



# **THE MID-TERM REVIEW OF SDC'S BINIYOG BRIDDHI PROGRAMME, BANGLADESH**

## **FINAL REPORT**

**Prepared by Edward T. Jackson, E.T Jackson and Associates Ltd., Ottawa**

**Prepared for the Embassy of Switzerland in Bangladesh, Dhaka  
and the Swiss Agency for Development and Cooperation, Bern**

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## Executive Summary

**Introduction:** This is the report of the findings and recommendations of the mid-term review (MTR) of SDC's Biniyog Briddhi (B-Briddhi) Programme (Programme Number: 7F-09990.01) in Bangladesh. The review was carried out from August through October 2022 and entailed document review; consultations with 40 key persons in Dhaka and Bern; two debriefing and feedback sessions with the Embassy of Switzerland in Bangladesh, other SDC personnel, and the implementation team; and participant-observation at a B-Briddhi-sponsored event in Dhaka on gender lens investing.

**Objective:** As set out in its terms of reference (ToR), the objective of the MTR was “to conduct a pulse check of how the programme is tracking with implementation, especially considering the current ‘post’ pandemic context, and reaffirming whether the current approaches are fit for purpose or require modifications to achieve the desired goal of the programme. The ground realities, lessons learnt and findings from review will assist to inform Switzerland’s decision-making process in taking the programme forward, especially in planning the next phase.”

**Context:** B-Briddhi is being implemented in a very specific context. Bangladesh is moving towards graduation to middle-income country status by 2026. During the period 2026-2030, as donors withdraw or shift to trade, and ramp down their grant-spending, the impact ecosystem will need to scale up to work effectively with government, major NGOs, and the broader private sector to address distributional inequalities involving poor women, smallholder farmers, rural communities, and refugees, among others. That is why, the MTR found, a second, SDC-funded phase of B-Briddhi is needed through 2026, and a third phase through 2030.

**The Programme:** The Biniyog Briddhi Programme is a four-year, CHF 6.26M initiative funded by SDC and implemented by the advisory firm Roots of Impact with its sub-contractor, management consultant LightCastle, and supported by a range of engaged stakeholders, including impact entrepreneurs, incubators and accelerators, policy advocates, and impact investors. The B-Briddhi Programme ([www.sie-b.org](http://www.sie-b.org)) “focuses on building capacity of the service providers, introducing innovative financing instruments and engaging in advocacy to address legal and regulatory constraints holding back the development of the entrepreneurial ecosystem” (ToR). The programme works to strengthen both the supply and demand sides of the impact-enterprise ecosystem. The Embassy of Switzerland in Bangladesh commissioned this independent mid-term review of B-Briddhi.

### Findings: Strengths

Overall, the B-Briddhi initiative demonstrates important strengths. B-Briddhi is an innovative, high-performing development intervention. The MTR’s assessment grid ratings range from satisfactory to highly satisfactory, with an overall rating of highly satisfactory. There should be a second, follow-on phase that sets the stage for a third, non-SDC-funded phase. B-Briddhi’s mix of components—capacity building, catalytic financing, and policy advocacy—is highly relevant and appropriate for Bangladesh. B-Briddhi’s impact-linked finance and IMM work is leading-edge in Asia and globally. Its partner-accelerators and -enterprises are led by dynamic, creative, and committed visionary pragmatists. Furthermore, there is emerging evidence of trends toward ultimate outcomes; two enterprises in the portfolio, Apon Wellbeing and iFarmer, are scaling their services to low-income households and low-income women. In addition, the programme is generating significant private sector contributions; for every CHF 1 spent by SDC on B-Briddhi, its partners have contributed, in cash and in-kind, nearly CHF 1.7.

The main programme partners—SDC as donor, lead implementer ROI and subcontractor LCP—respect each other, contribute complementary assets and skills, and cooperate well together. SDC’s thoughtful collaboration has been a key success factor, including navigating the pandemic. Finally, B-Briddhi

constitutes both a specific model for replication and a rich site of learning for SDC's private sector engagement strategy and portfolio. Indeed, based on its strong performance to date, it can be considered a flagship PSE intervention.

### **Findings: Challenges**

At the same time, however, the initiative faces some key challenges. Implementation experience to date suggests that the assumptions and targets originally established in the B-Bridddhi logical framework were too optimistic and should be revised. As well, the planners of B-B underestimated the number of person days required to manage the intervention, including its growing knowledge management function. And, after a slow start, and no gender strategy in the original design, B-Bridddhi's gender work is gaining momentum, though patriarchy is a well-resourced opponent in Bangladesh.

On another front, B-Bridddhi's policy advocacy, while now well-framed, is not being pursued with the necessary urgency or granularity (i.e., by directly addressing repatriation of capital by foreign investors, hybrid corporate forms for impact enterprises for special tax treatment, etc.), nor yet is the NAB a broad-based or effective membership organisation. Ecosystem-champions are often fragmented, quietly rivalrous and reliant on development-organization funds or personal savings to persist. Finally, the potential negative effects of the country's graduation from aid and its transition to middle income status, including the expected lack of donor funds to support impact-economy leaders after 2026, constitute a serious threat to the sustainability of B-Bridddhi's results.

### **Lessons**

Experience with the B-Bridddhi Programme at its mid-point yields the following lessons, among others:

- 1) Multi-level public-private development partnerships can generate significant financial and in-kind contributions from the private sector.
- 2) Impact-linked finance, ecosystem building, mobilizing knowledge and managing the multi-level partnership are labour-intensive activities that should be fully provided for in the intervention's budget.
- 3) While impact enterprises forge unique growth paths that are often slower and more uneven than expected, scale is, in fact, achievable.
- 4) Pivoting to online programming can enable development interventions to work through pandemics and other disruptions and generally achieve cost- and time-efficiencies through technology.
- 5) Monitoring and evaluation strategies at both the intervention and enterprise levels must balance ambition with feasibility through continuous learning and refinement.
- 6) All ecosystem partners have strengths and weaknesses.
- 7) International relationships are important to capital mobilization and utilization, especially when there are local policy obstacles.
- 8) The transition of LDCs to MIC status renders impact enterprises and impact investing more important but also poses short- and medium-term challenges.
- 9) The diversification and expansion of the funding base of the intervention requires sufficiently resourced and dedicated professional fundraising capacity.

## **Recommendations**

Based on the findings of the medium-term review, it is recommended that the Embassy of Switzerland in Bangladesh, working with Roots of Impact:

### ***Recommendations for Phase I***

- 1) In cooperation with SDC-HQ, plan and execute a series of cross-regional learning and research activities on the implementation of impact-linked finance initiatives.
- 2) Collaborate in revising the assumptions, results statements, and targets in the logical framework of the Programme at the output, outcome, and impact levels.
- 3) Allocate additional funds in the programming budget for knowledge management and mobilization by the implementation team.
- 4) For the remainder of Phase I, rebalance their focus on operational processes with regular review and adaptation meetings on strategy and learning.
- 5) Continue to deepen B-Bridddhi's gender equality efforts at all levels: programme, accelerators/incubators, impact enterprises, investors, ecosystem, and policy.
- 6) Work with partners to refocus the policy advocacy component on making the NAB a formal membership organization.
- 7) Commission the drafting of specific laws and regulations concerning capital repatriation, hybrid corporate forms, and other key areas.

### ***Recommendations for Phase II***

- 8) Jointly design a second, three-year phase of B-Bridddhi that reaches outside Dhaka to regional cities and rural communities.
- 9) In the design of Phase II, recognize and lever the benefits of its partners' global relationships.
- 10) Design a second phase that will actively raise grant and investment funds to supplement SDC funds in Phase II and replace them in a follow-on Phase III.

## Abbreviations

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BIISAP	Bangladesh Impact Investment Strategy and Action Plan
BoP	Bottom of the pyramid
BRAC	Bangladesh Rural Advancement Committee
CHF	Swiss Franc
DAC	Development Assistance Committee (OECD)
DFAT	Department of Foreign Affairs and Trade (Australia)
DFI	Development finance institution
GoB	Government of Bangladesh
GSG	Global Steering Group on Impact Investment
HNW	High net worth
ICT	Information and communications technology
IDB	Inter-American Development Bank
ILF	Impact-linked finance
IM	Impact management
IMM	Impact measurement and management
IRMF	Impact Ready Matching Fund
LatAm	Latin America
LDC	Least-developed country
LNOB	Leave no one behind
MIC	Middle-income country
MLE	Monitoring, learning and evaluation
MTR	Mid-term review
NAB	National Advisory Board
NGO	Non-governmental organisation
OECD	Organization for Economic Cooperation and Development
PSE	Private sector engagement
RMG	Ready-made garment (industry)
ROI	Roots of Impact
SDC	Swiss Agency for Development and Cooperation
SE	Social enterprise
SIINC	Social Impact Incentives
ToC	Theory of change
ToR	Terms of reference
VfM	Value for money
VS	Voucher Scheme
USAID	United States Agency for International Development
USD	United States dollar

## 1 Introduction

This is the report of the findings and recommendations of the mid-term review (MTR) of SDC's Biniyog Briddhi (B-Briddhi) Programme (Programme Number: 7F-09990.01) in Bangladesh. The report is divided into the following sections: introduction, findings for the current phase, lessons, completed assessment grid, prospects for a second phase, and conclusions and recommendations. Annexes provide more detail on the approach and methodology and include the completed detailed assessment grid.

