

October 2013



Innovations Against Poverty

Portfolio Review 2013



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Introduction

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Photos from ACRA-CSS, a Small grant project from Cycle 4

Key messages

Progress	30 months into the programme, IAP is well positioned to deliver on Sida's targets with 59 projects in the portfolio. Of these more than half have progressed well enough into their respective projects to be able to start delivering some results, which have been collected in the form of progress update or completion reports over the period July-September.
IB projects	The majority of the IAP grantees are small organizations operating early-stage inclusive business projects, many of which are start-ups. Projects are well spread across sectors and operate in 25 countries.
Implementation process	Most projects are at early stages of their Inclusive Business (IB) journey and face challenges in accessing finance and securing the necessary partnerships with government or others. Even though it is still early days, it is becoming increasingly apparent that projects rarely achieve results to the degree they have originally anticipated. This being said, out of 29 projects submitting updated information, 26 categorize themselves as being "on track".
Commercial viability	24 out of the 29 projects believes that commercial viability is "Very likely" or "Likely" to be achieved within the coming 5 years. The scoring of projects by the IAP team with regard to commercial viability indicates that some projects seem to be over-optimistic regarding their prospects, which is also confirmed by comparing actual results so far to results estimated at baseline. Only a few companies have reached break-even. This being said, the vast majority are making progress, showing promising signs in terms of turnover growth.
Development	To date, the 29 projects submitting updated information have reached approximately 60,000 people at the BoP. They estimate rapid growth, hoping to reach around 3 million people by Year 4 in total. While again this is likely to be an overestimate, actual data for some projects to date does show steady progress. The vast majority of BoP reached are consumers of goods and services. A majority of projects expect women to be either half, or a majority, of their beneficiaries. The overall scores for potential for development impact, made by the IAP team, place the vast majority of projects in the middle category. Those currently scored as highest potential are primarily reaching the BoP with sanitation and access to finance.

Introduction – the portfolio review

- This is the second IAP Portfolio review
- Whereas the first Portfolio review looked at the projects at the baseline stage – i.e. at the outset of the projects, relying primarily on data from baseline forms, this review partly shifts the focus toward “operational projects” that are in implementation mode, addressing questions such as for instance:
 - *How are the projects doing right now?*
 - *What are the current expectations of the projects?*
 - *Do the projects live up to their expectations at the baseline stage?*

The bulk of the data collected for operational projects comes from Progress Update reports and/or Completion reports. These reports are completed by grantees themselves, as part of the M&E reporting. Thus data in this review is mainly self-reported. However; similarly to the first Portfolio review, insights from the IAP team have also served as important input as a complement to assessments by companies

- The IAP portfolio is still at a very early stage – the results presented here can only give a preliminary picture and, in fact, do not say much about how successful projects will be in the future. Most projects only have actuals for year 0 (the year leading up to the IAP-project) and year 1. Judging from expectations, projects are not foreseeing tangible results until year 3 or year 4.

Structure of the report and data

- We will start off the report with a brief look at the *full portfolio*, which in this review equals all projects up to, and including, Cycle 5 Small grants. At the time of writing, the final selection of Large grant applications in Cycle 5 had not yet been completed and so the full portfolio includes 59 projects. In total, 62 projects have been awarded grants to date, of which three projects have been cancelled post approval.
- The main focus of this report is, however, those projects that currently can be classified as “operational”, meaning that they have received some/all of the IAP-funding and are now busy implementing their grant-funded activities. In total 36 projects can be regarded as operational, which excludes projects selected in Cycle 4 and Cycle 5, since these are yet too early stage. Five of the Large grants from Cycle 3 have also been excluded due to them just starting up implementation of their project.
- Current data has been requested from the 36 projects through either a Progress Update (PU) report (for companies that have not recently submitted a Completion report) or a Completion Report (CR).

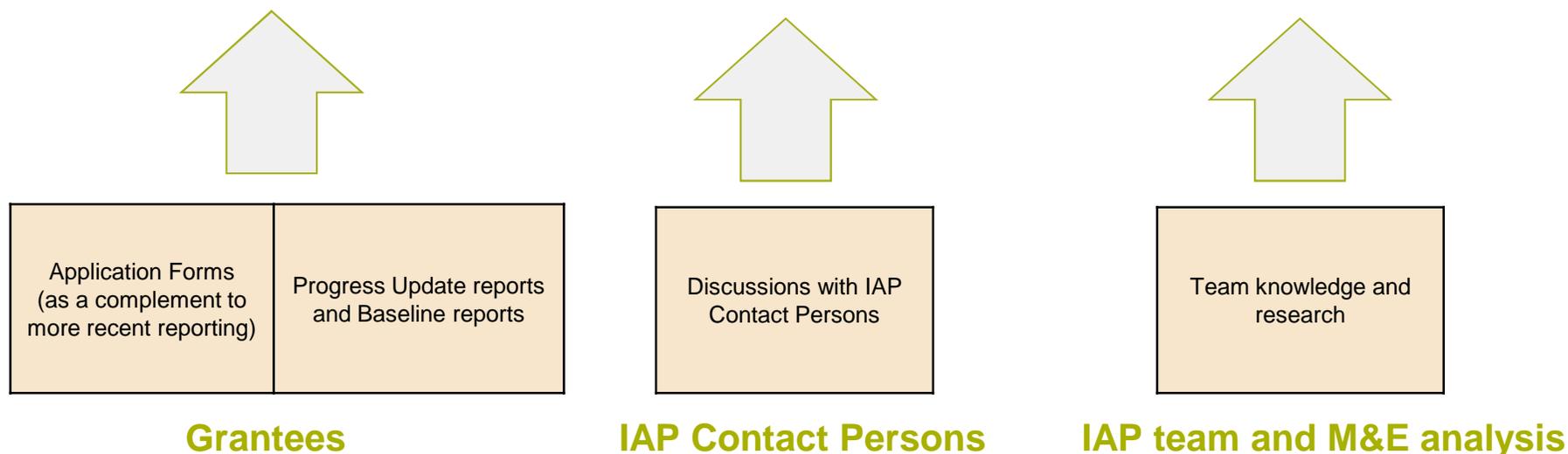
Structure of the report and data (cont.)

- While 36 projects can be classified as 'operational', the main data in this report comes from 29 grantees. This is because a few projects failed to submit data, mostly due to last-minute delays in completion reporting. Also, there are three companies in cycles 1-3 who have received two grants (Makit, Pamoja and Ignitia). These 'double grantees' are reported as one project, rather than two.
- The main data for the report comes from
 - 29 Progress Update reports/Completion reports
 - 32 IAP rankings (Indices informed by the IAP team's knowledge of portfolio companies)
- In some instances, companies have not filled out all data in the reporting form, making the number of responses vary between indicators. We indicate the number of actual responses by "N=". We have also for some indicators chosen to exclude/separate "extreme outliers", i.e. companies that report results that significantly differ from other comparable companies.

Data sources

Total # of approved applications over 5 cycles (excluding large grant projects for Cycle 5)	62
Total # of grantees in the Portfolio in October 2013 (For three grantees funding has been withdrawn)	59
# of projects with up-to-date operational data and/or IAP rankings available (“# of Progress Update reports and Completion reports”/”IAP rankings”)	29/32

Data Collection Sources



Status of the IAP portfolio

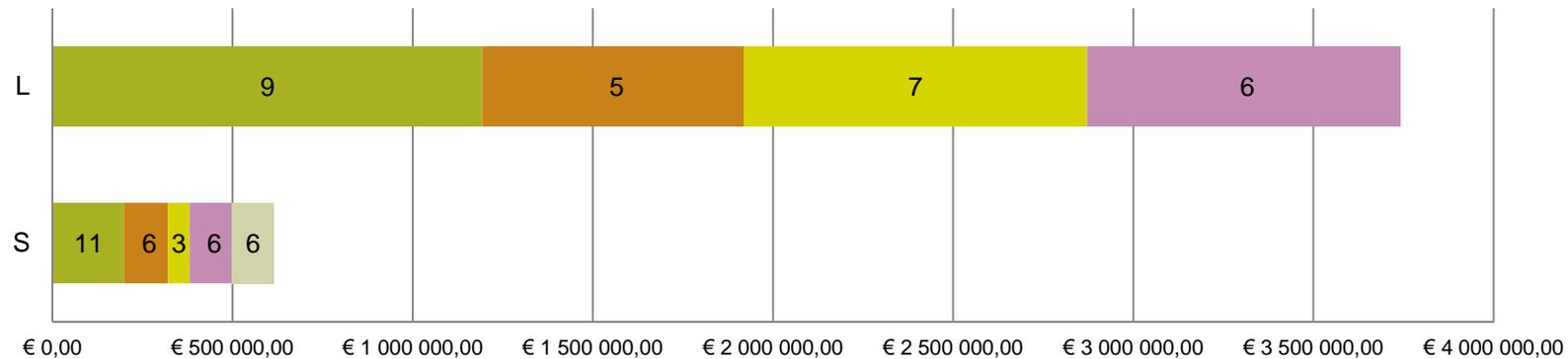
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Photos from IRDI, a Small Grant project from Cycle 1 and Sanergy, a Large Grant project from Cycle 1

Approvals by Cycle

- The IAP program offers grants of up to €200,000. For applicants interested in Small Grants of up to €20,000, a fast-track, one-stage application process is available.
- To date, a total of **€ 4,356,523** has been awarded, divided between **32** Small grants and **27** Large grants. At the time of writing, Large Grants for Cycle 5 are yet to be awarded.

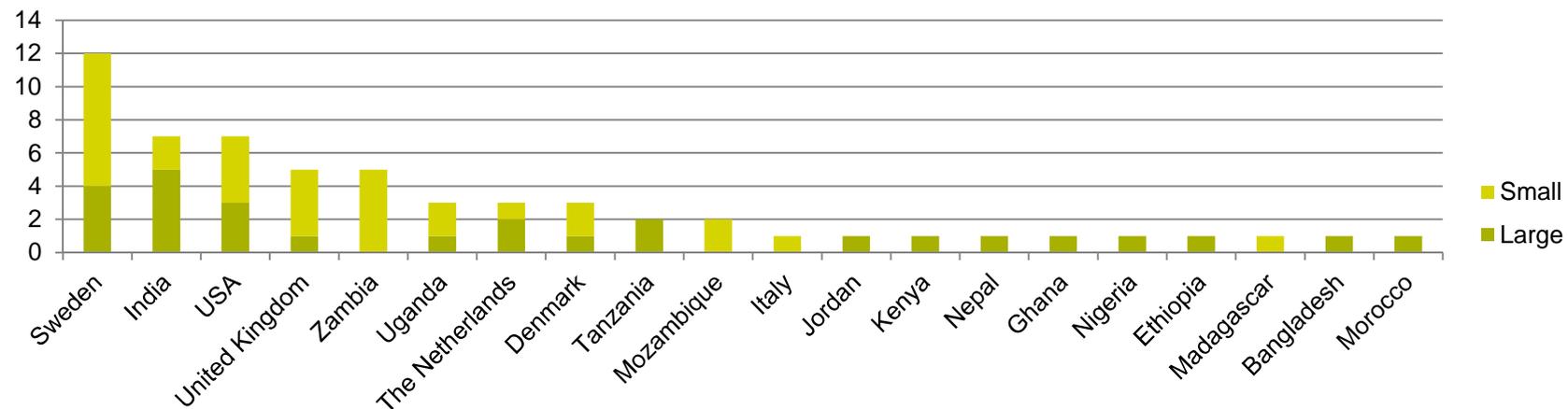


	S	L
■ Cycle 1	199 047,00 €	1 193 072,00 €
■ Cycle 2	120 890,00 €	725 889,00 €
■ Cycle 3	60 908,00 €	952 321,00 €
■ Cycle 4	117 748,50 €	870 669,00 €
■ Cycle 5	116 008,00 €	

Type of organizations: HQ

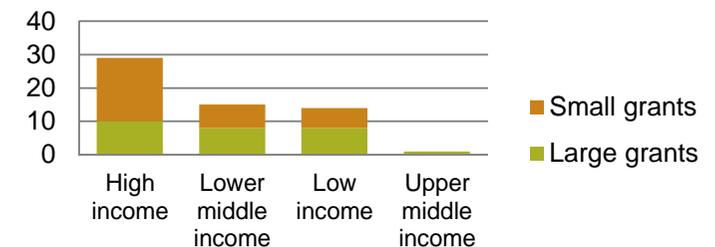
While IAP is a global program, marketing and outreach efforts have primarily focused on Sub-Saharan Africa and the Middle East and North Africa (MENA) region.

