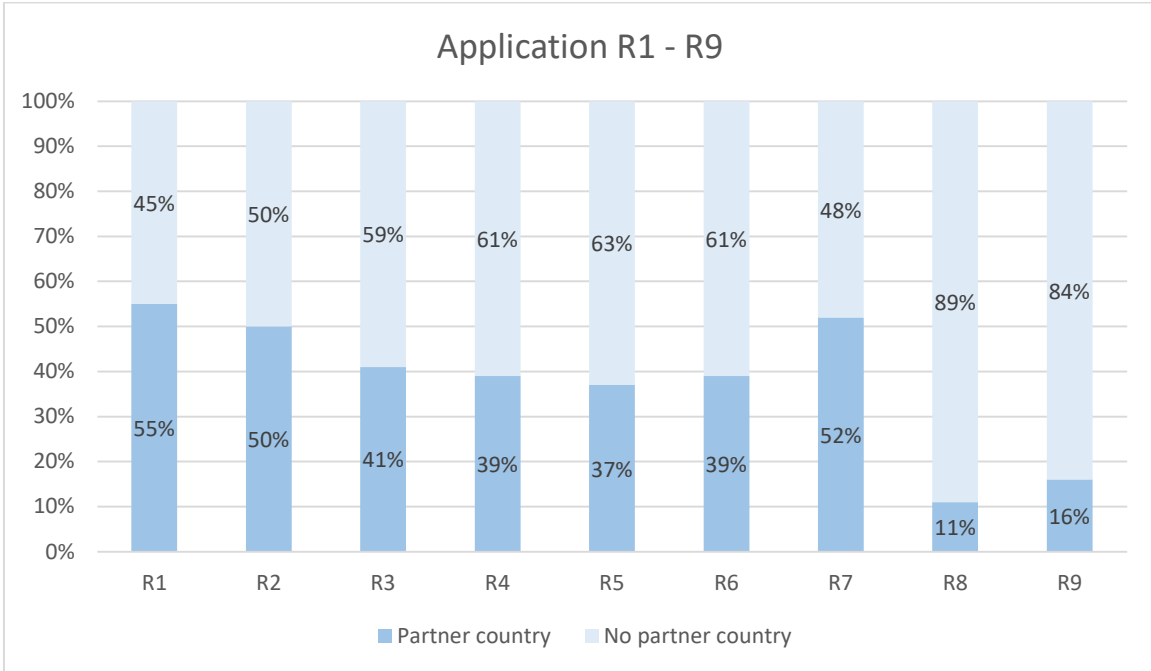
The project submitted by African Drive will be executed by Jump Energy in Kenya. Before granting the support to Jump Energy, the BPF jury was consulted for their approval.

4. Call for projects between 2019 and 2023

Applications: statistics 2019-2023



(Eligible/Non eligible based on: country, requested budget and % co-financing)



Applications: trends and conclusions

- We organized 9 calls over 5 years and received 1949 applications, 217 on average per round.
- The general trend was an increasing number of applications per selection round.
- Reducing the number of eligible countries and focusing on three themes did not result in fewer applications, quite the contrary.
- There are almost no applications anymore for a non-eligible country. However, we still receive applications for projects with either too high or too low a budget. There are also still applications for which the grant has to finance more than 50% of the budget.
- Most applicants request a relatively high amount (between €150.000 and €200.000). This is stable over the all rounds.
- We got much stricter in the eligibility check: projects for which the origin of the matching funding was not clear, or the format of the requested annexes was not right, were rejected during the eligibility process.
- Many projects that appear to be eligible on first inspection turn out to be ineligible on detailed inspection. The main cause is the origin of their own co-funding. Organisations want to bring in grants and subsidies on in-kind donations for their own contribution of the nonprofit partner wants to contribute part of the matching fund.
- Some candidates apply for a second and for a third time with the same project. Some make changes on the basis of the comments made during the previous selection round. Some of these projects are selected after they resubmit with the improved application.
- In both Round 8 and Round 9, most of the applications are related to 'Climate, environment and biodiversity'.
- Up to and including selection round 5, we received relatively fewer applications for partner countries each subsequent selection round.
- By shortening the list of eligible countries, starting in round 7 more than half of the eligible countries were DGD partner countries. This is reflected in the number of applications for partner countries. In round 7, 52% of the applications were for partner countries compared to 39% in round 6. However, during the last 2 selection rounds we received reasonable little applications from partner countries.