### 1.1 Background

A four-year, CHF 6.26M intervention funded by the Swiss Agency for Development and Cooperation (SDC), the Biniyog Briddhi Programme is implemented by advisory firm Roots of Impact with its sub-contractor, management consultant LightCastle, and supported by a range of stakeholders, including impact entrepreneurs, incubators and accelerators, policy advocates and impact investors. The B-Briddhi Programme ([www.sie-b.org](http://www.sie-b.org)) "focuses on building capacity of the service providers, introducing innovative financing instruments and engaging in advocacy to address legal and regulatory constraints holding back the development of the entrepreneurial ecosystem" (ToR). The programme works to strengthen both the supply and demand sides of the impact-enterprise ecosystem. The Embassy of Switzerland in Bangladesh commissioned this independent mid-term review of B-Briddhi.

### Context

The past 30 years have seen Bangladesh make impressive gains in economic growth, with a burgeoning urban middle class and per capita income of USD 2,500.<sup>1</sup> In turn, this has positioned the country to "graduate" from the United Nations list of least-developed countries (LDCs) to middle-income country (MIC) status. The Government of Bangladesh has set 2026 as its target year for graduation.<sup>2</sup> Anticipating this shift, western donor agencies are planning their own changes in strategy, primarily moving from the provision of aid toward increased engagement in trade with Bangladesh. It is highly likely that by, say, 2030, the quantum of donor-agency development grants in the country will have been severely reduced. At the same time, given longstanding distributional inequalities in the economy, it can be expected that during this transition to MIC status, low-income workers, smallholder farmers, and women outside elite and professional circles will face continued, and perhaps intensified, economic and social adversity. Against this backdrop, the positive social and environmental impacts of the affordable products and services of scaled social enterprises, and of ramped up impact investment, will be essential to broad-based sustainable prosperity and social peace in a graduated Bangladesh, as will the post-graduation efforts of Bangladesh's broader private sector, its national government, and major Bangladeshi non-governmental organisations.<sup>3</sup>

### 1.2 Objective

According to its terms of reference, the objective of the mid-term review was "to conduct a pulse check of how the programme is tracking with implementation, especially considering the current 'post' pandemic context, and reaffirming whether the current approaches are fit for purpose or require modifications to achieve the desired goal of the programme. *The ground realities, lessons learnt and*

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<sup>1</sup> World Bank, GDP per capita: Bangladesh, Washington, DC, 2022  
<https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=BD>

<sup>2</sup> See The World Bank reports that Bangladesh actually reached lower middle income status in 2015; "To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs and employment opportunities through a competitive business environment, increase human capital and build a skilled labor force, build efficient infrastructure, and establish a policy environment that attracts private investment...Pivoting towards green growth would support the sustainability of development outcomes for the next generation", World Bank, Bangladesh: Overview, Dhaka, October 6, 2022 <https://www.worldbank.org/en/country/bangladesh/overview>

<sup>3</sup> One of these NGOs, for example, is BRAC, in operation now for 50 years, with an annual budget of USD 650M, and part of a cluster that also includes BRAC Bank and its affiliated online payments platform, bKash

*findings from review will assist to inform Switzerland's decision-making process in taking the programme forward, especially in planning the next phase" (see Annex A).*

### **1.3 Project Description**

Jointly designed by SDC and Roots of Impact (ROI), a private advisory firm and based on earlier joint work by SDC and ROI on social impact incentives (SIINC) tools, the Biniyog Briddhi Programme is a four-year, CHF 6.26M intervention aimed at building the scale and investment readiness of impact enterprises to access a larger quantum of impact investment to fuel their growth to deliver social and environmental benefits to low-income populations. B-Briddhi works on both the demand and supply sides of capital through 1) building the capacity of local incubators, accelerators and impact enterprises to increase investment readiness and strengthen impact management and measurement (IMM); 2) providing catalytic, impact-linked financing to growth-oriented impact enterprises and matching them with prospective impact investors (enterprises do not receive B-Briddhi investments until they achieve verified impact targets); and 3) advocating with policymakers, ecosystem champions, investors and donor agencies for a more conducive legal and regulatory framework within which impact enterprises can flourish. LightCastle Partners, a Dhaka-based management consulting firm, is sub-contracted by ROI to help implement the programme, particularly on investee selection, impact verification, and policy advocacy. B-Briddhi is a multi-level lattice of public-private development partnership that both requires and generates contributions from the private sector at all levels: the programme as a whole; the impact enterprise ecosystem, incubators and accelerators; impact enterprises; and impact investors.

### **1.4 Methodology**

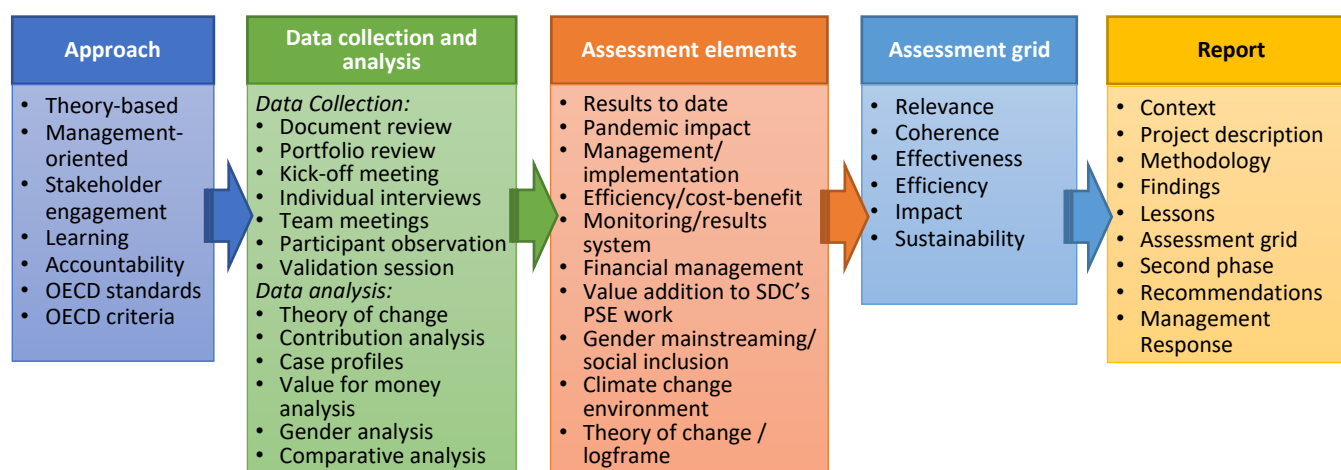
Taking both a learning and accountability approach, and a management orientation, and employing a mixed-methods strategy involving the collection of both qualitative and quantitative data, this mid-term review was conducted during August through October 2022. Data-collection methods included document review; a virtual kick-off meeting and debriefing session at Switzerland's Embassy in Bangladesh;<sup>4</sup> 40 individual consultations (remote and in-person) with key SDC and Embassy officials, implementation team members, and representatives of accelerators/incubators, impact enterprises and impact investors that have participated in the programme, and other development professionals and scholars; and participant observation by the consultant at a hybrid webinar in Dhaka in September 2022 on gender smart investing in WSMEs. Frameworks utilised for analysing the information gathered included theory of change analysis, contribution analysis, and gender analysis. Figure 1 depicts the MTR process, which enabled the reviewer to address the key questions in the terms of reference and complete the assessment grid for this intervention. Annexes B through E provide further details on the approach and methodology.