Country organization headquarters N=59



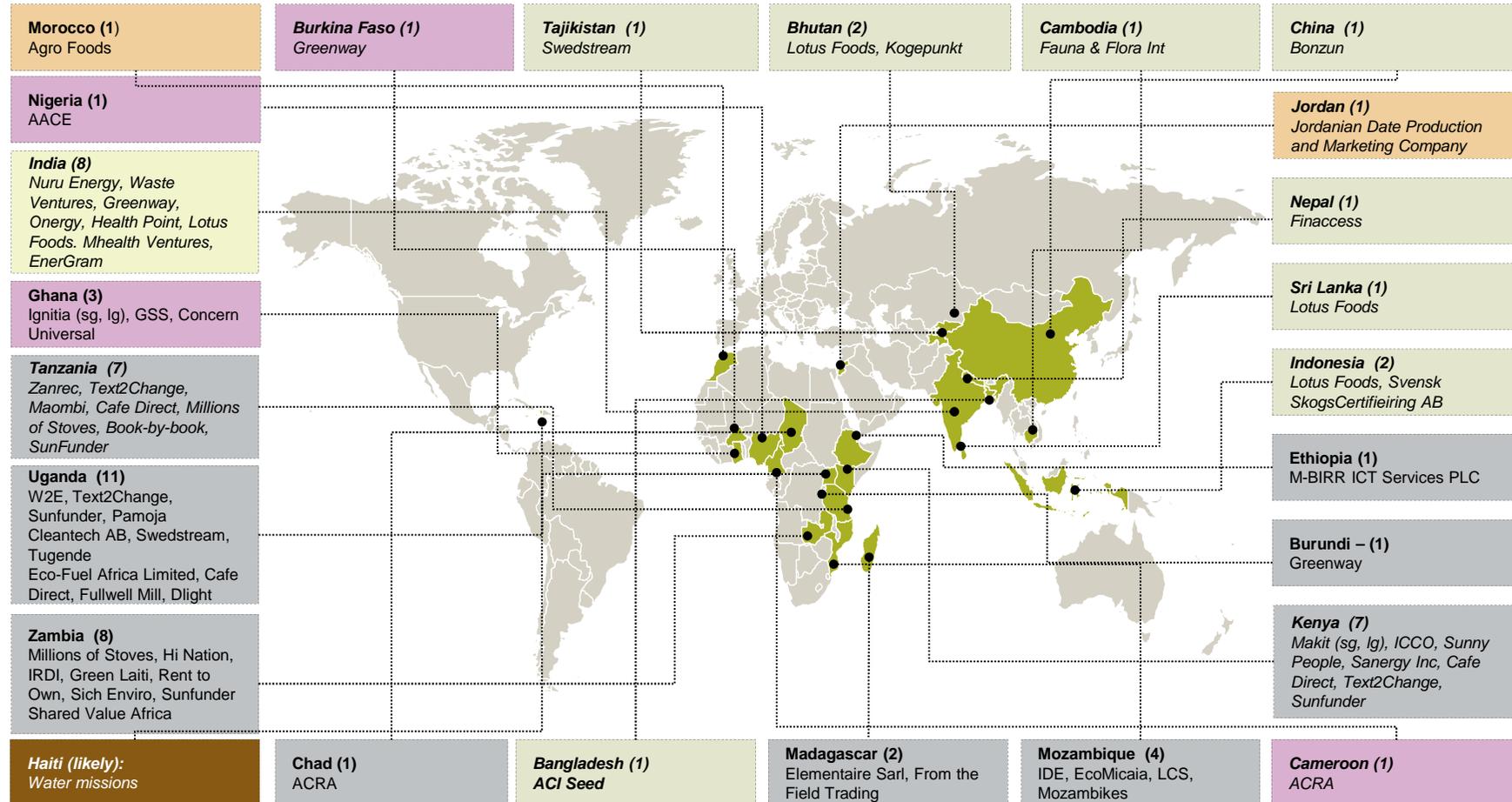
A high share (almost 50 per cent) of the companies receiving grants are based in high income countries. As is more thoroughly described in the IAP Cycle Analysis, this can be explained by the fact that applications from companies based in developing countries tend to be of lower quality and not fully fulfill the IAP selection criteria.

Classification* of HQ-country



*The classifications are made using categories in use by the World Bank

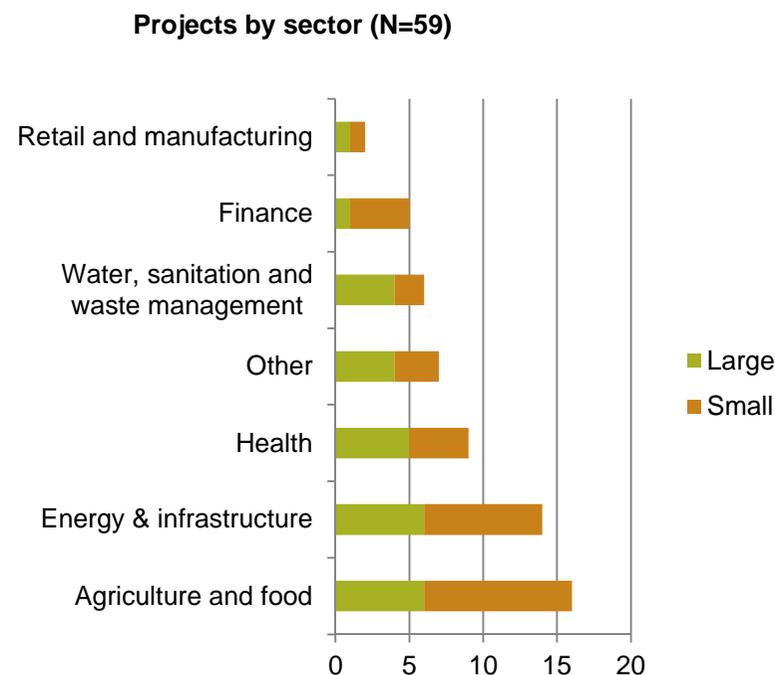
Primary countries of operation



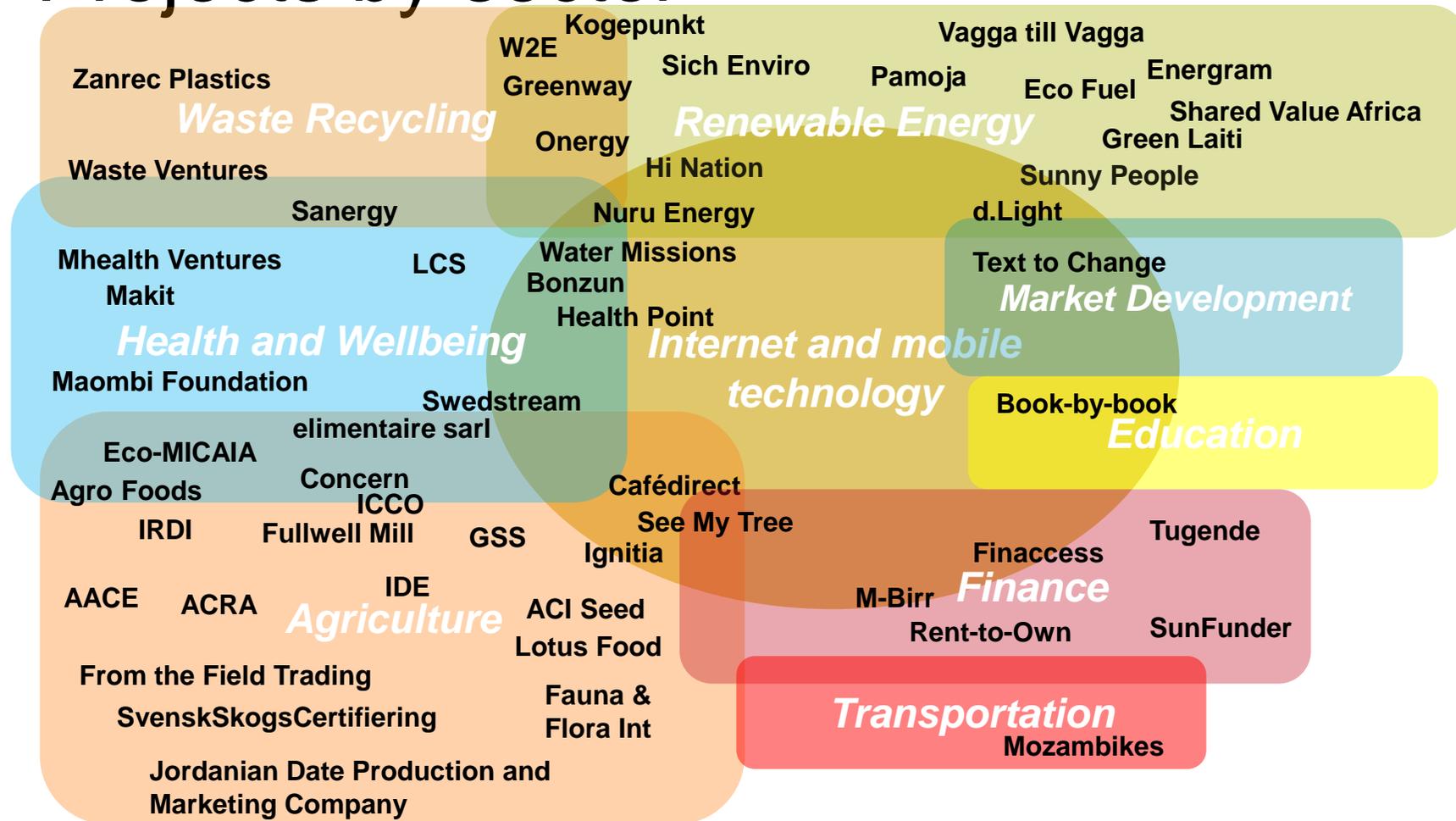
Global/multiple countries: d.light, See my Tree AB

Projects by (primary) sector

In terms of primary sector, most IAP grantees can be found in the wide sector “Agriculture and food.” However, many IAP-projects are better defined as cross-sectoral, given that they cut across a number of sectors. The sector category “Other” primarily consists of projects relating to Information and Communication as well as other service activities, such as Education.



Projects by sector

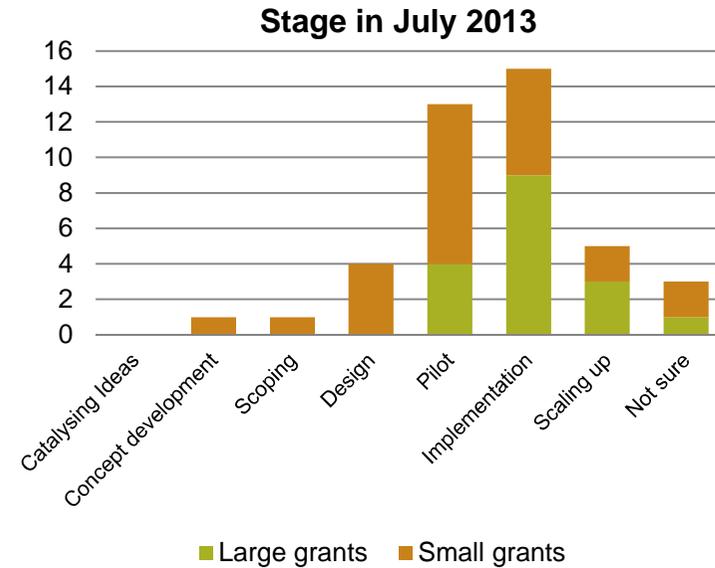
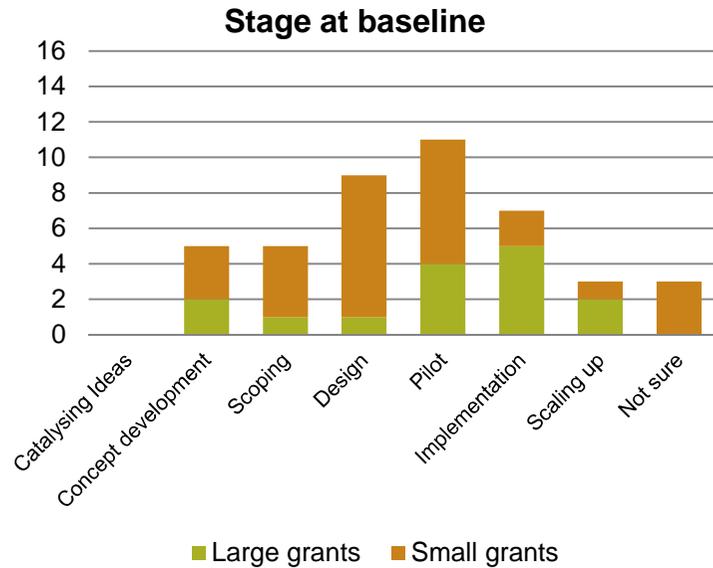


Overview of Operational Grantees



Photos from GSS, a Small Grant project from Cycle 1 and Eco-MICAIA Limitada, a Small Grant project from Cycle 2

Current stage of operational projects (N=29)

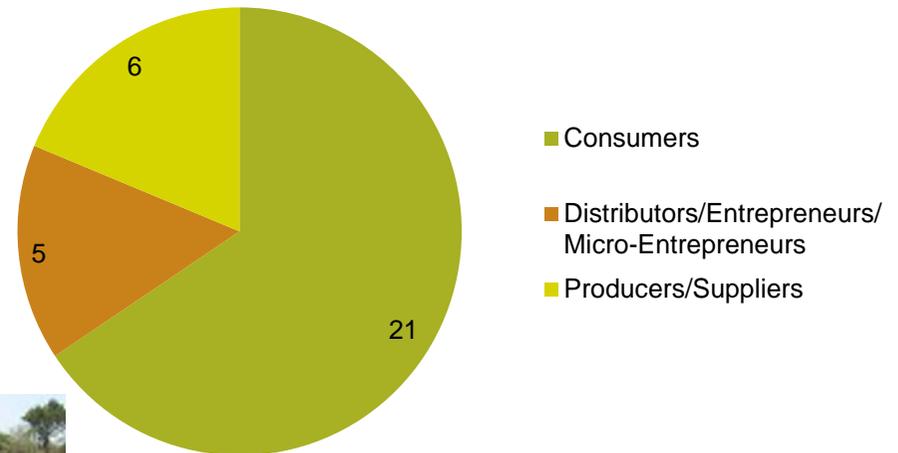


There are large differences regarding time of operation for the projects included above. For some projects, time between project start (which approximates the time of baseline submission) and July 2013 is merely 4 months, whereas other projects have been operational for more than 20 months. Nevertheless, the tendency that IAP projects are moving towards more mature stages of development (where commercial viability can start to be realised) is clearly visible in the graphs above. Please note that multiple choices have been allowed, meaning that the number of replies differs between baseline and July 2013.