- 44% of the supported projects take place in one of the DGD partner countries. This represents 43% of the total amount granted. Projects from partner countries had a higher chance of being selected since only 35% of the applications come from partner countries.

Communication on the calls

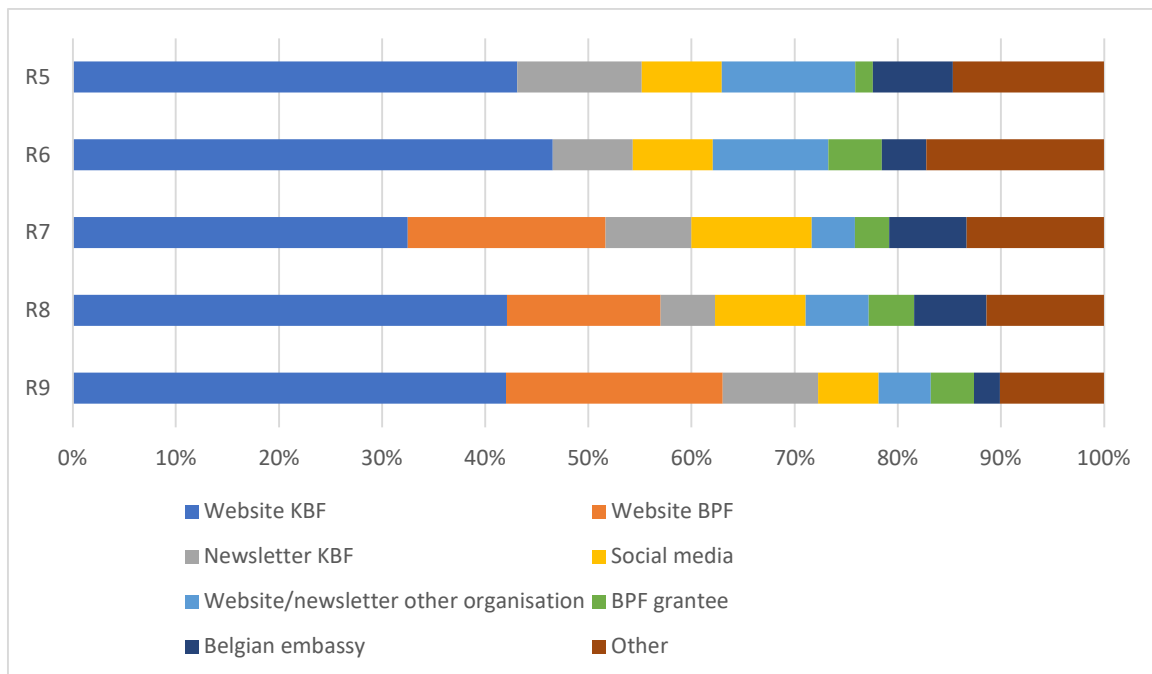
We announced the calls via all KBF communication channels (website, e-newsletters, social media) to thousands of website visitors, newsletter subscribers and social media followers.

In 2023 we organized three online info sessions (webinars), in total 150 people enrolled.

These online info sessions are a good way to reach our international target audience. In one hour, we provide information on the selection procedure, selection criteria and selected projects. There is ample time for Q&A so the participants also learn a lot from the questions of the others.

After the webinar, the recording and the slides are sent to all participants to share with their network.

As of Round 5, we asked the candidates where they heard about the BPF. They could check off multiple options.



The KBF website was the most important source where the candidates found out about the BPF. After Round 7, when the option 'BPF website' was introduced, this was the second most important option.

Support during application process

The KBF contact center and KBF project managers were full time available to answer questions from candidates via e-mail, phone and online meetings.

Until the end, we received many project-specific questions. Candidates prefer personal telephone contact to explain about their project and ask questions. This is very time-consuming but an easy way for candidates to get feedback on their project ideas.