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<sup>4</sup> In addition, on November 16, 2022, a draft version of this report was presented to the Embassy of Switzerland in Bangladesh, SDC colleagues in Bern, Roots of Impact, and LightCastle Partners, for discussion and feedback



Figure 1: Approach to the mid-term review



## 2 Findings for Phase I

### 2.1 Overall assessment

Overall, the B-Briddhi initiative demonstrates important **strengths**. B-Briddhi is an innovative, high-performing development intervention. The MTR's assessment grid ratings range from satisfactory to highly satisfactory, with an overall rating of *highly satisfactory*. There should be a second, follow-on phase that sets the stage for a third, non-SDC-funded phase. B-Briddhi's mix of components—capacity building, catalytic financing, and policy advocacy—is highly relevant and appropriate for Bangladesh. B-Briddhi's impact-linked finance and IMM work is leading-edge in Asia and globally. Its partner-accelerators and -enterprises are led by dynamic, creative, and committed visionary pragmatists. Furthermore, there is emerging evidence of trends toward ultimate outcomes; two enterprises in the portfolio, Apon Wellbeing and iFarmer, are scaling their services to low-income households and low-income women. In addition, the programme is generating significant private sector contributions; for every CHF 1 spent by SDC on B-Briddhi, its partners have contributed, in cash and in-kind, nearly CHF 1.7.

Moreover, the main programme partners—SDC as donor, lead implementer ROI and subcontractor LCP—respect each other, contribute complementary assets and skills, and cooperate well together. SDC's thoughtful collaboration has been a key success factor, including navigating the pandemic. Finally, B-Briddhi constitutes both a specific model for replication and a rich site of learning for SDC's private sector engagement strategy and portfolio. Indeed, based on its strong performance to date, B-Briddhi can be considered a flagship PSE intervention.

At the same time, however, the initiative faces some key **challenges**. Implementation experience to date suggests that the assumptions and targets originally established in the B-Briddhi logical framework should be revised. The planners of B-B underestimated the number of person days required to manage the intervention, including its growing knowledge management function. And, after a slow start, and no gender strategy in the design, B-Briddhi's gender work is gaining momentum, though patriarchy is a well-resourced opponent in Bangladesh.

On another front, B-Briddhi's policy advocacy, while now well-framed, is not being pursued with the necessary urgency or granularity (i.e., by directly addressing repatriation of capital by foreign investors, hybrid corporate forms for impact enterprises for special tax treatment, etc.), nor yet is the NAB a broad-based or effective membership organization. Ecosystem-champions are often fragmented, quietly rivalrous and reliant on development-organization funds or personal savings to persist. The

potential negative effects of the country's graduation from aid and its transition to middle income status, including the expected lack of donor funds to support impact-economy leaders, constitute a threat to the sustainability of B-Briddhi's results.

## 2.2 Relevance

The Biniyog Briddhi Programme is highly relevant<sup>5</sup> to the Swiss Cooperation Programme in Bangladesh 2022-2025, which prioritises market solutions and private sector engagement. As the Cooperation Programme states: "Switzerland will continue pursuing a strategy of engaging private sector expertise and financial resources, including those of Swiss private companies present in Bangladesh, social enterprises and impact investors."<sup>6</sup> In fact, B-Briddhi is already contributing significantly toward the Cooperation Programme's target of raising USD 6M in private sector contributions by 2025. Further, B-Briddhi is steadily improving its performance in advancing gender equality, a key transversal theme. And it could do more in the current phase, through a special call for proposals from green impact businesses, in addressing climate change, another important transversal theme.

There is strong evidence, particularly from key-person testimony, that B-Briddhi is strengthening the impact measurement and management systems and practices of a network of 50 impact ecosystem builders, social entrepreneurs, and some impact investors. Solid work is underway in providing impact-linked finance to promising social enterprises and leveraging matching private investment capital from investee firms. There is less evidence so far of the intervention achieving systemic change at the policy level, although that process, too, has been initiated. Nor, with two exceptions, have B-Briddhi investees extended their reach outside Dhaka into low-income rural communities. In any case, B-Briddhi's suite of services to impact entrepreneurs and accelerators/incubators is appropriate and being continuously refined by the implementation team and is highly appreciated by partners. It is widely agreed by public and private stakeholders in and around the programme that its multi-level, multi-component theory of change accurately reflects what is required to enable impact enterprises to scale and ultimately sustain themselves and their results.

## 2.3 Coherence

B-Briddhi complements other interventions on impact investing in Bangladesh. It works closely with Startup Bangladesh, an initiative of GoB's ICT Division, which provides seed funding to early-stage social entrepreneurs. It is in regular communication with other donor initiatives by, for example, The Netherlands and Australia, in youth entrepreneurship and women's SMEs. Moreover, the programme's local sub-contractor, LightCastle Partners, together with its core network of ecosystem champions, social entrepreneurs, and impact investors, *themselves* work with projects in the impact investing space sponsored by, notably, Grameenphone, UNDP, UNCDF, USAID, Accelerating Bangladesh in Singapore, and private foundations and equity firms operating in South and Southeast Asia.

B-Briddhi creates additionality in supporting the impact investing ecosystem in Bangladesh in three specific ways. First, it demonstrates the application of impact-linked finance (ILF) tools, which is an important model inside Bangladesh and globally. Unlike most impact investing, ILF is triggered only if impact targets are met by the investee and verified by a third party. Second, informed by the precision and accountability of ILF processes, B-Briddhi's approach to impact measurement and management is more sophisticated, disciplined and nuanced than most other systems in the impact investing space in Bangladesh and internationally. Third, the multi-level, multi-component design of B-Briddhi makes it a

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<sup>5</sup> SDC, Swiss Cooperation Programme in Bangladesh 2022-2025, Bern, 2021

<https://www.eda.admin.ch/countries/bangladesh/en/home/international-cooperation/strategy.html>

<sup>6</sup> SDC, Ibid, 2021, p. 18

more comprehensive intervention than most other donor initiatives in impact investing, by operating at the micro (enterprise), meso (accelerator/incubator, investor) and macro (policy) levels simultaneously.

## 2.4 Effectiveness

Overall, the implementation team of B-Briddhi is making good progress across all components, despite being initially slowed by the pandemic. As Table 1 shows, in 2020 and 2021, B-Briddhi built a portfolio of 15 impact enterprises scaling innovative, tech-enabled business models in a range of sectors, including, for example, discount retail shops for RMG workers; safe and affordable transportation for women in Dhaka; and rapid access to finance and inputs for farmers. Through June 2022, its sub-portfolio of IRMF earlier stage investees had earned USD 301,000 in impact-readiness incentives against USD 792,000 in IRMF commitments, for a progress rate of 38%, with two transactions completed. And the five SIINC investees had earned nearly USD 127,000 in incentives against USD 950,000 in commitments (representing a 13% progress rate). In its final years, B-Briddhi will therefore need to accelerate and complete all transactions in the portfolio. At the same time, though, almost all investees report that B-Briddhi has already helped them improve or refine their IMM systems and metrics and deepen their understanding of impact investment. In other components, important local accelerators and incubators have benefited from the programme's capacity building activities, a new toolkit on innovative finance for early-stage impact enterprises was introduced, and the Bangladesh Impact Investment Strategy and Action Plan (BIISAP), a major policy framing document, was supported and launched.

**Table 1: Progress in catalytic capital investments as of June 2022**

Name	Instrument	Cohort	Incentive amount (\$)	Incentives earned (\$)	Progress towards targets	Periods Elapsed
HelloTask	IRMF	2020	\$43,529.00	\$26,117.70	66.67%	2/3
Romoni	IRMF	2020	\$23,400.00	\$7,020.00	33.33%	1/3
Safewheel	IRMF	2020	\$50,000.00	\$30,000.00	66.67%	Transaction complete
Shuttle BD	IRMF	2020	\$100,000.00	\$100,000.00	100.00%	Transaction complete
SoiShare	IRMF	2020	\$100,000.00	\$60,000.00	66.67%	2/3
iPage	IRMF	2021	\$84,700.00	\$25,410.00	33.33%	1/3
Light of Hope	IRMF	2021	\$88,000.00	\$52,800.00	66.67%	2/3
Reverse Resources	IRMF	2021	\$100,000.00	\$0	0%	0/3
WeGro	IRMF	2022	\$100,000.00	\$0	0%	0/3
AgroShift	IRMF	2022	\$100,000.00	\$0	0%	0/3
Apon Wellbeing	SIINC	2020	\$225,000.00	\$103,090.00	45.82%	2/5
iFarmer	SIINC	2020	\$200,000.00	\$6,000.00	8.00%	1/5
Joikko	SIINC	2020	\$125,000.00	\$17,500.00	20.00%	1/5
CMED Health	SIINC	2021	\$200,000.00	\$0	0%	0/5
Maya	SIINC	2021	\$200,000.00	\$0	0%	0/5

Source: ROI, 2022

As with all development interventions, not everything B-Briddhi has done has worked as planned. The NAB has not yet become a broad-based membership organisation but rather is still narrowly led and remains preoccupied with general policy framing. Use of the voucher system has not been sustained or well-reported by platforms or firms even though the content and mentorship provided by Bridge for Billions are of high quality. In addition, there is a quiet but steady rivalry among impact ecosystem champions that can fragment the ecosystem or lead to duplication. Moreover, other donors (e.g., the Dutch) and corporates (e.g., Grameenphone) are supporting interventions that work with early-stage start-ups and with target groups, such as youth entrepreneurs, but are not formally well-coordinated with B-Briddhi—although these donors often work with some of the same local champions with which B-Briddhi partners. Plus, apart from a few important exceptions, impact investors have so far been generally slower than expected to place their funds at scale in impact enterprises in Bangladesh. Perhaps most seriously, though, the pipeline for social start-ups and growth-oriented impact businesses continues to lag depth and breadth, a problem recognized by all parties active in the sector.