Base of the pyramid focus

- All of the projects involve low-income people – those at the 'base of the pyramid' (BOP) in some way.
- Approximately two thirds of the operational projects engage people at the BOP as consumers of goods and services. The other third benefit the BOP by providing opportunities for them as producers/suppliers, entrepreneurs or employees to earn a living.

Primary beneficiaries by type (N=32)



Makit is an example of a consumer project. IRDI primarily benefits producers, and secondarily, consumers.

Female Beneficiaries

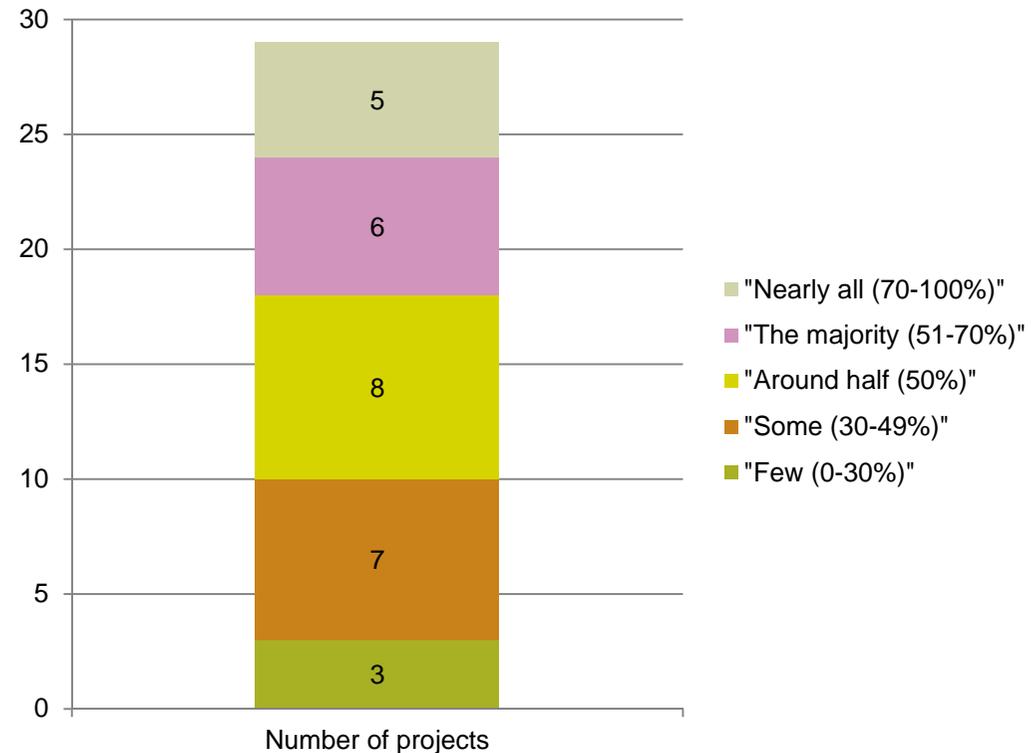
Among the projects that have provided data for this review, a clear majority estimates the more than half of their business's beneficiaries are women. Five projects states that "Nearly all" of the projects beneficiaries are women.

Among the 10 projects indicating that women makes up less than 50 per cent of the beneficiaries, 5 are consumer-oriented, whereas the other five have producers as primary beneficiaries; i.e. no pattern can be seen with regard to this aspect.

Projects with "Nearly all" beneficiaries being female

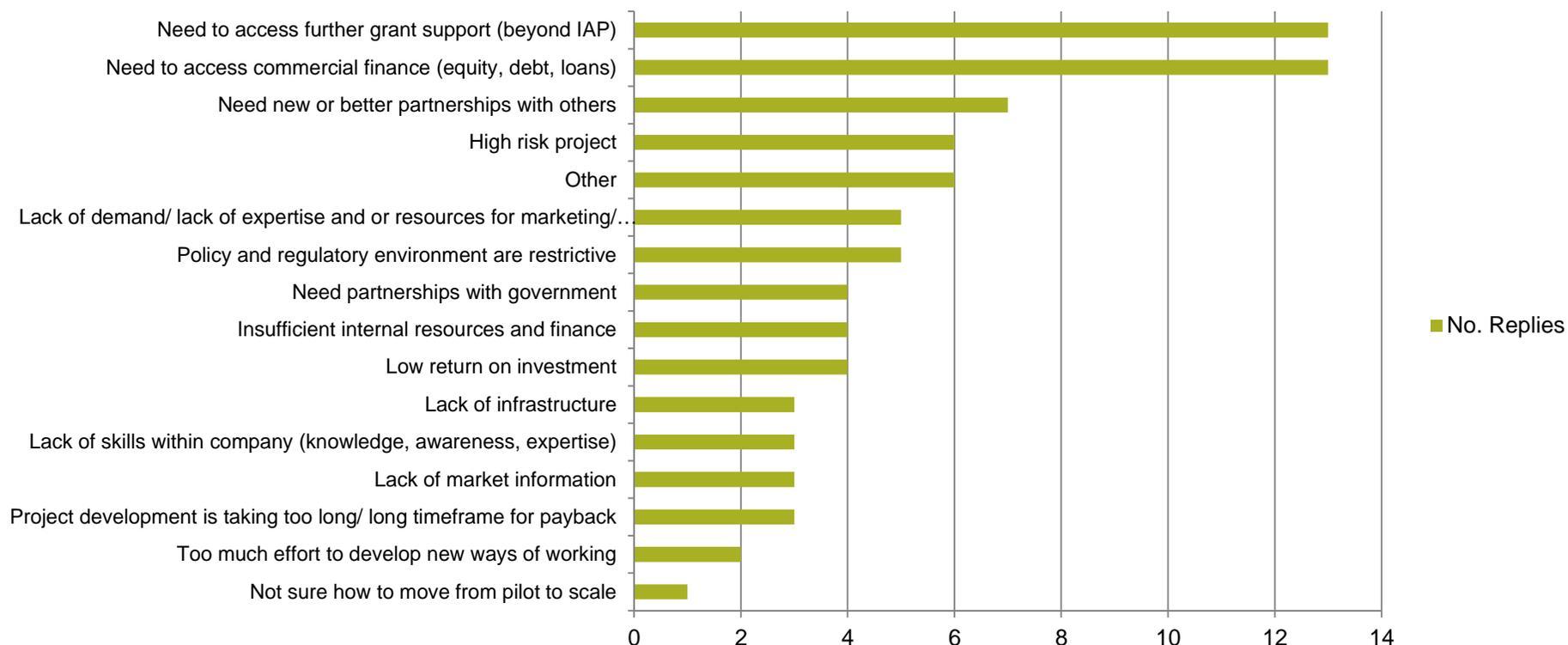
- Vagga till Vagga
- Makit
- Swedstream
- Bonzun
- Eco Fuel

"What proportion of your direct beneficiaries are women?" (N=29)



Challenges

Challenges identified by operational IAP projects (N=29)



In the Progress Update and Completion-reports, grantees rank the main challenges that their projects currently face. The graph illustrates these challenges, disregarding the order in which they have been ranked. One obvious conclusion is that IAP grantees struggle to find funding. Given the fact that the time between project start and project break-even is even longer for Inclusive Business (IB)-ventures than for purely commercial business ventures, this should come as no surprise. Most IB-ventures are heavily dependent on grant funding, covering costs during the first years of operation.

Data for “outliers”

A couple of projects have for some indicators made estimates that diverge, in the sense that the predicted numbers for financial indicators and/or development indicators are much larger than for other companies in the portfolio. In order not to distort graphs, and comparability between projects, we have chosen not to include these projects in the graphs. The projects we have excluded for certain indicators are:

1. IAP-supported venture Bonzun will provide health information to pregnant women, doctors and midwives in China via a digital interactive platform. If successful, the company might have a very wide reach and reach a very high turnover. This being said, the company is still early stage, and we have as a conservative measure chosen to leave out these figures from the analysis.
1. Waste Capital Partners will incubate four small-scale waste management companies, owned by waste pickers, through their Indian affiliate, Waste Ventures India. Number of producers reached may very well become high, but since estimates are significantly higher than for most other producer-oriented projects, these numbers have been left out of the analysis.

Commercial viability

Operational grantees

4



Photos from Cafe Direct Producers Foundation, a Small Grant project from Cycle 2

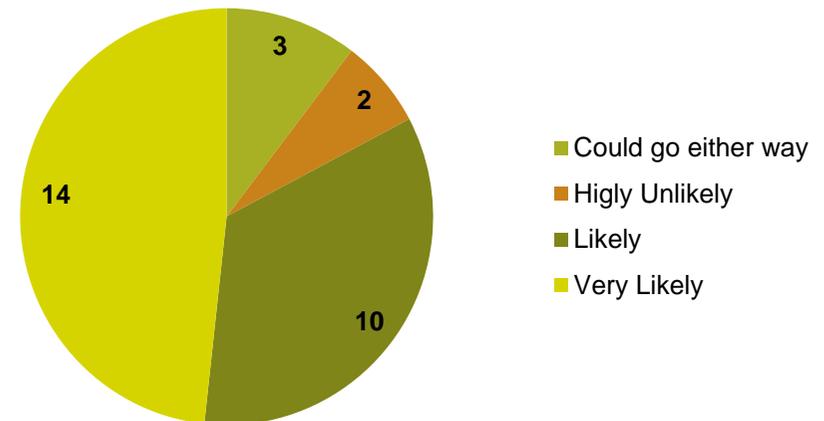
Commercial viability

Commercial viability is one of five IAP selection criteria that IAP grantees have been scored against, prior to being recommended for funding. In this context, a commercially viable project implies that a project has the potential to become a profitable business that can operate in the private sector at scale, promoted by a team and/or organization with a strong commercial track-record in a relevant sector, where the promoters have a financial commitment to success.

In their PU/CR-reports, operational grantees have been requested to provide their current opinion on where the projects are heading, in terms of commercial viability. As is shown in the graph to the right, a large majority believes that commercial viability is “Very likely” or “Likely” to be achieved within the coming 5 years.

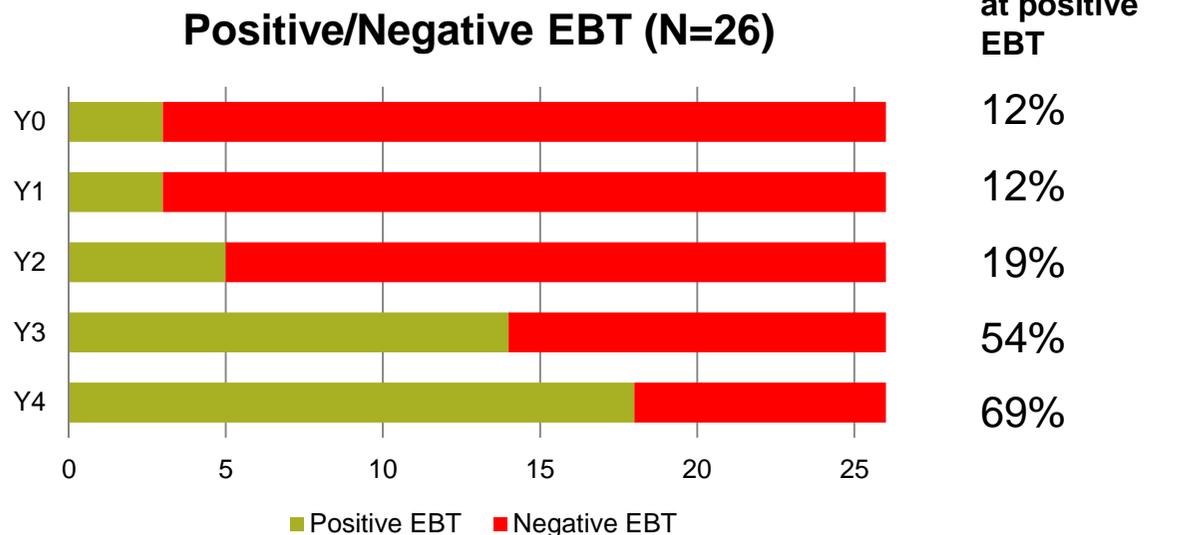
Grantee expectations

“Please provide your own current perception of the project’s likelihood of reaching commercial viability (profitability) within a 5 year period” (N=29)



Profitability (Earnings before taxes – EBT)

The chart to the right illustrates how many years of operation that the operational IAP-grantees expect will be necessary to become profitable. As is shown in the chart, in Year 1 (Y1) only 12 per cent of the projects expect to be profitable. This can be compared with Y4, when 69 per cent of the grantees anticipate being profitable.