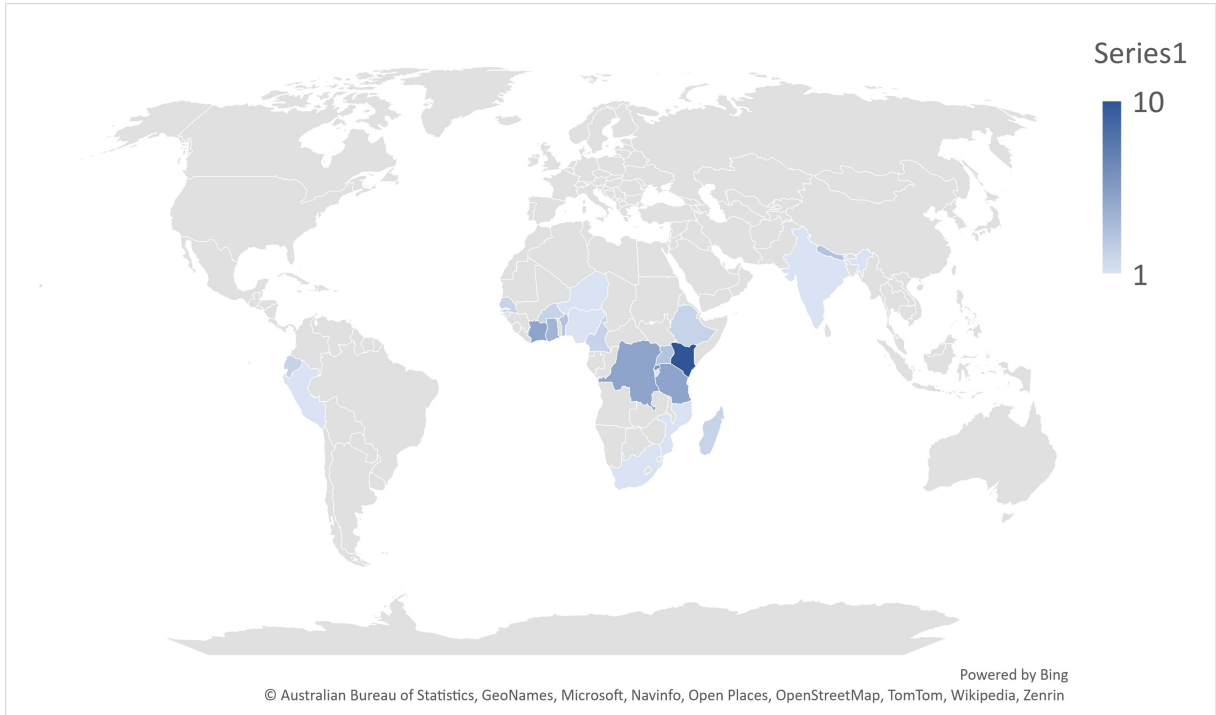
The BPF website with extensive FAQ section and webinars are partial solutions to this.