## 2.5 Efficiency

Overall, the Biniyog Briddhi Programme is being implemented on an efficient basis. Its cumulative expenditures to date on implementation-team personnel of about CHF 188,000<sup>7</sup> are modest by any standard, constituting only nine percent of total expenditures of CHF 2.048M through Q2 2022. In fact, this line item is *too lean* to fully manage all aspects of the intervention, a deficiency in the original planning of B-Briddhi. The Embassy of Switzerland in Bangladesh is fully committed to this private-public development partnership and steers it, in cooperation with ROI, thoughtfully and professionally. The working relationship between the development-cooperation team at the Embassy of Switzerland in Bangladesh and ROI, is open, respectful, and productive. The pivoting in 2020 and 2021 to more online programming under the pandemic, and a series of reporting, budget, and logical framework adjustments, have demonstrated the goodwill, agility, and diligence of both parties.

However, the use of multiple currencies—CHF, Euros, USD, and Taka—has resulted in some unanticipated extra costs for ROI.<sup>8</sup> Project funding for all components is tracked carefully by ROI. LCP monitors the performance investees and voucher recipients closely and astutely. But now that B-Briddhi is in full implementation mode, generating concrete results and learning, the implementation team has an opportunity to shift some of its monitoring and review activities away from purely operational concerns to more strategic analysis, learning and planning. This is beginning to happen.

Is there an alternative approach, at a lower cost, to promote impact investing to achieve the same or similar results? There are certainly other approaches to promoting impact investing. Some donor agencies focus only on the supply side of capital, such as the Australian-supported Investing in Women platform<sup>9</sup> and the Emerging Markets Impact Investment Fund,<sup>10</sup> operating in the Asia-Pacific region. These initiatives utilise substantial investment capital as well as grant-based technical assistance to achieve their objectives. Moreover, their approach to deploying impact capital is not impact-linked; that is, investees receive their capital *before* producing impacts, unlike the B-Briddhi model. On the demand side of impact investing, in Bangladesh, The Netherlands aims to advance youth entrepreneurship through incubation and acceleration of early-stage youth-led start-ups and ecosystem building.<sup>11</sup> This approach, too, is not necessarily cheaper and addresses only one part of the broader social start-up sector, placing less priority on larger, growth-oriented companies.

Another programming strategy adopted by some donors in other jurisdictions involves the use of challenge funds. For example, the UK-based charity Nesta,<sup>12</sup> through its social enterprise Challenge Works, runs competitions with financial prizes for social innovations, and often provides scaling up impact investment for winners. Yet this model too requires extensive front-end research, labour-intensive judging of submissions, financial administration of prizes, and ongoing monitoring of prize-winner activities. Its application by Bangladeshi NGOs would require specialised skills and capacities in

<sup>7</sup> This includes approximately CHF 97,000 for ROI; CHF 48,000 for Legal Circle, the Dhaka law firm retained to structure investment deals; and CHF 43,000 for LCP, the local management consulting firm that supports investee selection, impact verification, ecosystem networking, and policy research. It must be noted that these parties, plus others such as Bridge for Billions, provide their time on B-Briddhi at a discounted fee rate; the market value of that time is captured in the contributions table in the value for money discussion below

<sup>8</sup> The parties designing Phase II of B-Briddhi should consider designating a single currency. Euros, for use in the follow-on phase to reduce exchange-rate fluctuation costs

<sup>9</sup> Investing in Women, Website, 2022 <https://investinginwomen.asia/>

<sup>10</sup> Emerging Markets Impact Investment Fund, Website, 2022 <https://emiif.fund/>

<sup>11</sup> In early 2021, this initiative supported a summit that featured speakers from several B-Briddhi partners, such as the Bangladesh Angels Network and LCP <https://bangladesh-angels-network.medium.com/funding-the-next-generation-of-social-entrepreneurs-social-business-youth-summit-2021-c5c20032b9a8>

<sup>12</sup> On the elements of designing and running a challenge competition, see Challenge Works, Practice Guide, London, Undated <https://challengeworks.org/what-we-do/our-method/practice-guide/>



challenge-fund design and management, which do not appear to be widely available in the sector. In the final analysis, therefore, the MTR finds that the B-Bridddhi model is generally an efficient and comprehensive intervention, and that there are few, if any, substantially cheaper approaches to achieving the multi-level and mutually reinforcing results pursued by B-Bridddhi.

## 2.6 Sustainability

In the short term, the implementation team is considering ways and means of dealing with a moderate trend of dropping out and mission drift by some recipients of catalytic funding. Part of the reason for this is, likely, that there are currently other sources of investment and grant capital in the impact ecosystem that impact enterprises can, and do, pursue. And in seeking access to financing and funding from these other sources, social enterprises must recalibrate their value proposition in relation to donor or investor priorities (e.g., a focus on youth, women, refugees, climate, health, etc.). In the context of a crowded and quietly rivalrous ecosystem, there is little B-Bridddhi can do here in response except to coordinate even more closely directly and through LCP and Legal Circle with the entrepreneurs and champions in the ecosystem. The logo map in Figure 2 illustrates the crowded character of the start-up ecosystem in Bangladesh. It is also true that B-Bridddhi asks more of its investees in terms of the achievement of specific impact targets before the payment of investment tranches to the investee is triggered. This discipline is at the core of the model and should not be altered.

Figure 2: Actors in Bangladesh's start-up ecosystem



Source: LightCastle Partners, 2022 Source: Anchorless Bangladesh, Bangladesh Startup Founders Group, LightCastle Partners, Crunchbase, Techcrunch




More generally, though, the multi-level and multi-component design of the Biniyog Briddhi Programme optimises the prospects of individual impact enterprises sustaining their results, strengthened by catalytic financing, improved IMM, a more developed ecosystem of accelerators/incubators and impact investors, and a more enabling policy environment. As appropriate and comprehensive as B-Bridddhi's design is, however, the programme will require more time to fully realize its results at all these levels. To this end, the MTR endorses a three-year follow-on second phase. In fact, a third phase running through 2030 funded by non-SDC external and internal grant-makers and investors will also be needed to put the ecosystem on an optimally sustainable basis.

Other potential funders of and investors in Phases II and/or III could include, for example, Australia, Canada, Korea, The Netherlands, the Nordics, the MacArthur and Rockefeller foundations and Omidyar Network, the European Community, United States and United Kingdom, plus UNCDF and UNDP, as well as corporates, banks, pension and sovereign wealth funds, angels, HNW families, and private equity firms based in Bangladesh, Singapore,<sup>13</sup> and the Bangladeshi diaspora in North America, Europe and other parts of the world.

SDC has not gained traction to date in attracting co-funders for the B-Briddhi programme as a whole. There are probably several factors at work here. First, the SDC and B-Briddhi brands are (usefully, so far), bound closely together; SDC is widely viewed as, in a sense, “owning” B-Briddhi. Second, the key partners—SDC and ROI—have been, rightly, very preoccupied with running the programme; there has not been a dedicated specialist leading external fundraising for the intervention. To systematically canvas all potential donors and investors to diversify and expand B-Briddhi funding would, in fact, require a professional fundraiser. This function could be carried out as a staff position or through the engagement of a consultant.

Looking farther ahead, an important post-graduation actor in all development sectors in Bangladesh, including among impact enterprises and impact investors is BRAC and its affiliated institutions and companies, which already operate nationwide at scale. Table 2 summarises the customer base for each of BRAC Bank, Grameenphone, and bKash, a cluster of enterprises with social origins and close working relationships. In the years beyond 2030, this group<sup>14</sup> could receive, match and scale private and public investments in impact enterprises and mobilise targeted grants to continue ecosystem building and perhaps policy reform. In this sense, B-Briddhi should take steps to deepen its cooperation with the BRAC network of organizations. Alternative vehicles for this work beyond the BRAC group should, of course, also be studied.