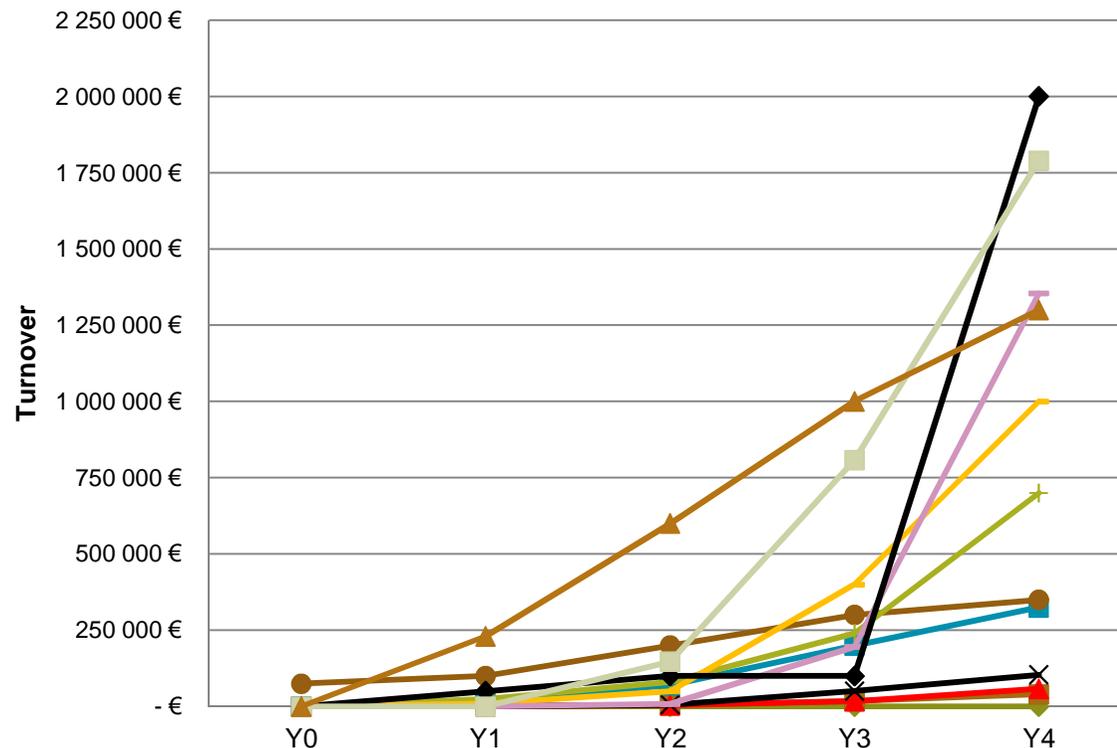


How many months to break-even?

	Months
Average for all (N=23)	38,19
Small grants (only single grantees) (N=11)	36,9
Large grants (only single grantees) (N=7)	33,4
"Double grantees" (N=5)	47,8

Generally, grantees expect the time between the start of their projects and the point in time when profitability is reached to be fairly long: on average 38 months. This point in particular illustrates the high need for external support/funding for these types of business ventures.

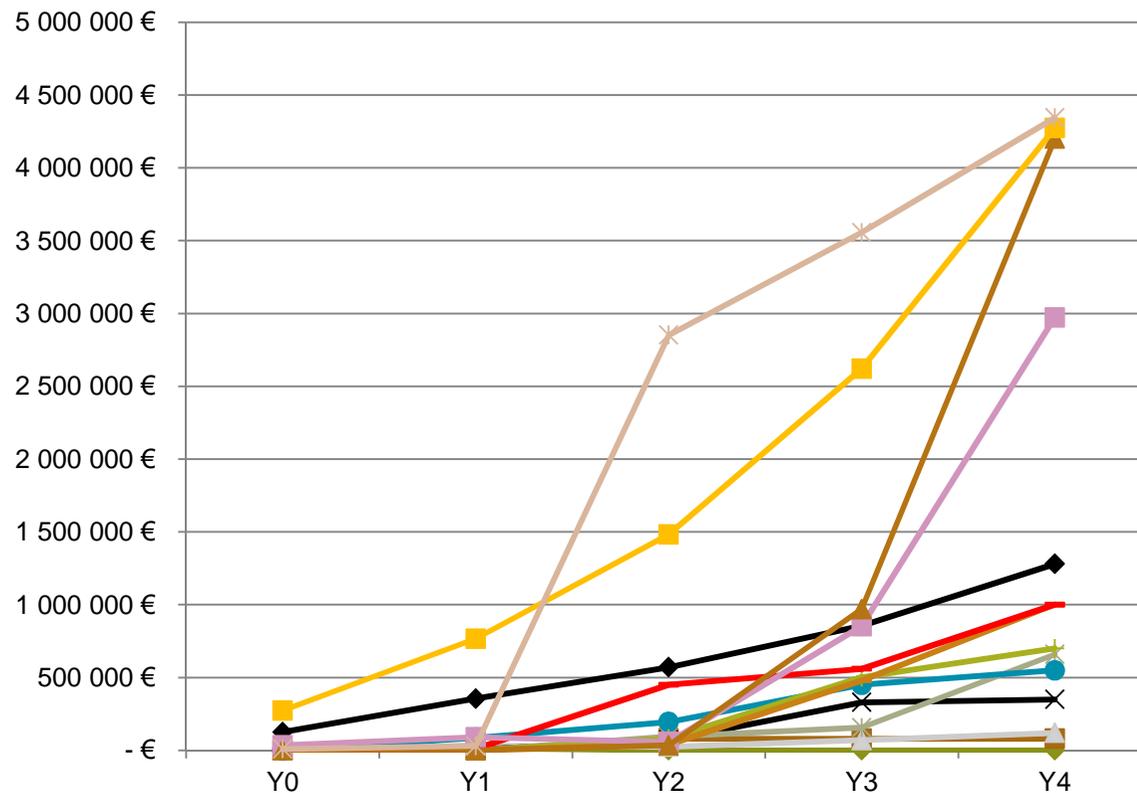
Expected project turnover, Small Grants



Two points in particular are worth noting when looking at this rather complex chart, as well as the similar chart for Large Grant projects on the next page:

- It is obvious that the IAP portfolio contains some projects that will not reach commercial viability in the near future. Furthermore, a few grantees have reached the conclusion that prospects for commercial viability is so low that the projects will not continue in their current set-up, past IAP-funding
- Many grantees expect their projects to take off in year two and three of operations. In fact, the increase in turnover expected by many of the projects is quite dramatic.

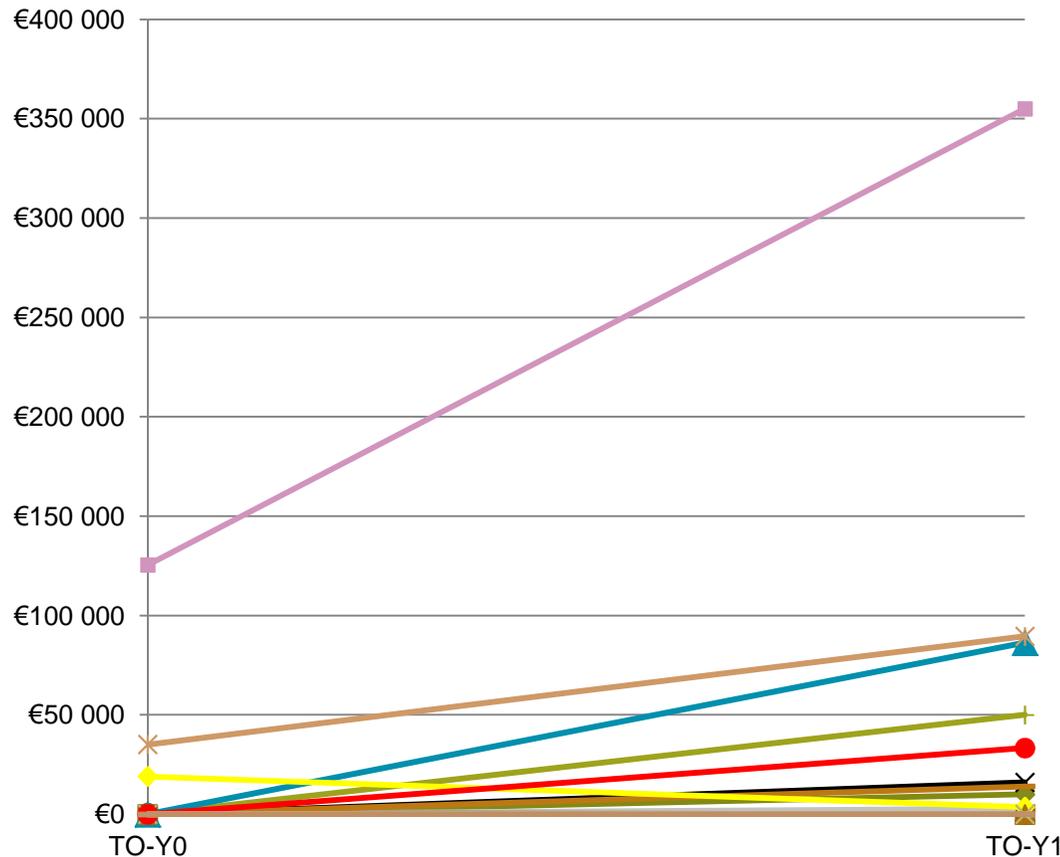
Expected project turnover, Large Grants



Generally, Large grant projects expect to reach higher levels of turnover than Small Grant projects, described in the previous page. Still, the same pattern is visible for Large Grant projects as for Small Grant projects: Many expect a rather drastic increase in turnover in the second and third year of operations.

Actual Project turnover

Turnover Year 0 (TO-Y0) and Year 1 (TO-Y1), Actual figures (N=18)

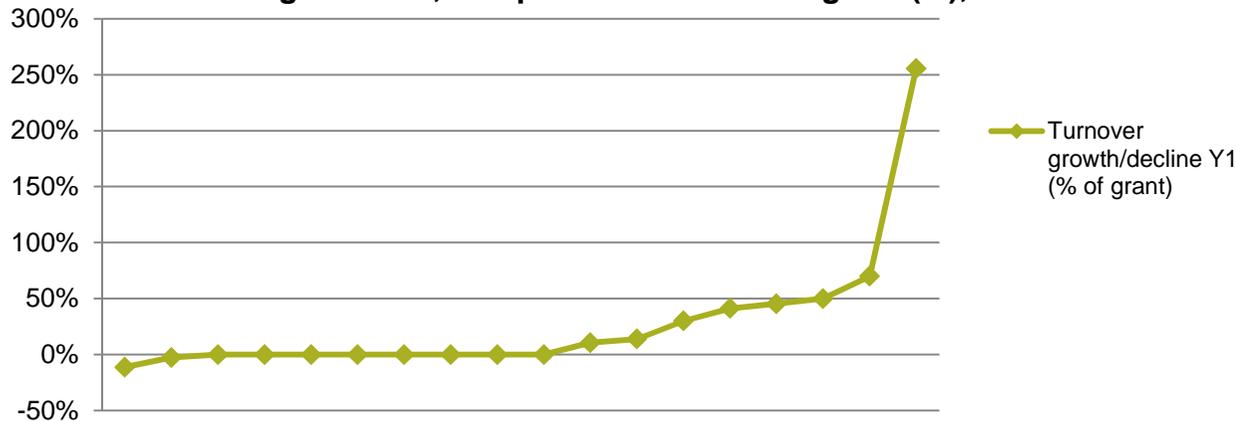


Although the previous graph mixes actual turnover figures with estimates, the graph to the left illustrates what levels of turnover have *actually* been reached by grantees during their first year of operation as IAP grantees (i.e. from Year 0 to Year 1). Three things in particular are illustrated by the graph:

- Only one project has reached a turnover-level above 100 000 € per year
- Two projects have reached turnover-levels between 50 000 and 100 000 € per year
- Many projects are still at, or very close to, zero turnover, indicating that business operations have not yet started. These business may still be in early stages, such as market research and product development.

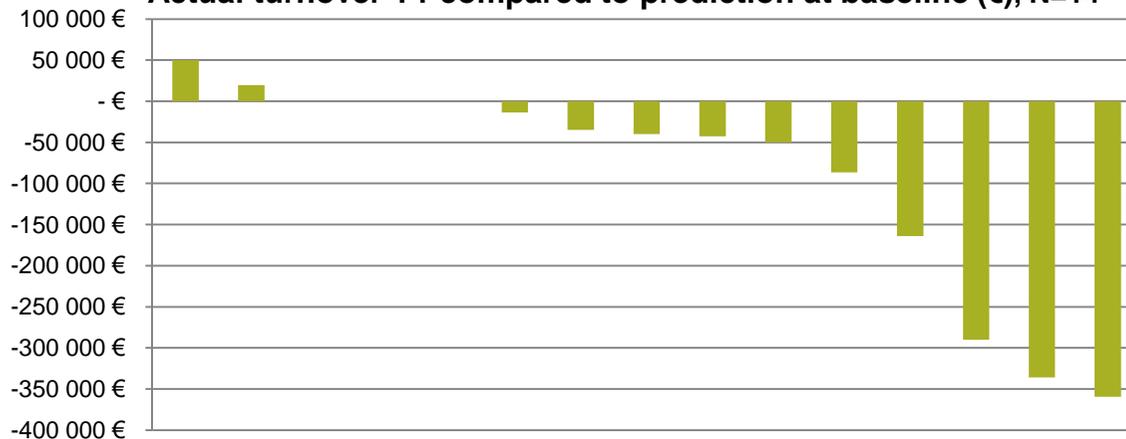
Turnover - Actual figures

Turnover growth Y1, compared to size of IAP grant (%), N=17



Most IAP-grantees are very early stage, with commercial viability in most cases not expected to be reached until Year 2-4 of operations. Nevertheless, a few of the operational grantees show promising signs in terms of turnover. The company to the very right, for instance, reached a growth of 2,5 times the awarded IAP-grant (or 250 per cent) during its first year of operation as an IAP-grantee.