Grantees

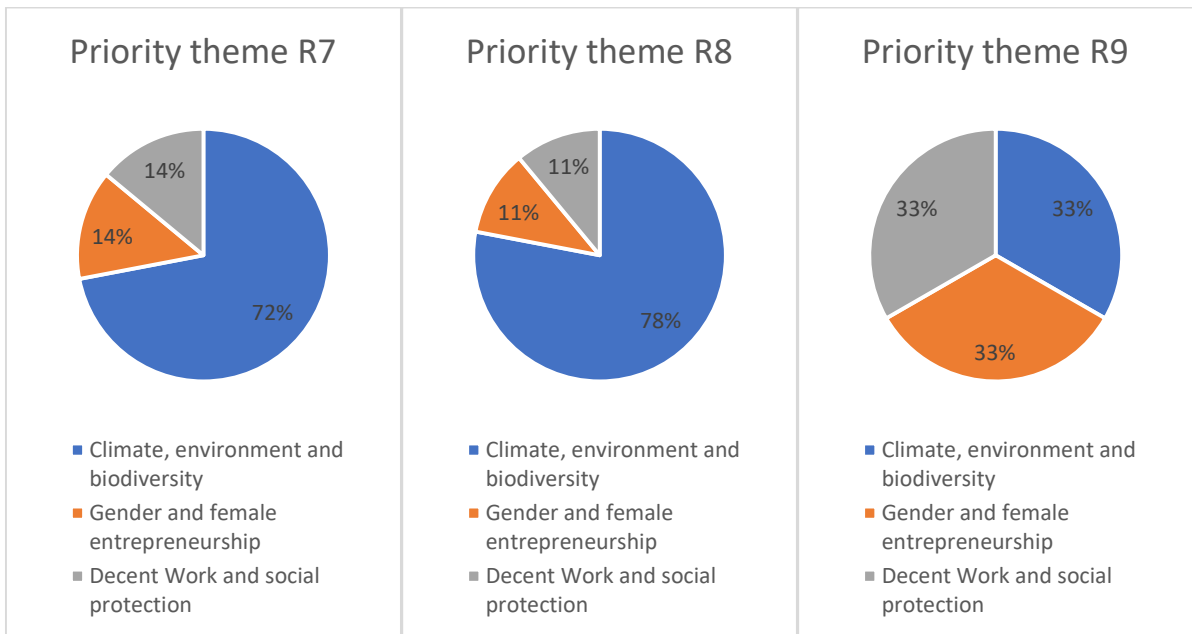
Over the 5 years, we organized 9 selection rounds and supported 64 projects with 60 grantees, full list in annex. In total 10.658.850 euros were granted. These projects are located in 23 countries (57 projects in Africa, 4 in Asia and 3 in Latin America).

Half of the projects take place in 5 countries:

- Kenya (10)
- Rwanda (6)
- DR Congo (5)
- Ivory Coast (5)
- Tanzania (5)



In Round 7 and Round 8, most of the selected projects are related to ‘Climate, environment and biodiversity’. In Round 9, an equal number of projects were selected for each priority theme.



Reporting

Next to the narrative reporting, all projects have to report on the following KPIs:

- Enterprise turnover and net income over the current and last year
- Number of FTE and FTE created
- Number and type of financial services subscribed / at disposal of the enterprise & covered amounts for the current year (e.g. bank account, [micro] credit & loans, guarantee, mortgage)

After drawing up the agreement, all lead partners are contacted to discuss the project specific indicators.

Final reports from grantees

So far the following BPF projects have successfully been finalized:

1. 1000 Hills, Rwanda
2. African Drive, Benin
3. Build-up Nepal, Nepal
4. Chanzi, Tanzania
5. Close the Gap (first project), Kenya
6. Coldhubs, Nigeria
7. Congretrix, Zimbabwe
8. Farmerline, Ghana
9. Galler, Ivory Coast
10. Good Neighbors International, Nepal
11. Getinet Tilahun Agricultural Investment, Ethiopia
12. Good Neighbors International, Nepal

13. Guavay, Tanzania
14. ID Fabric, Tanzania
15. Iriba Water Group (first project), Rwanda
16. Kentaste – Coconut Holdings, Kenya
17. Magiro Hydro Electricity (first project), Kenya
18. Ovation, DR Congo
19. Penda Health, Kenya
20. Rugofarm, Burundi
21. Smico – Kivu Kickstarter, DR Congo
22. Teco2, Burkina Faso
23. Terra Nova, Mozambique
24. Third Man Limited, Tanzania
25. Vitalite, Senegal
26. Wakapou, Benin
27. Water Access Rwanda, Rwanda
28. Yepezsalmon Yepez Salmon Asociados (first and second project), Ecuador

Despite encountering various challenges throughout the project, all the grantees have achieved positive outcomes and have compelling stories to share. They attest that the BPF grant played a important role, acting as a catalyst for their company's growth and consequently amplifying their social and environmental impact. For most grantees, the BPF grant unlocked access to further investments.

Financial reports from grantees

In the annual and final reports, the grantees always report on all expenditures made, both with the BPF budget as with the matching fund.

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

The grantees can provide the supporting documents on request. As agreed, the KBF does not perform a systematic financial control of the grantees when there is no suspicion.

Intermediate and final reports of the grantees are available on request.