**Table 2: The reach and scale of BRAC Bank, bKash and Grameenphone, 2022**

Business		Scale Metrics
	BRAC Bank	- 187 branches - 800 agent outlets
	bKash	- 62 million customers
	GrameenPhone	- 83 million subscribers

Source: BRAC Bank, bKash, Grameenphone, 2022

## 2.7 Impact

What are the intended and unintended effects of the interventions, including the effects on the beneficiaries and others? It is too early to accurately assess the impact of the Biniyog Briddhi Programme. A comprehensive impact assessment should be undertaken toward the end of Phase I and again at the end of Phase II. However, two observations can be made at this point. First, thanks to B-Briddhi's impact measurement and management capacity building and linkage to catalytic financing, its partner firms, particularly the SIINC investees and IRMF recipients, are refining and improving their

<sup>13</sup> The observation is made elsewhere in this report that strong ties exist between B-Briddhi impact entrepreneurs and champions, on the one hand, and Singapore-based accelerators and investors, on the other, and that many businesses and funds operating in Bangladesh are registered as domiciled in Singapore, partly as a workaround to unworkable Bangladesh capital-repatriation and enterprise-incorporation laws and regulations

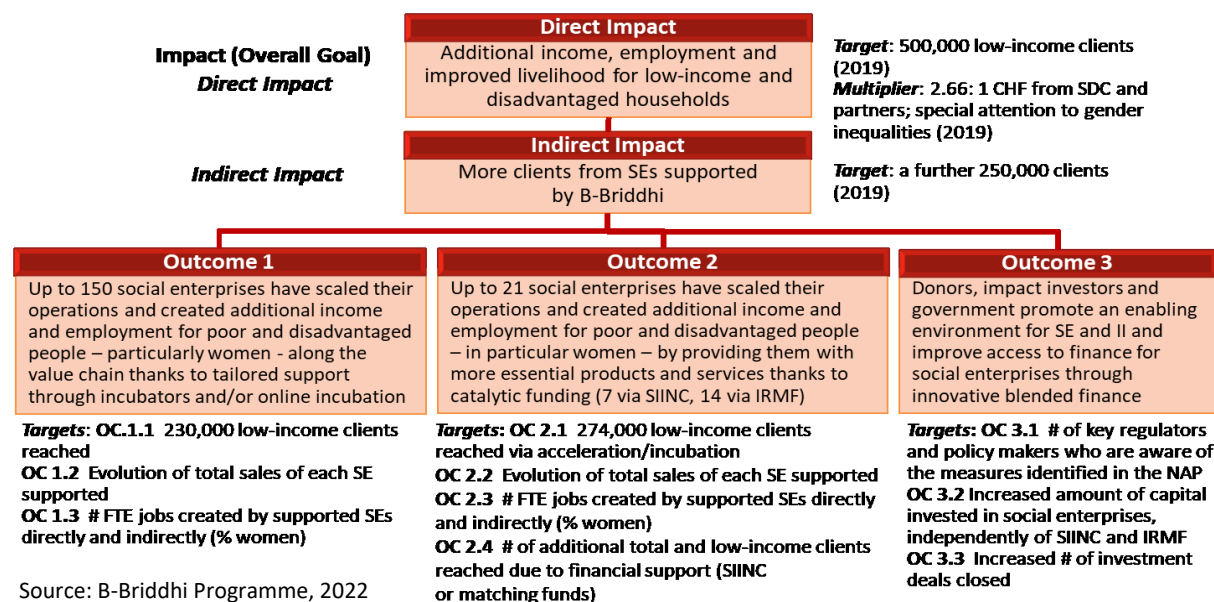
<sup>14</sup> There is considerable knowledge and experience in impact investing in BRAC Bank (as both impact investor and investee) and bKash (as a major investee), and in BRAC's microfinance programme; BRAC's Social Innovation Lab has less impact finance capacity currently but could be strengthened by the other institutions

own IMM analytics, systems, and metrics. Such gains in IMM are serving these businesses well as they seek to scale and attract investment capital from local and international funds, institutions, and individuals.

Second, while the implementation team recognizes that some, and perhaps even most, of its partner-companies must address the needs of middle-class Bangladeshis in building their pathways to scale and profitability, the team nonetheless retains a strong focus on impacts that positively affect the economic and social wellbeing of workers, farmers, and women in low-income communities. The team is using IMM and impact-linked finance to incentivise partner enterprises to keep their “eyes on the prize”—that of serving low-income and disadvantaged individuals and groups and paying special attention to gender inequalities. This is not easy, but it is feasible, and crucial to the mission of B-Bridddhi.

In the context of revising and updating the logical framework of B-Bridddhi, there is discussion between SDC and ROI of clarifying the definition of “low-income.” ROI has proposed that the programme consider low-income individuals as those who make less than USD 1.50 per day, often referred to as the “ultra-poor.” In contrast, the World Bank defines the extreme low-income or poverty line as people who earn less than US 2.15 per day.<sup>15</sup> In the MTR’s view, adopting the World Bank’s definition would give impact enterprises a larger pool of target individuals to serve and integrate into their scaling models. The definitional issue should be settled by the parties by the end of 2022 as part of the broader task of revising the intervention’s logframe at its “lower” outcome and output levels, as well. Further, in the current logframe, the numerical targets for improved income, employment, and livelihoods (i.e., for 500,000 low-income individuals directly and for another 250,000 indirectly) are proving to be very optimistic. The parties to the programme should review and recalibrate these targets and track them closely over the next two years. Figure 3 sets out the current logical framework for B-Bridddhi.

**Figure 3: Logframe of B-Bridddhi Programme, 2019 and 2022**



<sup>15</sup> In September 2022, the World Bank raised its poverty line defining extreme poverty from USD 1.90 per day to USD 2.15 per day <https://www.worldbank.org/en/news/factsheet/2022/05/02/fact-sheet-an-adjustment-to-global-poverty-lines#:~:text=That's%20why%20in%20September%202022,at%20%242.15%20using%202017%20prices>

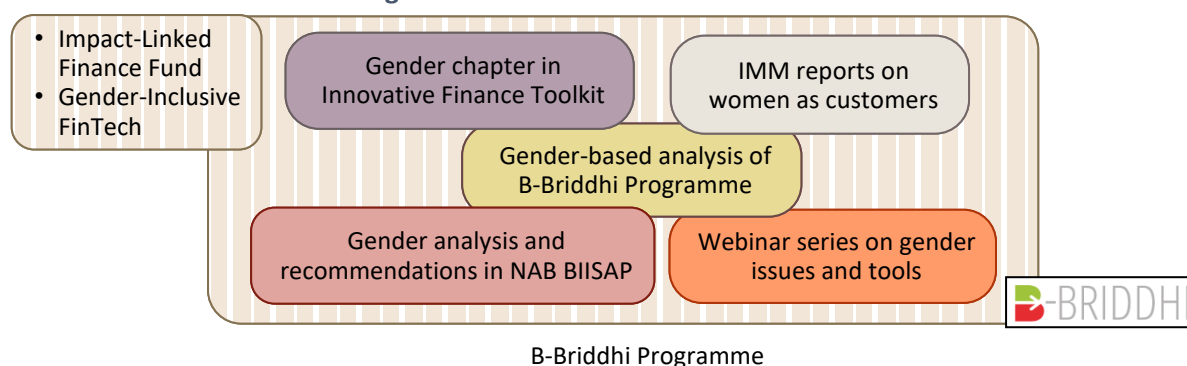
In terms of revising targets at the impact level, consideration by SDC and ROI should be given to revising the projected direct impact on low-income clients downward to, say, 250,000 or 300,000, again assuming low-income is defined as USD 2.15 per day. If the definition of the multiplier indicator includes in-kind contributions, then it could remain at 2.66; but if it only refers to cash contributions, then that target, too, should be revised downward, perhaps to 1.5 and no higher than 2.0. With respect to the outcome-level of the logframe, the results statement for Outcome 1 should be changed from 150 enterprises to 75 or 80, but no lower than 50. In addition, target OC.1.1 should be reduced to 125,000 to 150,000 low-income clients and target OC.2.1 also reduced to 125,000 to 150,000. In late 2023, progress toward the revised targets and their appropriateness should be revisited, in preparation for the final year of Phase I.

## 2.8 The gender dimension

There was no gender strategy in the design of B-Bridddhi and little was done on the gender dimension of the programme until 2021. However, SDG 5 was well-established when B-Bridddhi was designed, and SDC's own strong commitment to gender equality as a core transversal issue was well-understood in 2018-2019, when the intervention was designed. B-Bridddhi's early lack of attention to gender was a shortfall. Nonetheless, through a programme-wide gender analysis commissioned by ROI in 2021, it was found that gender could be integrated into a variety of B-Bridddhi activities and outputs. These entry points have included, notably, a new gender chapter for the innovative finance toolkit, IMM research on women as customers, a webinar series on gender lens investing, and gender analysis and recommended action in the BIISMAP report for the NAB (see Figure 4). How to build an ecosystem where more women occupy more visible leadership roles remains a key question, though.