Actual turnover Y1 compared to prediction at baseline (€), N=14



It is, however, also obvious that most IAP-grantees are overly optimistic about the future at the time of completing their baselines. This becomes abundantly clear in the lower graph, that shows how much lower the difference in turnover Y1 compared to the companies' predictions at baseline stage.

Commercial viability: IAP team views

What is the likelihood of a project reaching commercial viability?

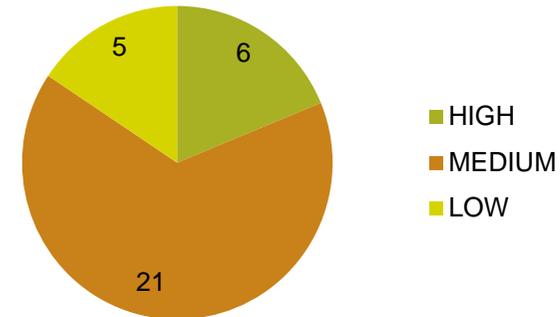
Only by reaching commercial viability can a project achieve its other development impacts. In other words, commercial viability determines impact and sustainability over time. In addition to the data gathered from companies, the IAP team tracks key indicators that help guide us on whether grantees are on track for viability.

A number of indicators are analyzed including:

- Has break-even already been reached?
- What is the likelihood of break-even being reached in 2013 and in 2016?
- Does the business have a business plan?
- Is there evidence of strong leadership?
- Is it on track against identified targets?
- Do they have access to external support?

Among the highest scoring projects are two projects that have already reached break-even, and one that is well on its way. Two of the lowest scoring projects have already indicated that as a result of learning and insights gained through their IAP funded activities, the projects will not be continued in their current form following the IAP grant.

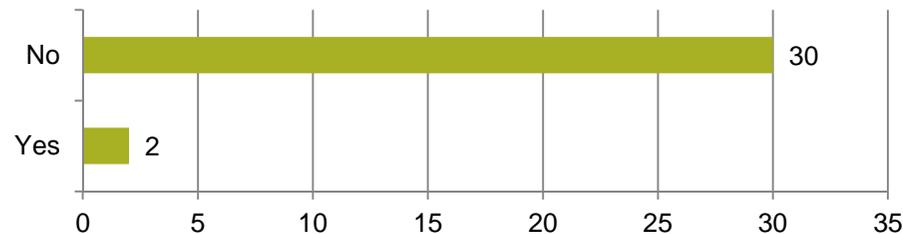
Project scoring, IAP commercial viability index (N=32)



A majority (65 per cent) of the companies are ranked in the "Medium"-category. Comparing with companies' own assessments of likelihood of reaching commercial viability, it is clear that the companies themselves are more optimistic about their prospects of reaching commercial viability.

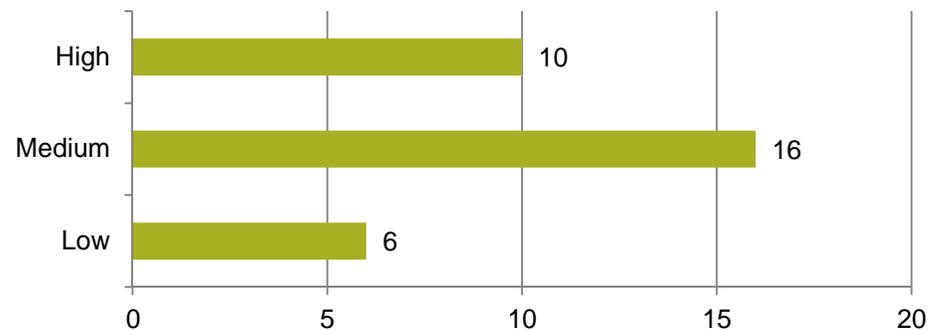
Commercial viability – some components

Break-even reached yet? (N=32)



Given IAP's focus on early stage support, a large majority of IAP-projects has not yet reached break-even. Only two report having reached break-even as at Oct 2013.

Likelihood of reaching break-even by end of 2016 – IAP teams' assessment (N=32)



As illustrated in the lower graph, at this stage the IAP team considers ten projects to be very likely of reaching break-even by end of 2016, based on our knowledge of the projects and their track record. This is interesting to compare with the grantees own expectations. As illustrated on slide 22, 14 out of 29 operational projects consider it "very likely" that the project will reach break-even within a five-year period; four more than predicted by the IAP team.

Development

5

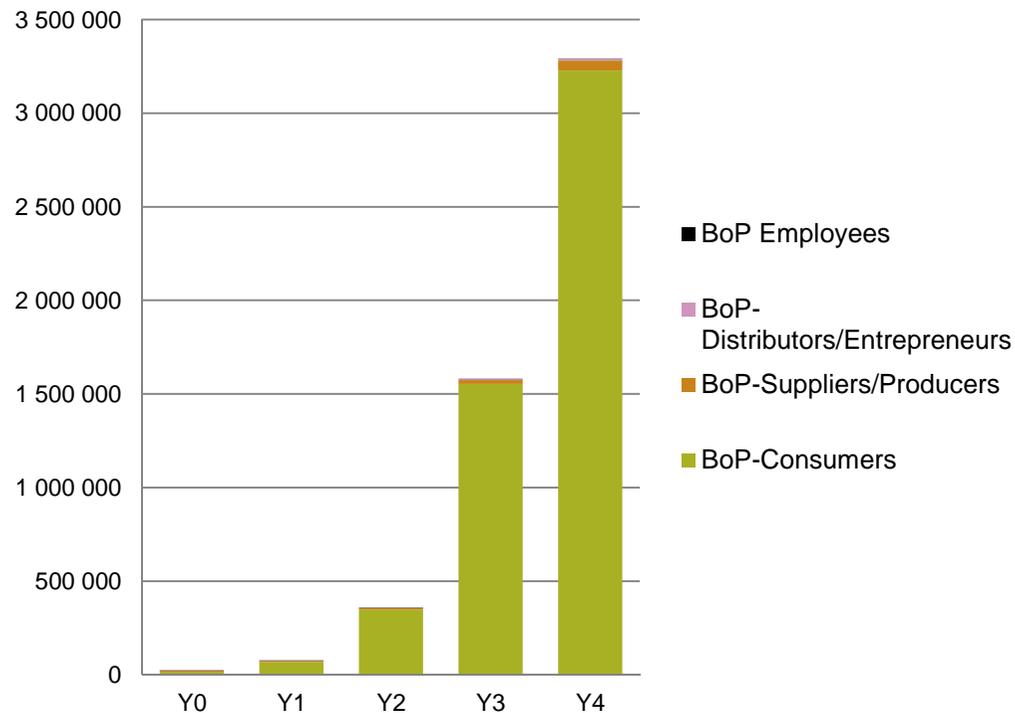
What type and scale of developmental results are expected?



Photos from Sunny People, a Large Grant project in Cycle 1 and from Makit, a 'double grantee' receiving a Small Grant in Cycle 1 and a Large Grant in Cycle 2

Expected reach to BoP groups

**Number of people at the BoP expected to be reached, N=29
(Growth expected by grantees)**



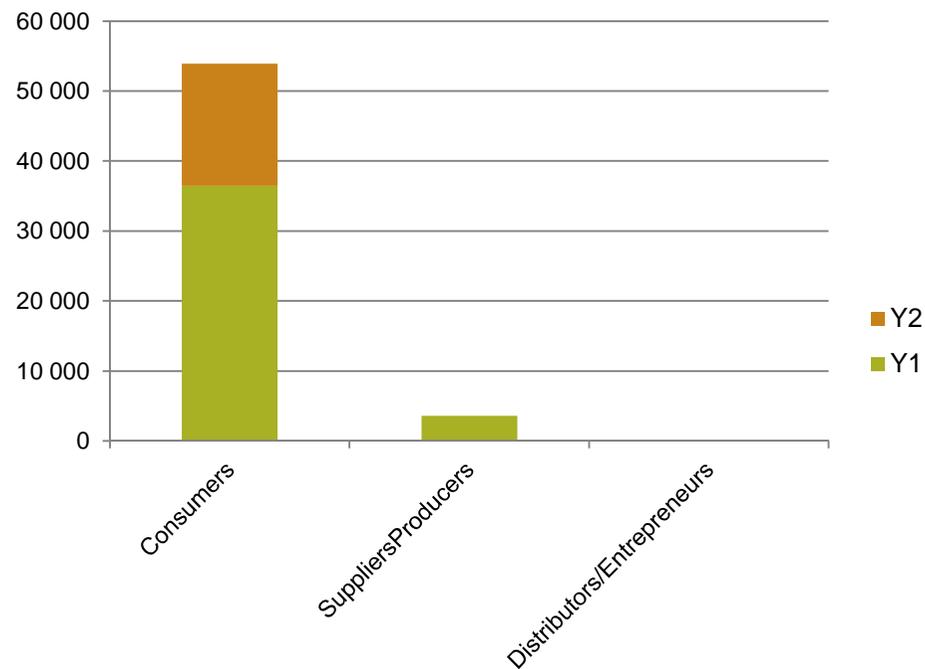
The graph shows that in Year 1 grantees expect to reach around 50,000 people at the BoP either as consumers, suppliers/producers, distributors/entrepreneurs, or as employees. These figures are a mix of both actual figures and estimates. As indicated in the graph, grantees expect substantial growth in reach from Y2 of the projects and onwards. As most IAP grantees are currently in Y1 of their IAP-funded project, the data for Y2 onwards primarily consists of estimates.

To a large extent, IAP reaches the BoP level as consumers, which is partly due to the fact that the portfolio includes companies providing fast moving consumer goods such as, for instance menstrual cups (eg Makit) and portable lights (eg Nuru Energy). Such businesses can expand exponentially to reach growing numbers of consumers, compared to producer projects. However, the latter can have other indirect benefits which are not captured in these raw numbers.

Actual reach to BoP groups

(Based on reported actuals, N=20 (Y1), N=1 (Y2))

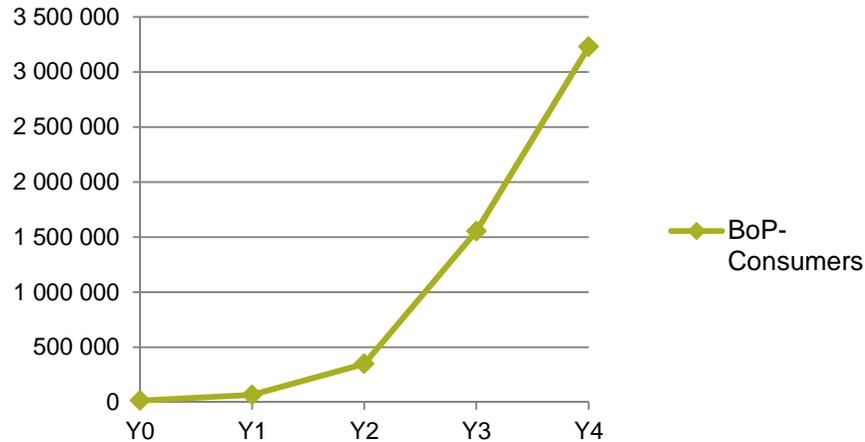
Number of people at the BoP actually reached,
N=20 (Y1), N=1 (Y2)



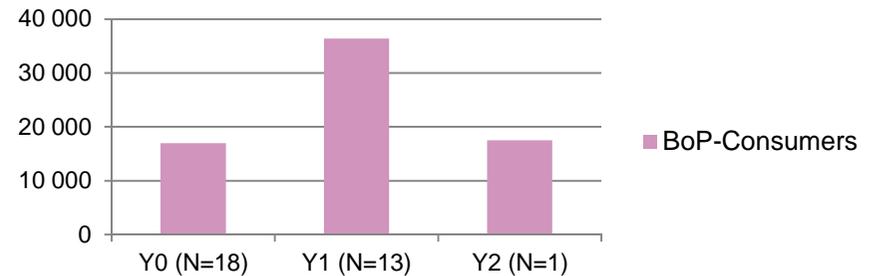
The data to the left only includes actual figures on BoP reach, as reported by companies that have submitted a Progress Update report or a Completion Report. This means that many companies are excluded from this graph; for instance, only one company has so far reported actual figures for Y2. As indicated by the graph, IAP grantees have, since their grants, reached 57 603 people living at the BoP level. The vast majority as consumers. The number is expected to increase materially as more grantees reaches Y1 and Y2 of their IAP-projects.