5. Technical assistance

The BPF can provide advisory support delivered by consultants in two particular cases:

- On results-based management
- On the development of activities on a larger scale (scaling-up)

The consultants can be mobilized at the request of the project leader of the partnership, depending on the bottlenecks that may arise during the implementation of the project.

So far, we have received only a few requests for technical assistance. The following consultants were contracted:

- Kumar Dhirendra – Solid (2.430 euros)
- Djouman – Wakapou (7.865 euros)
- Afriscope Research Ltd – Guavay (10.106 euros)
- Resilient Structures Private Ltd – Build Up Nepal (4.605 euros)
- Amphorae Ltd. – Third Man Limited (5.580 euros)
- Dominique Derom – Galler (6.655 euros)
- Jacko International Consulting – Kosmotive (1.331 euros)
- Dominique Derom – Yeyasso (9.317 euros)
- Atelier Liesbeth Verhelst – Solid (7.260 euros)

Since the start of BPF, we spent 55.149 euros on technical assistance, compared to 525.000 euros budgeted.

We will continue to bring this option of technical assistance to the grantees' attention until September 2026.

6. External final evaluation

As foreseen at the start of the BPF, an external evaluation of BPF took place.

Objectives of the evaluation

With the results of this final evaluation, we wanted to learn lessons to share with our stakeholders and to improve the management of BPF as long as the selected projects are ongoing.

The main goal of the evaluation was:

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

The evaluation was carried out at different levels:

- Management of the BPF by the KBF
- Portfolio of the BPF
- BPF-supported projects and final beneficiaries

Selection process consultant

An independent selection committee was composed to select the right consultant for this assignment.

The Terms of Reference (see annex) were sent out on the 27th of January 2023.

The selection process and the selection criteria are added in annex.

The selection was carried out in 2 phases.

1. Preselection based on the CV and the quote of the consultant

The interested consultants had to submit before 17/02/2023:

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

Based on this information we preselected the top 3 organisations.

2. Final selection by an independent selection committee

The preselected organisations were requested to send us before 31/03/2023:

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

The preselected consultants were contacted for a short online interview with the selection committee on the 18th of April 2023 and a follow up interview on the 25th of April 2023. The final selection was announced shortly after this selection meeting.

The final evaluation was performed by **Techforce, Akvo and Diligent Consulting** together with their networks of local consultants.

Methodology

The evaluation was built up from case-based evidence in 8 projects complemented with data gathered at BPF portfolio level through interviews and e-surveys.

8 projects were selected for an in-depth analyses and on site visit:

- BioPhyto (Benin)
- Wakapou (Benin)
- Vitalite (Senegal)
- Water Access Rwanda (Rwanda)
- Third Man (Tanzania)
- Teco2 (Burkina Faso)
- Chanzi (Tanzania)
- Kentaste (Kenya)

Main conclusions

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

The KBF has been doing a good job in managing the BPF. Acting as a convener and facilitator, as a philanthropic foundation, the KBF managed to successfully foster collaborations between the private and public sectors. This has resulted in impactful outcomes that benefit both realms.

The full report is attached in annex.

The results of the grantees questionnaire were also used to set up a power BI dashboard:

<https://app.powerbi.com/view?r=eyJrIjoiMjkxZWQzZmUtNGY4ZC00NjFkLTk2NjktZTY0YjI4ZTQ5OTQzIiwidCI6ImIxNzBIMTE1LWRjM2QtNGU5Mi04NWJlLWU0YjMwMDIjNWRjMiIsImMiOiI9>

Conclusions of the KBF

What would we change if we started a new BPF with current knowledge and experience?

- As BPF was a pilot project, we could not have anticipated that this tool would be so popular.
In retrospect, it would have been a more logic choice to focus the calls from the start on a limited number of countries and on a limited number of sectors, based on political priorities and field analyses of the stakeholders.
- Limiting the countries and focusing on only 3 priority themes after the mid-term review was not enough to limit the number of candidate files. However, focusing on countries and sectors would have made it easier for grantees to network and learn from each other's experience.
- Some stakeholders are convinced BPF should have only supported social enterprises while other stakeholders believe the opposite. We are convinced that a mix provides interesting learning opportunities for organisations at both sides of the spectrum.
- Whereas at the start of BPF we were convinced that a partnership was necessary, practice has shown that cooperation with a non-profit is not necessary to create a strong social impact.
- Grantmaking through a matching fund, is a good tool to support the target audience of BPF.