In terms of reviewing and revising the logical framework for B-Bridddhi, the implementation team is proposing that the definition of gender-responsive businesses be aligned with that of the criteria of the global 2X Challenge collaborative of development finance institutions, which include metrics on entrepreneurship, leadership, employment, and consumption associated with candidate businesses.<sup>16</sup> The MTR endorses this proposal.

**Figure 4: B-Bridddhi is active now on gender issues**



## 2.9 Climate change and the environment

Addressing climate change is a key transversal theme in SDC's current development cooperation plan in Bangladesh. Several partner-enterprises are already very green. One example is Reverse Resources, which provides digital tools to enable RMG factories to recycle and reduce textile waste materials. Another is SolShare, a clean energy-tech company specializing in solar microgrid systems. A **climate change theme** could be incorporated through a special call in the final period of Phase I. Knowledge products could be generated on lessons from these green start-ups. Managing the special call would

<sup>16</sup> See the 2X Challenge, Criteria, London, 2020 <https://www.2xchallenge.org/criteria>



require additional staff time, as would the various support activities designed for firms selected under the call. The climate change theme could be even more central to the mission of Phase II.

## **2.10 Comparative analysis**

A comprehensive comparative analysis of the B-Bridddhi model and performance is beyond the scope of this review. However, a recent SDC evaluation<sup>17</sup> of ROI's SIINC project in Latin America with the Inter-American Development Bank (IDB) and other partners provides useful evidence from another intervention that utilises impact-linked finance of social enterprise and capacity building activities. Among other things, the evaluation showed that, as in Bangladesh, negotiating ILF deals and accompanying the enterprise-scaling process takes time and is not especially predictable. By 2021, the SIINC LatAm project had supported six social enterprises, completed two transactions, and reported three transactions in the pipeline.<sup>18</sup> But, unlike B-Bridddhi, it seems that the Latin America intervention began with a clear recognition of the importance of gender equality.

The evaluation also found that most investee enterprises of SIINC LatAm, notably but not only Inka Moss and Root Capital, were primarily focused on low-income farmers and entrepreneurs from the outset. While the project's monitoring systems were found not to track in sufficient detail the impacts on the lives of beneficiaries at the bottom of the pyramid, Root Capital levered its USD 1M in outcome payments to disburse USD 12M in loans to early-stage agricultural SMEs. As Root Capital reported: "The 32 enterprises reached under SIINC generated USD 41M in income for over 9,000 smallholder farmers."<sup>19</sup> In fact, largely on the strength of the high leveraging factor by Root Capital, the evaluators calculated the project's overall social return on investment to be USD 10 for every USD 1 provided by SDC and IDB. Indeed, it may be that, by the end of Phase I, B-Bridddhi's success also will be powered by the investment leveraging and beneficiary impact of one or two very high-performing social enterprises, such as Apon Wellbeing or iFarmer.

Clearly, SDC and ROI were incorporating some of the key learnings from their experience with SIINC LatAm as they were planning other replications, including B-Bridddhi. Recommendations for replications arising from this experience and advanced in the evaluation report "suggest scaling-up the budget and number of transactions, anticipating on potential issues with partners, focusing on commercially viable businesses, and focusing on one country and/or sector (when the pool of SEs in this country/sector is large enough)." The evaluation also recommended "improving ways in which the programme is managed, including standardizing outcome metrics, developing clear rules for due diligence and verifications, and improving the reporting of the programme's performance and expenditures."<sup>20</sup> Much of this guidance found its way into the design and operations of B-Bridddhi, which was provided with a solid, multi-year budget for a single country with SDC as the sole funding partner. Yet some issues faced by SIINC LatAm continue to challenge the Bangladesh intervention, notably the task building a strong pipeline (or pool) of investable companies and reporting on the impacts of the programme on the lives of BoP beneficiaries.

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<sup>17</sup> STORI Consulting, Final Evaluation Report: In relation to the joint evaluation of two related SDC programmes: Promoting Social Entrepreneurship in Latin America and Social Impact Incentives for scaling high impact Social Enterprises in Latin America and the Caribbean, SDC, Bern, 2021

<sup>18</sup> STORI, Ibid, 2021, p.5

<sup>19</sup> K. Naeve, How Impact-Linked Financing Incentivizes High-Impact Investment in Agricultural SMEs, Root Capital, January 28, 2022 <https://rootcapital.org/resources/how-impact-linked-financing-incentivizes-high-impact-investment-in-agricultural-smes/>

<sup>20</sup> STORI, Ibid, 2021, p.7

Looking ahead, there are good reasons for SDC headquarters to consider commissioning a more detailed and systematic comparative analysis of various Agency-funded SIINC replications, including in Latin America, Bangladesh and elsewhere. In addition, two ROI-iGravity impact-linked funds for education and for Eastern Europe<sup>21</sup> could be included in such a study. Outside the ROI ambit, further comparative work could be carried out in conjunction with interventions such as Global Affairs Canada's Impact Investment Readiness Project in Vietnam, executed by the IIX Foundation of Singapore. This intervention, like B-Briddhi, seeks to strengthen the performance of social impact businesses, accelerators and incubators, ecosystem champions, and government policymakers.

### 2.11 Value addition and value for money

An examination of expenditures by SDC on the Biniyog Briddhi Programme to date, on the one hand, compared with the estimated cash and in-kind contributions by partners and ROI, on the other, indicates that the project's value for money at the halfway point of Phase one is strong. As Table 3 shows, the Agency has spent CHF 2.2M through June 2022 on the programme as against CHF 3.7M CHF in total partner and ROI contributions, both in-kind and cash. The MTR views the assumptions underlying the estimates of these contributions to be reasonable and not overstated. It can be generally concluded, therefore, that for every CHF 1 provided by SDC toward the costs of implementing B-Briddhi, the project has benefited from nearly CHF 1.7 in contributions by its partners and implementors. Annex F presents more detailed data on cash and in-kind contributions provided by B-Briddhi's partners and ROI.

It is important to note that the bulk of the cash contributions come from external *private investment* mobilised. SDC has to date spent just over CHF 770,000 on catalytic capital investments (both IRMF and SIINC) while investee firms in the B-Briddhi portfolio have raised matching fund commitments for their incentive deals of some CHF 2.6M. While the final years of Phase I will see SDC spending rise as investees earn incentives, the present situation is a very solid position after two and a half years of operation. Thus, B-Briddhi provides a window on how one model of a private-public development partnership can work in practice, "on the ground." The end of Phase I will offer an opportunity for a fuller value for money or cost-benefit analysis of B-Briddhi, also considering the value of impacts produced by partners.

**Table 3: B-Briddhi expenditures and contributions, 2020-2022\* (CHF thousands)**

Category	Years			Cumulative Total***
	2020	2021**	2022	
Expenditures				
Personnel	-	158.0	29.9	187.9
Travel/events	-	24.6	29.8	54.3
Train the trainer	-	187.0	23.6	210.7
Voucher scheme	-	197.8	146.5	344.3
Bridge 4 Billions	-	63.3	27.0	92.4
Catalytic financing	-	449.6	322.6	772.1
Guidance/tool kits	-	106.8	3.8	110.6
Advocacy	-	91.2	13.0	104.2
MLE	-	19.6	22.1	41.2
Communications	-	7.4	3.5	10.9
Total	-	1,543.0	657.2	2,200.2

<sup>21</sup> See L. Joffe, Better terms, better impact – but can impact-linked finance overcome a chicken-and-egg situation? Pioneers Post, March 22, 2022 <https://www.pioneerspost.com/news-views/20220322/better-terms-better-impact-can-impact-linked-finance-overcome-chicken-and-egg>

Category	Years			Cumulative Total***
	2020	2021**	2022	
Contributions				
Partner contributions	321.3	1,135.7	2,018.1	3,475.1
ROI contributions	134.4	77.5	51.8	
Total	455.7	1,213.2	2,069.9	3,738.8

\* Through Quarter 2, 2022

\*\* For expenditures, 2020 and 2021 are combined

\*\*\* Totals may not align due to rounding

Source: ROI, 2022

### 3 Lessons

Although B-Bridddhi has been operating for less than three years, its implementation has already begun to generate some noteworthy lessons, including the following:

- 1) Multi-level public-private development partnerships can generate significant financial and in-kind contributions from the private sector.** The B-Bridddhi model has stimulated private contributions by all its key actors: programme implementors, impact enterprises, accelerators/incubators, investors, and policy actors. While, individually, many of these contributions are modest in quantum, their combined total is consequential.
- 2) Impact-linked finance, ecosystem building, mobilizing knowledge and managing the multi-level partnership itself are labour-intensive activities that should be fully provided for in the intervention's budget.** ROI and LCP are coping with a budget that was too lean originally on person days for programme management, and there have been several adjustments to the budget, but the basic problem remains. This lesson should inform the planning of Phase II.
- 3) While impact enterprises forge unique growth paths that are often slower and more uneven than expected, scale is, in fact, achievable.** B-Bridddhi's SIINC and IRMF investments, provided on a pay-for-impact basis, have been matched with private investment, both local and international.
- 4) Pivoting to online programming can enable development interventions to work through pandemics and other disruptions and generally achieve cost- and time-efficiencies through technology.** This is not a lesson unique to B-Bridddhi, but the programme's shift to online delivery was rapid and effective, and some activities remain online or in hybrid form.
- 5) Monitoring and evaluation strategies at both the intervention and enterprise levels must balance ambition with feasibility through continuous learning and refinement.** B-Bridddhi's original logframe targets have proven to be overly optimistic and must be revised. Yet the programme's IMM work with impact enterprises has focused on a small number of significant indicators that are tracked closely with investees and adjusted as ongoing performance is assessed. Their ambition is embedded in the obligation of the enterprise to achieve its targets to receive catalytic financing.
- 6) All ecosystem partners have strengths and weaknesses.** B-Bridddhi works with a cohort of creative (often brilliant) social entrepreneurs and ecosystem-builders who are rooted in Dhaka and globally networked. Their limitations are that they are overwhelmingly male and not well connected to districts outside Dhaka, factors that should be addressed in both phases I and II.
- 7) International relationships are important to capital mobilization and utilization, especially when there are local policy obstacles.** The close relationships between a sub-set of ecosystem champions in Bangladesh and accelerators and investors in Singapore have informed and facilitated workarounds by impact enterprises in terms of capital repatriation and business incorporation. Ecosystem leaders' links to the US, UK, and to a lesser extent, The Netherlands, have enabled similar tactics.

**8) The transition of LDCs to MIC status renders impact enterprises and impact investing more important but also poses short-and medium-term challenges.** B-Briddhi is doing much to prepare its partners to play a key role in addressing social and environmental challenges in post-graduation Bangladesh. However, with the anticipated precipitous decline in donor grant-making after 2026, impact enterprises, accelerators/incubators and policy actors will need to diversify their revenue streams toward a more modest level of local grants and an increased reliance on investment and trade.

**9) The diversification and expansion of the funding base of the intervention requires sufficiently resourced, dedicated professional fundraising capacity.** Convincing other donors and investors to contribute significantly to the costs of running an ILF programme demands not only that SDC share its brand and ownership of the intervention with its peers, but also be open to adjusting the programme's design and activities to the priorities of the new funding organization. All of this, and the necessary nurturing of reciprocal relationships, should be carried out by a professional fundraiser on the implementation team as staff or consultant.

#### 4 Assessment grid

The foregoing informs the completion of the SDC project assessment grid. In the terminology of the grid, this mid-term review finds the Biniyog Briddhi Programme to have performed, overall, at a **highly satisfactory** level through Q2 2022. That is not to say the intervention has no weaknesses or challenges. It is to say, though, that its work to date has been innovative, effective, efficient, and significant. As such, B-Briddhi is well-positioned to address its challenges and make significant results gains in the final period of this current phase and will very likely be even more impactful in a second follow-on phase. Table 4 summarises the MTR's ratings for each assessment grid element. The detailed version of the completed assessment grid is presented in Annex G.

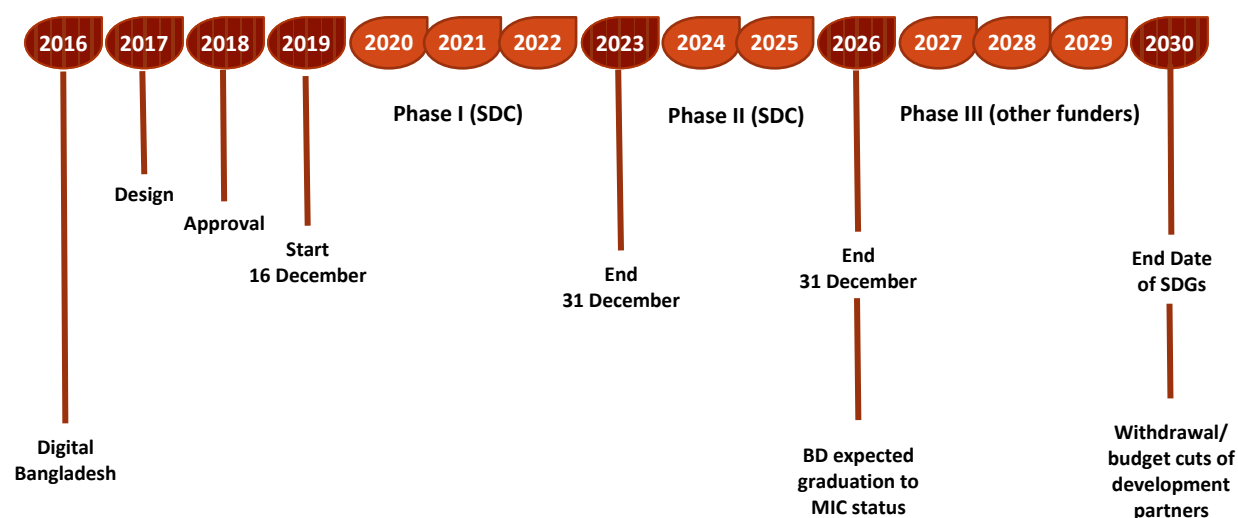
**Table 4: Summary of assessment grid ratings**

DAC Criteria	Rating	Score
Relevance	Highly satisfactory	1
Coherence	Highly satisfactory	1
Effectiveness	Satisfactory	2
Efficiency	Highly satisfactory	1
Impact	Satisfactory	2
Sustainability	Highly satisfactory	1
<b>Overall</b>	<b>Highly satisfactory</b>	<b>1</b>

#### 5 Prospects for a Phase II

The mid-term review finds a strong case for SDC supporting a second phase of B-Briddhi and endorses ongoing discussions between the Embassy of Switzerland in Bangladesh and Roots of Impact on the design of Phase II. The main rationale for the second phase is that scaling impact enterprises, providing impact-linked finance, strengthening accelerators/incubators, building sufficient pipeline, and changing policy all are labour-intensive activities that take time. The programme simply needs more time to achieve optimal results. The second reason for a follow-on phase is to enable impact enterprises and impact investors to play a more prominent role in post-graduation Bangladesh. Indeed, B-Briddhi requires a third phase to take the work through 2030 but funded by parties other than SDC. Figure 5 situates this sequence of phases of B-Briddhi within a longer timeline.

Figure 5: B-Briddhi in timeline context



At a strategic level, the broad contours of Phase II Strategic orientation should include a larger budget to do more at scale (including larger SIINC investments); extending the programme's reach outside Dhaka; preparing the sector for the post-graduation reality of severely reduced donor grant-making; and designing and mobilizing a funding consortium for Phase III. In terms of operations, priorities include ensuring sufficient budget for management and programming; embedding (and funding) a robust knowledge management component; addressing the policy constraints on capital repatriation and impact enterprise incorporation; building a start-up/impact enterprise investment fund governed by independent Bangladeshi experts;<sup>22</sup> developing a full-fledged gender strategy and action plan; introducing a fellowship component for ecosystem leaders to bridge to the MIC reality;<sup>23</sup> converting the global citizenship of those champions into policy breakthroughs and capital mobilization; building capacity for Bangladeshi bankers, corporates, HNW families, philanthropists, and policymakers; and creating new products (e.g., funds, bonds, etc.) to access significant institutional capital—global, regional, and national.