Reach to BoP Consumers

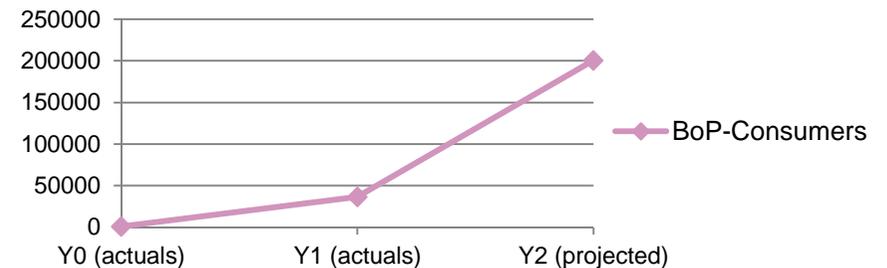
BoP Consumers, N=19 (Cumulative growth expected by grantees)



BoP-Consumers reached (Actual data)



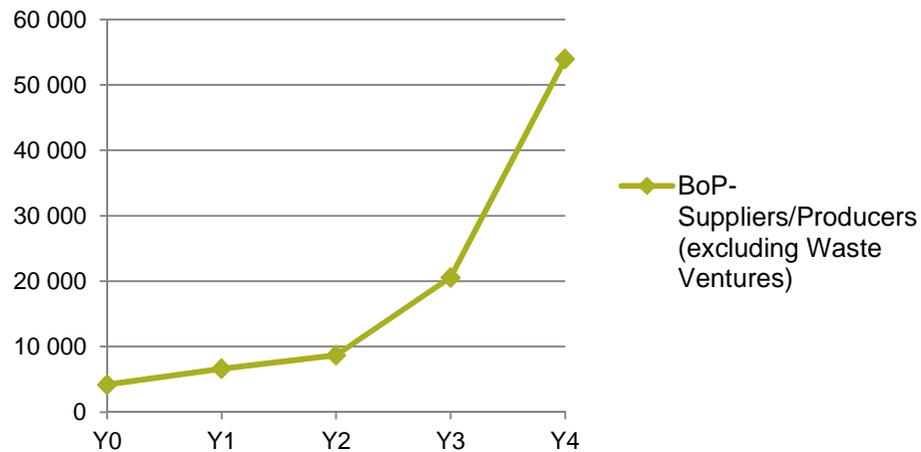
BoP-Consumers, companies reporting actuals for Y0 and Y1 (N=13)



As for the economic figures, grantees expect the reach to BoP-consumers to increase radically between Y2 and Y4. Since most projects currently are in Y0 or Y1, it is too early to test these expectations against reality. The actual figures that have so far been reported for Y1 indicate that grantees have been optimistic in their predictions. Nevertheless, a clear increase has taken place between Y0 and Y1.

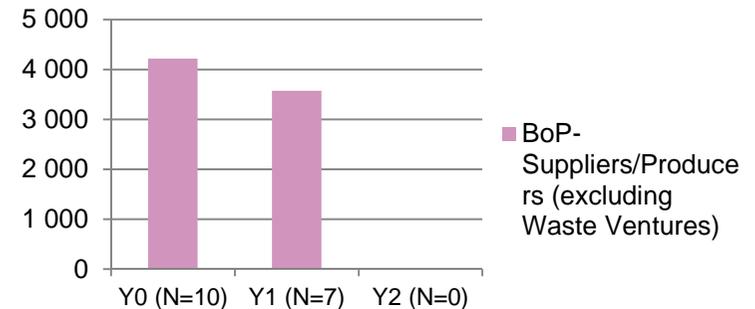
Reach to BoP Suppliers/Producers

BoP-Suppliers/Producers, N=10 (Cumulative growth expected by grantees)

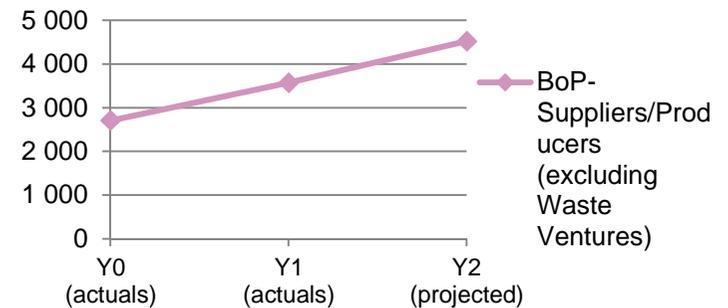


The figures for BoP-Suppliers/Producers follows the pattern of that for BoP-consumers: There has been a clear increase in the amount of BoP Producers/Suppliers reached by IAP-grantees, but not of the same magnitude has expected in grantees' projections. This being said, the grantees are still optimistic about the future, which is indicated by the growth projected.

BoP-Suppliers/Producers reached (Actual figures)

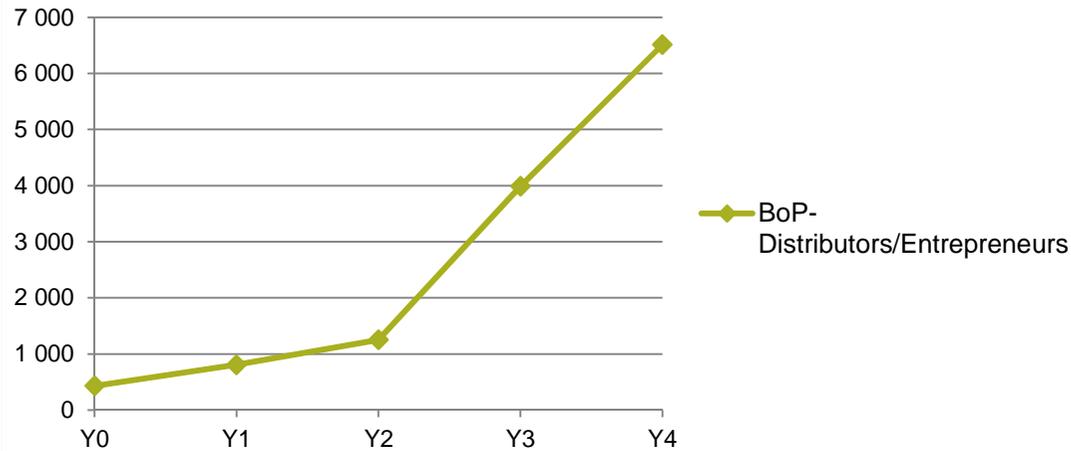


BoP-Suppliers/Producers, companies reporting actuals for Y0 and Y1 (N=7)



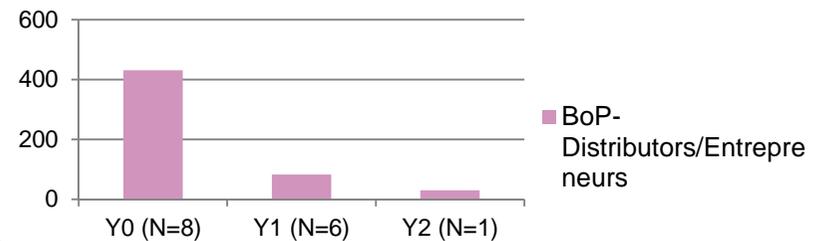
Reach to BoP Distributors/Entrepreneurs

BoP-Distributors/Entrepreneurs, N=8, Cumulative growth expected by grantees

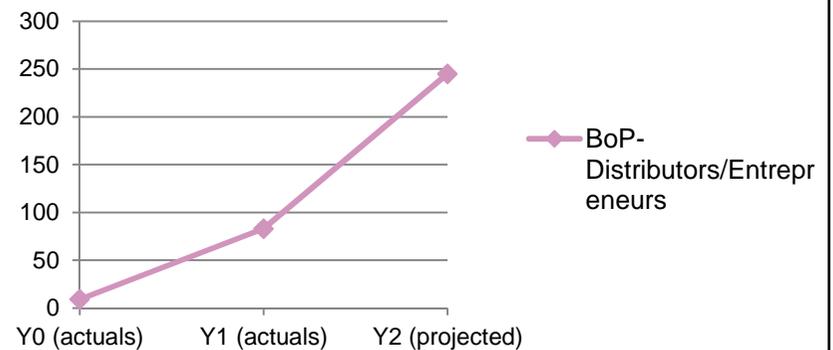


Generally, projects do not have distributors and entrepreneurs as primary BoP-targets, which is the main explanation why these figures are relatively low. Nevertheless, the patterns are similar to those illustrating reach to other BoP-targets, with a major increase between Y2 and Y4.

BoP-Distributors/Entrepreneurs reached (Actual figures)



BoP-Distributors/Entrepreneurs, companies reporting actuals for Y0 and Y1 (N=7)



Development index

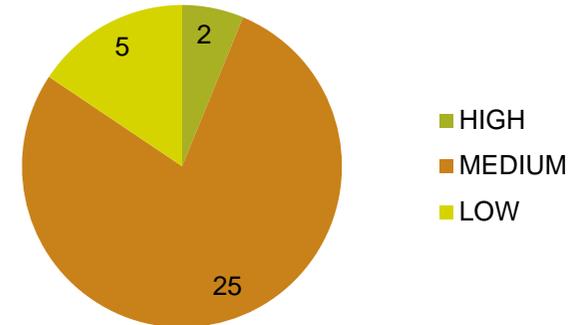
What is the potential development impact of the project, and its significance to poverty reduction?

The number of people at the BoP reached is an important indicator, but not the only one. To assess wider development impact potential, the IAP team assesses a number of indicators, including:

- Number of BoP beneficiaries estimated to be reached at the time of IAP project completion
- The likely scale of the business reach to the BoP by 2016
- Likelihood of others replicating the business model leading to indirect impact at scale.
- Significance of impact per BoP person
- Significance of positive knock-on /systemic impacts that are likely to be created by the project.

Main features of the high-scoring projects is that they combine a comparatively high BoP-reach with good prospects of model being replicated by others as well as systemic impacts arising due to the projects. The lowest scoring projects currently are struggling with their models or have critical challenges that need to be faced in the near future. For these projects, expected numbers of BoP being reached is comparatively low.

Project scoring, IAP development index (N=32)



Similar to the commercial viability rating, only a few projects are scored as "Low". The vast majority is scored as "Medium".

Significance to BoP

	Consumer projects	#	Producer/Suppliers and Distributors/Entrepreneurs/Micro-Entrepreneurs projects	#
Very High	Product/service that saves lives (e.g. vaccine) [rare]	1	Full time job, new livelihood, regular and substantive change in family living standard. Exit from poverty. [rare]	
High	A product/service that substantively affects health, provides necessities of life, enables significant increase in earnings, or results in a tangibly different lifestyle for the user	9	A clear substantive and regular positive livelihood boost that affects living standards of the household (not necessarily a new type of livelihood or exit from poverty).	4
Medium	Useful product or service with clear benefits to the user	7	Boost to income or security within existing livelihood (might be seasonal and/or additional to previous earnings)	6
Low	Access to a product or service that is nice to have but does not change living standards	4	Additional opportunity but no substantive change to livelihood/patterns.	1

The IAP team tries to balance BoP-numbers with a score that reflects the value of the benefit per person. Some income earning opportunities are more significant than others, and the same applies for access to consumer services or goods. It might be expected that the producer projects would tend to score 'high' for significance per person, but actually the majority score medium. They are providing farmers with supplementary income options but not a long term exit from poverty as of yet. Roughly the same proportion of consumer projects score 'high' – offering a tangibly different lifestyle for the user, for example because they now have access to energy. Please note that these rankings are subjective and certainly open to debate. They are not ideal, but nor is analysis based only on numbers of BoP reached.

Innovation 6

Measure of innovation benefits



Photos from Mozambikes, a Small grant project in cycle 5

Innovation index

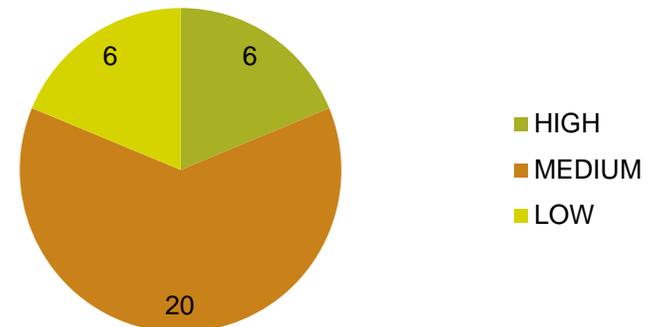
To what extent are IAP projects contributing to innovation in inclusive business?

This index seeks to reflect several indicators of innovation:

- Overall innovation rating of project? Is it a strong example of innovation?
- Innovation in business model components: is there high innovation in at least one of: product/service, production, marketing/distribution?
- How 'new' and 'significant': is the innovation classified as transformational, radical or incremental?
- Innovation rating of the company: is it specifically seeking and developing innovation?

The highest scoring projects generally combine innovation in the product/service with innovation in the production or in the distribution/marketing. Innovation in the lowest scoring projects can generally be described as "Incremental", meaning that the innovation is an existing product or service, modified or launched in a new market without a fundamental change in the underlying business model.