Round table discussion

We organized a round table discussion with the jury members and the evaluators to discuss the outcome of the evaluation and the impact of the BPF. 4 BPF grantees, women founders, were also invited to share their side of the story and to help us shape the future.

Christell Kwizera (Water Access Rwanda), Siny Samba (Le Lionceau), Yvette Ishimwe (Iriba Water Group) and Blandine Umuziranenge (Kosmotive) joined us for the round table on December 8, 2024. The days prior to the round table, we offered them a tailor made program with peer-2-peer learning, company visits and stakeholder meetings.

“The grant isn’t only about finance. It allows a longer-term perspective and acts as a catalyst for business development, future investment and the realisation of aspirations.”

More about their views is available online:

<https://kbs-frb.be/en/four-founders-explain-how-business-partnership-facility-supports-their-sustainable-businesses>

7. Next steps

We will continue to follow up the grantees, offer them support with the budget for Technical Assistance and further develop the portfolio management with the budget for miscellaneous.

The remaining budget for external evaluation will be used in 2025 to gather information on all grantees, also those not included in the evaluation executed in 2023.

Financial Report

Period: 1st of January 2023 – 31st of December 2023

IN		
DGD		2.500.000 €
OUT		
	agreements	payments
HR		
Elke Briers		29.468 €
Other KBF		40.000 €
ESG		10.196 €
Administration		2.684 €
External evaluation		89.943 €
Consulting / TA		16.577 €
Grants	2.465.306 €	1.603.687 €
Miscellaneous		25.452 €
	Total spent	1.818.008 €

All grants are paid in several installments during the course of the project, hence the difference in the total amount in the agreements versus the actual paid amount.

In 2023 we paid the first installment to the grantees of the 8th selection round, but also installments to grantees of previous selection rounds. The first installments to the grantees of the 9th selection round were paid in January 2024 and will be included in the next financial report.

Comparison of budget versus real expenses

Period: December 2018 – December 2023 (selection round 1 – selection round 9)

	Round 1 - Round 9		
	Budget	Expenses transferred	% Budget used
Grants*	€ 10.725.000	€ 8.608.684	80%
HR at KBF	€ 375.000	€ 375.000	100%
Technical assistance	€ 525.000	€ 55.149	11%
External evaluation	€ 150.000	€ 147.044	98%
Miscellaneous	€ 225.000	€ 172.225	77%
Total expenses	€ 12.000.000	€ 9.358.101	78%
	Budget	Transferred	
Total from DGD	€ 12.000.000	€ 12.000.000	
Balance	€ -	€ 2.641.899	
% Spent			78%

* 8.608.684 euros paid for grants, 10.657.372 euros committed for grants

1. We used 99% of the budget available for **grants**.
In total, 10.657.372 euros are committed to grantees. As these grants are paid in several installments and not all projects are finished, only 8.608.684 euros were already transferred to grantees.
2. Slightly more was spent on **HR**.
KBF spent slightly more on HR compared to the budget. But the surplus of the HR expenses are paid with KBF budget and the KBF will continue to pay the HR costs until the end of 2026.
3. The requests for **Technical Assistance** start to come in. The budget remains available.
4. The cost for the external **evaluations** was slightly lower compared to the budget. The remaining budget remains available for gathering data on all grantees, also the grantees not included in the evaluation executed in 2023.
5. Small underspending for the **Miscellaneous costs**.
This is mainly because during the covid crisis, jury meetings were held online so no expenses for international transport and accommodation.
'Miscellaneous costs' not only covers the expenses for the jury meeting, but also the costs

for adapting the application file, translations, and round table discussions at the conclusion of the evaluation. We will continue to use this budget for portfolio management.

Brussels, 28th of March 2024.

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8. Annexes

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- Annex 4 – Report external evaluation
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- Annex 7 – Report external evaluation, annex non selected applicants
- Annex 8 – Selection procedure BPF call
- Annex 9 – BPF applications Round 8
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- Annex 22 – Details on expenses