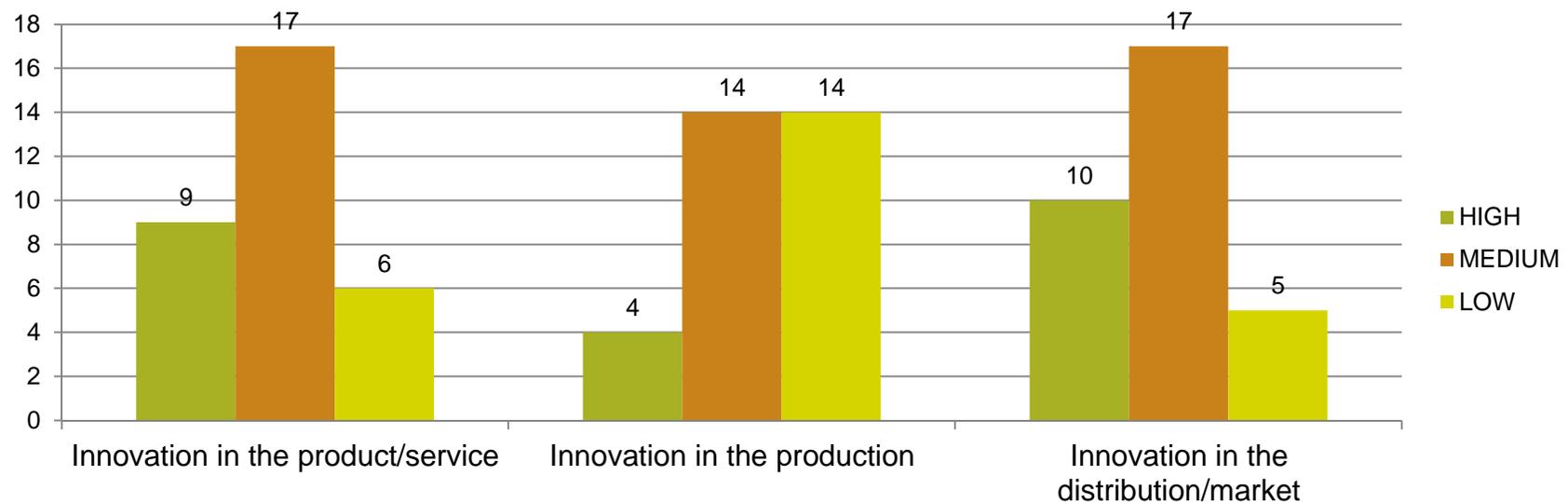
Project scoring, IAP innovation index (N=32)



When making the scoring, we have tried to take changes that have occurred in the sectors of the projects since baseline stage, into account. I.e. a project that was highly innovative one year ago, might be less innovative now due to developments in the sector.

Innovation - components

Innovation can be found anywhere in the business model. We particularly look for innovation in the type of product/service, in how it is produced, and/or how it is distributed and marketed.



Environment

Measures of environmental benefits

7



Photos from W2E, a Small grant project from Cycle 2

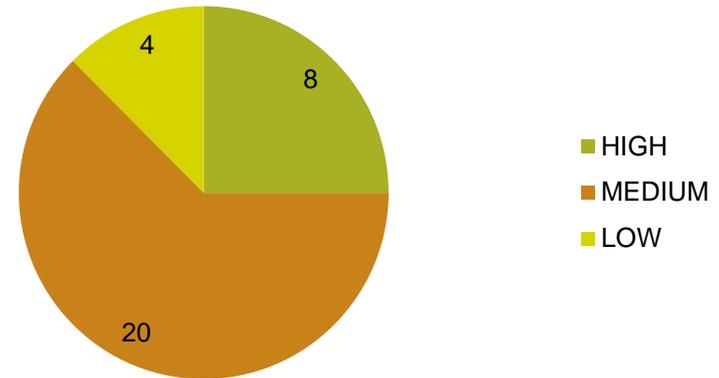
Environment index

Project scoring, IAP environment index (N=32)

Which projects are not just benign but clearly positive for the environment?

At this stage, there are a limited number of indicators that feed into this index:

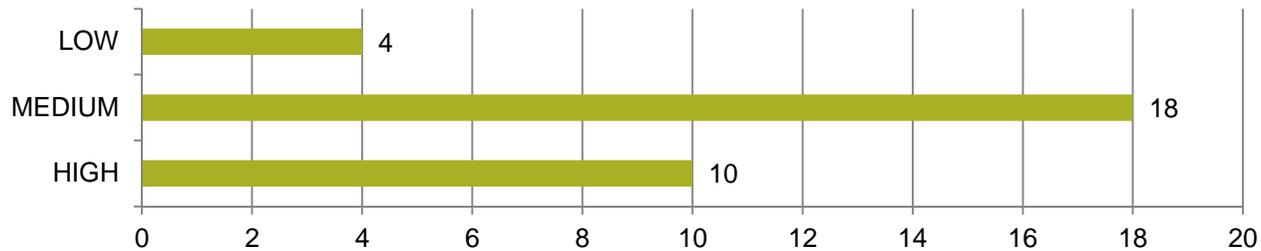
- Environmental impact rating of projects based on knowledge of the project and information provided
- The extent to which claimed environmental benefits can be measured.



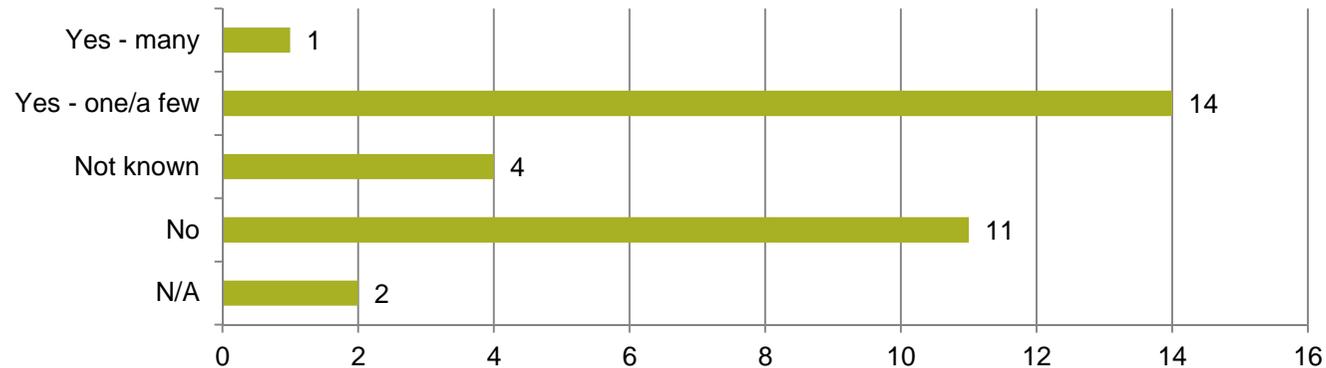
A low scoring on this index does not necessarily indicate that the project has negative net effects for the environment; rather it means that there are no clear positive environmental effects from the project, or that the positive effects are outweighed by the negative ones. Many of the IAP-projects clearly have positive environmental impacts, which is also indicated by the comparatively high number of projects receiving the rating "High".

Environment - components

Expected positive environmental impact as rated by the IAP team (N=32)



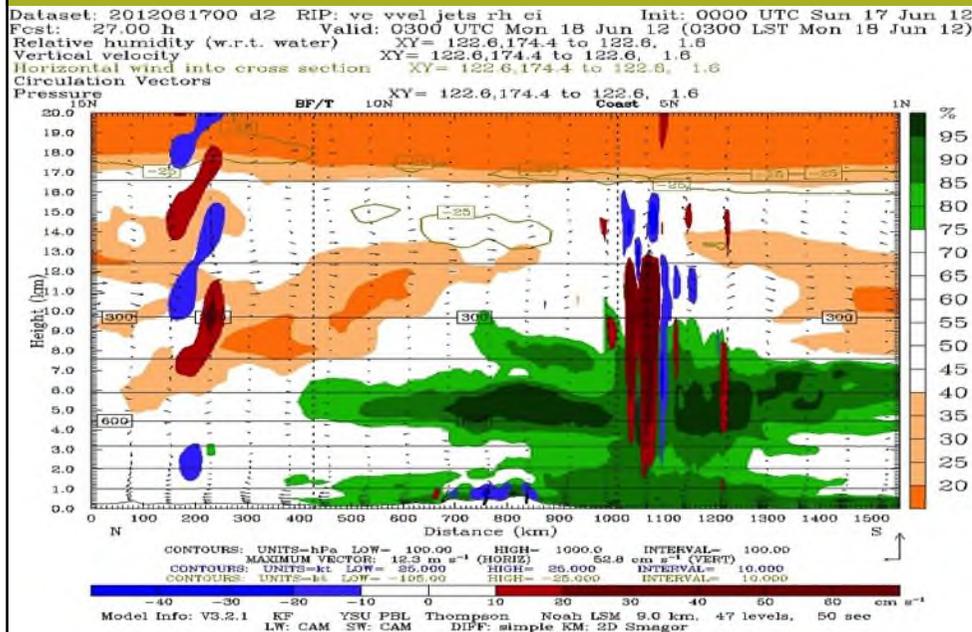
Does the project have measurable environmental indicators?(N=32)



The bigger picture

Trends for results across the portfolio

8

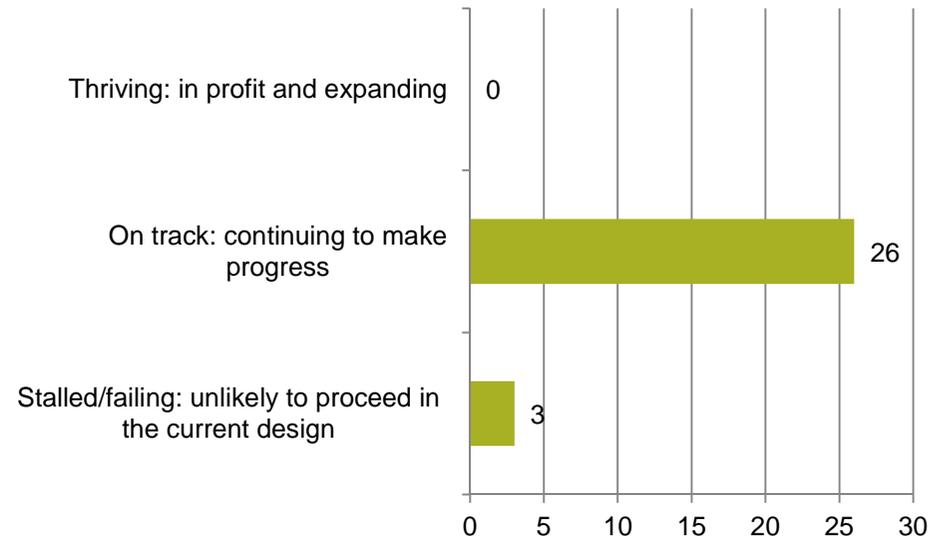


Photos from Ignitia, a Small grant project in cycle 1 and Large grant project in cycle 2

The current status of the projects

When faced with three alternatives to describe the current status of their projects, almost all grantees choose the option “on track”.

Three grantees have chosen to describe their projects as “Stalled/Failing”. This does not, however, necessarily mean that the projects will not eventually be successful. One of the grantees believes break-even will be reached in 15 months, as a result of learnings from, and changes in, the project. The other two grantees have decided not to proceed with their project in its current form, although the businesses themselves will continue to operate.

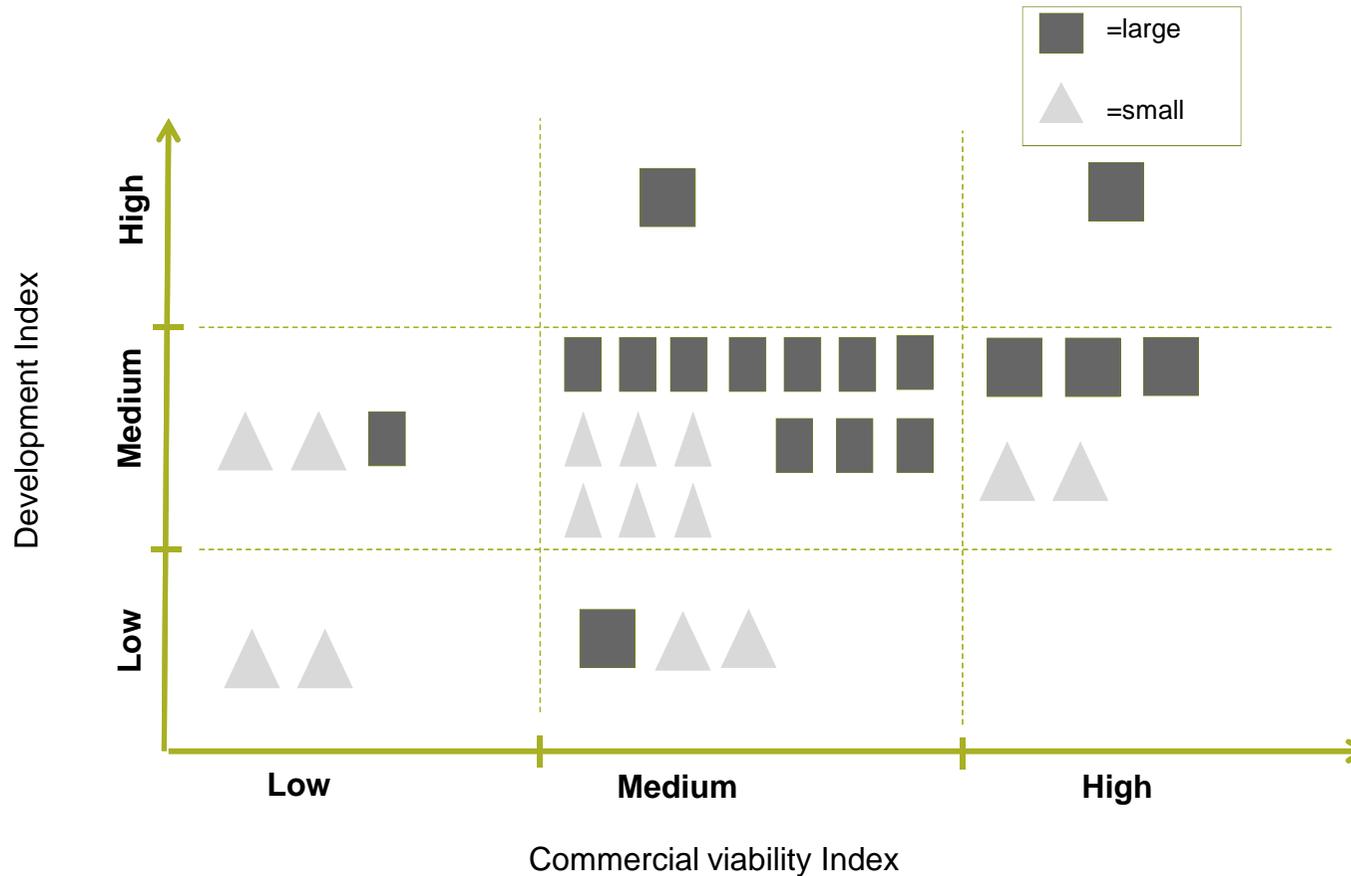


Trends for results across the portfolio

- comparing indices

- The purpose of the commercial viability index, development potential index, innovation index and environmental impact index are not to pinpoint estimates or verdicts, but to understand the overall shape of the portfolio.
- On which areas are projects on average scoring well, and are there trade-offs between these areas? We might expect them all to score well on one or two indices, but none to score well on all.
- The following graphs aim to compare some overall patterns based on different indices.

Commercial viability vs. development index

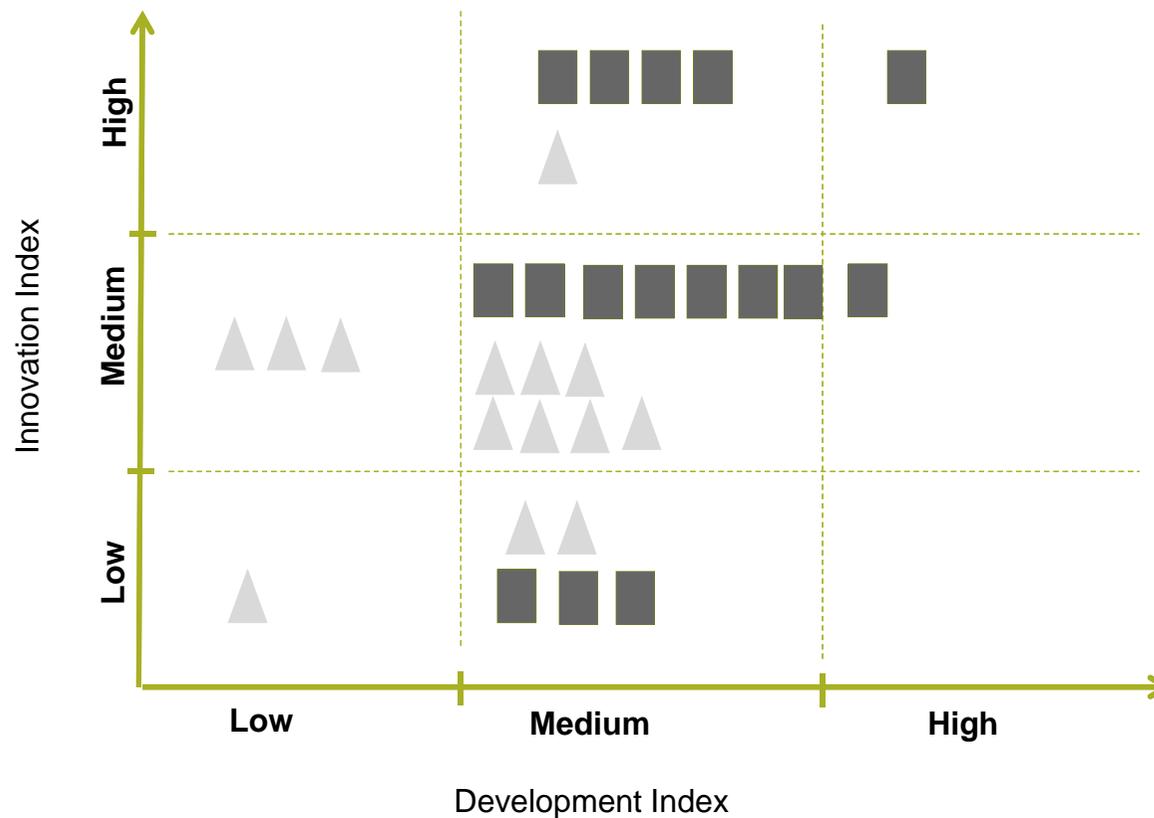
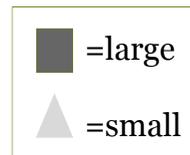


The vast majority of grantees score middle on both commercial viability and development impact.

It is not surprising that the two scores are roughly in sync, as there are linkages in how they are analysed:

Development impact includes potential to reach scale, which can be linked to commercial viability.

Innovation vs. development index



Views on the programme

What do IAP grantees think about the programme?

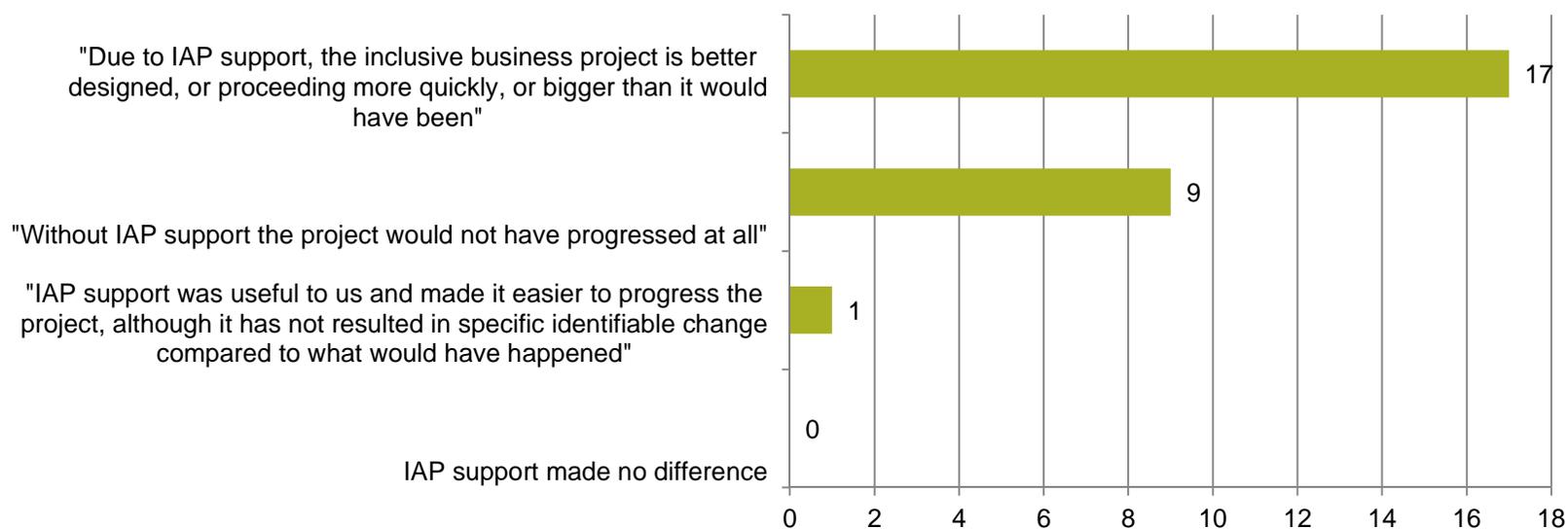
9



Photos from Fullwell Mill, a Small grant project in cycle 4

Programme Feedback: Additionality

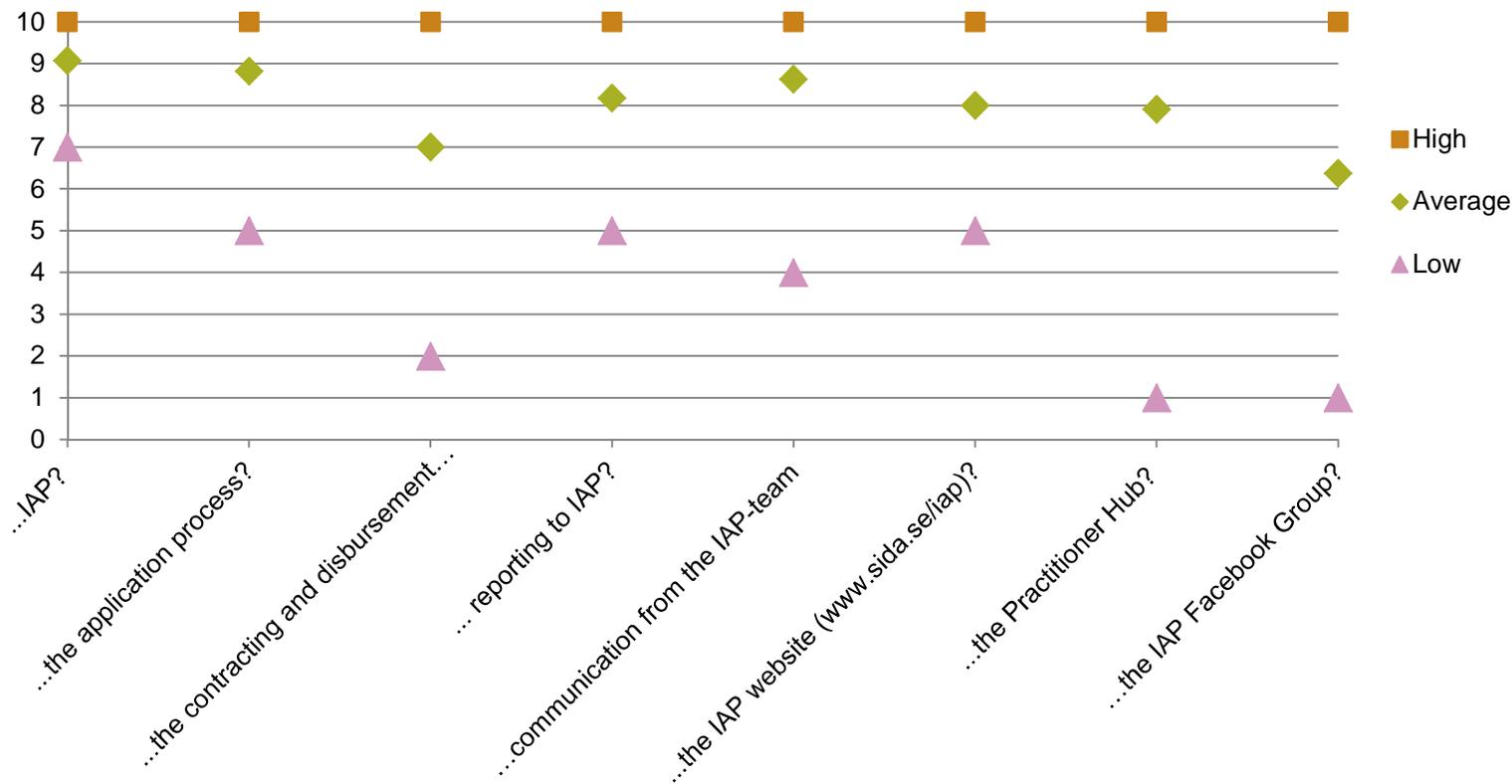
”What, if any, has been the value of IAP-support for your organisation?”



28 grantees have provided an answer to the question above. Judging from their answers, it is very clear that IAP has played an important role in the development of these projects, this is true for projects described as "on track" as well as projects described as "stalled/failing".

Programme Feedback: ratings

“What is your overall satisfaction with...”

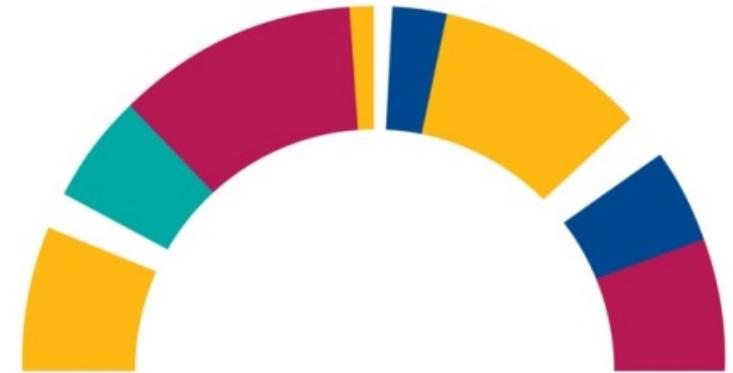


We are pleased to see that most grantees rate the IAP programme, and elements of the programme, very high, on a scale from 1-10.

In closing...

The IB journey has only just started for the IAP companies. While entrepreneurs express highly ambitious predictions regarding both turnover and BoP reach, it will take time for the projects to reach scale. That said, there are already interesting learnings to be drawn from the IAP companies' experiences, that we have touched upon in this review. The learnings are further elaborated on in the 2013 Knowledge Exchange report - *From Paper to Practice: Learning from the Journeys of Inclusive Business Start-Ups*, available at www.bit.ly/IAPKEReport13.

Many more resources about inclusive business and IAP are available on the Practitioner Hub for Inclusive Business, www.inclusivebusinesshub.org.



innovations
against
poverty