## 6 Conclusions and recommendations

### 6.1 Conclusions

Overall, this mid-term review has found that SDC's Biniyog Briddhi Programme in Bangladesh is an innovative, high-performing development intervention that deserves continued support by the Agency, including a three-year follow-on phase. The MTR rates the programme's work to date as highly satisfactory. B-Briddhi's progress and learning on impact-linked finance—that is, placing capital in social businesses only for verified results—is refining a globally significant model for SDC's broader PSE work

<sup>22</sup> Given the relatively small number of players in the impact ecosystem, finding *independent* experts that are not already too closely aligned with individual funds, platforms or enterprises, or corporates, or government, will not be simple, but it is possible; running an open RFP competition with clear selection criteria or, alternatively, working with a hand-picked group to co-design and operate such a fund, are among the options for proceeding with this idea

<sup>23</sup> A fellowship component could include a competitive application process through which ecosystem champions would propose a "sabbatical" project of four to six months to develop a new financial product or partnership with impact investors abroad, including Singapore, the US, the UK, Europe and elsewhere; fellowships could also be used by ecosystem champions to produce new knowledge products—videos, guides, even books—on tapping into international impact capital; fellows could affiliate with universities or think tanks or with international financial institutions or investment funds

and for the impact investment industry at large. In Bangladesh, the intervention has already strengthened the impact management and measurement capacity of key impact enterprises and accelerators/incubators, and some impact investors. Moreover, its multi-level public-private partnership structure has generated robust contributions from the private sector. Early weaknesses—lack of a gender strategy and inadequate budget provision for project management time—are being addressed. Finally, B-Bridddhi's approach is very relevant to a post-graduation Bangladesh, in which grant-making by donors will be ramped down and reliance by disadvantaged communities on the private sector, local investors and impact enterprises will grow.

## 6.2 Recommendations for Phase I

**Recommendation 1: The Embassy of Switzerland in Bangladesh and ROI, working with SDC-HQ, should plan and execute a series of cross-regional learning and research activities on the implementation of impact-linked finance initiatives.** Impact-linked finance is a uniquely Swiss contribution to the global impact investing industry and to SDC's own private sector engagement modality. HQ funding of webinars and exchanges on key implementation issues—deal structuring, legal tools, hybrid incorporation options, capital repatriation, impact management, value addition and value for money, and local capital mobilization—together with comparative impact studies, will further advance this field of practice and position it for greater prominence, influence and, above all, effectiveness.

**Recommendation 2: The Embassy of Switzerland in Bangladesh and ROI should collaborate in revising the assumptions, results statements, and targets in the logical framework of the Programme at the output, outcome, and impact levels.** The parties have begun discussions on this matter and the implementation team has tabled proposals to revise the logframe. The MTR has provided its perspective, including underscoring the need for metrics at the *impact level* to prioritise disadvantaged communities and address gender inequalities. The revisions should be completed by the end of 2022 to position the programme track its progress using the updated framework and metrics.

**Recommendation 3: The Embassy of Switzerland in Bangladesh working with ROI should allocate additional funds in the programming budget for knowledge management and mobilization by the implementation team.** In addition to under-resourcing programme management time, the original design of B-Bridddhi also underestimated the time required by the implementation team to manage and mobilise knowledge. While the team gained efficiencies through increased use of online tools during the pandemic, learning from internal programming nonetheless requires systematization and formatting for distribution. In addition, there is an increasing number of external requests for briefing on the programme's model and results, another positive indicator of success.

**Recommendation 4: For the remainder of Phase I, the Embassy of Switzerland in Bangladesh and ROI should rebalance their focus on operational processes with regular review and adaptation meetings on strategy and learning.** The Embassy and ROI/LCP have been rightly preoccupied with operational management and reporting in the programme's initial years. However, in its final period of Phase I, the learning and need for adjustment and adaptation of the programme will grow, particularly in the areas of scaling, catalytic financing, impact management, and policy advocacy. Setting quarterly or twice-yearly meetings on strategy, learning and adaptation and adjustment will yield dividends at all levels of the intervention.

**Recommendation 5: ROI should continue to deepen its gender equality efforts at all levels: programme, accelerators/incubators, impact enterprises, investors, ecosystem, and policy.** The innovative September 2022 gender event in Dhaka and ROI's global work on impact-linked financial inclusion combine to set a new bar for the gender work of B-Bridddhi. Now the programme should engage gender issues at the ecosystem and policy levels, where male champions of impact enterprise and investment continue to dominate. For both these levels to generate sustainable results following



the country's graduation to MIC status, both women and men must populate the leadership of the sector.

**Recommendation 6: The Embassy of Switzerland in Bangladesh and ROI should work with partners to refocus the policy advocacy component on making the NAB a formal membership organisation.** To become an effective, dynamic, and broadly owned advocacy organisation, the National Advisory Board on Impact Investment in Bangladesh must be incorporated legally as a non-profit association with voting members. With its wide local network, LightCastle Partners can play an especially pivotal role in bringing about this change, which will serve the ecosystem well in the country's post-graduation phase.

**Recommendation 7: The Embassy of Switzerland in Bangladesh and ROI should commission the drafting of specific laws and regulations concerning capital repatriation, hybrid corporate forms, and other key areas.** Earlier conferences, and the BIISAP, have mapped the general policy landscape and identified some of the main obstacles to optimizing impact investment in Bangladesh. Now it is time to examine more closely, in cooperation with government and the NAB, high-priority individual laws and identify opportunities for reform toward a more conducive enabling environment for impact investing. Furthermore, informed by this analysis and on an urgent basis, B-Bridddhi should support the drafting of new or revised legislation and regulations. Local and international expertise should be tapped for this exercise, which can also benefit from the models of other countries.

### 6.3 Recommendations for Phase II

**Recommendation 8: The Embassy of Switzerland in Bangladesh and ROI should jointly design a second, three-year phase of B-Bridddhi that reaches outside Dhaka to regional cities and rural communities.** These discussions too are underway. Dhaka was the correct choice in which to locate and start B-Bridddhi. The programme's key partners are Dhaka-based and -oriented and the city's population density lends itself to business model scaling. However, Bangladesh is more than Dhaka and the needs low-income individuals and smallholder farmers, and especially of women, in regional cities and rural communities are severe and pressing. B-Bridddhi should select a limited number of districts in which to work intensively and explore cooperation with local hybrid organizations whose services already reach the whole country, including, among others, BRAC, BRAC Bank and bKash.<sup>24</sup>

**Recommendation 9: In the design of Phase II, the Embassy of Switzerland in Bangladesh and ROI should recognize and lever the benefits of its partners' global relationships.** Many B-Bridddhi partners are well-networked with ecosystem platforms and investors in Singapore, the United States, the United Kingdom and elsewhere. In fact, a number are already dual citizens of other countries or can be expected to apply for to study or work abroad in the future, perhaps following Bangladesh's graduation to MIC status and the decline of donor grants. Not only should Phase II recognize this international orientation, but it should also be designed to facilitate even stronger relationships with foreign investors and social entrepreneurs, especially in the diaspora, through its global-citizen partners. Facilitating and leveraging these relationships should be a budgeted function in the second phase.

**Recommendation 10: The Embassy of Switzerland in Bangladesh and ROI should design a second phase that will actively raise grant and investment funds to supplement SDC funds in Phase II and replace them in a follow-on Phase III.** The journey on which B-Bridddhi has embarked will take at least a decade to produce maximum, sustained results. SDC has committed to support the first seven years of this decade of work by funding the first two phases. However, a third phase, at least, will be required and funding will be needed to enable that work to be carried out. Sources of grants and investment

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<sup>24</sup> Identifying exactly which cities, districts and local partners with appropriate capacity B-Bridddhi should work with outside Dhaka was beyond the scope of this review; this would require detailed comparative assessment across the country

capital for Phase III may come from other donor agencies, local or international corporates, philanthropic foundations or family offices, private equity firms, commercial banks, and institutional investors such as pension funds and insurance companies. To succeed in this effort, the design of Phase II should include budget provision for a full-time professional fundraiser, working either as a staff member of, or consultant to, the implementation team.



## **Annex A: Terms of Reference**

### **TERMS OF REFERENCE**

#### **Midterm Review of the B-Briddhi Programme**

**Programme Number: 7F-09990.01**

#### **1.0 Background**

Switzerland's priorities in development cooperation in Bangladesh are aligned with the Agenda 2030 for Sustainable Development Goals and the 8th Five-Year Plan of the Government of Bangladesh, with a strong focus on promoting inclusive and sustainable growth. The Swiss Cooperation Programme for Bangladesh 2022-25 continues to focus on key Swiss values of good governance, respect of human rights to insure sustainability and economic growth by partnering with a wide array of development actors, supporting Bangladesh's journey in becoming a middle income country.

The B-Briddhi ("Biniyog Briddhi") is a multi-year public private development partnership between the Swiss Agency for Development and Cooperation (SDC), Roots of Impact and other stakeholders including investors, private sector organisations, incubators and support organisations for impact enterprises. The programme addresses critical elements in both supply and demand side when it comes to scaling of impact enterprises. The goal is to contribute to an ecosystem where impact enterprises have better access to growth capital and investors can tap into a pipeline of investment ready impact enterprises using innovative forms of financing to help them scale. The programme focuses on building capacity of the service providers, introducing innovative financing instruments and engage in advocacy to address legal and regulatory constraints holding back the development of the entrepreneurial ecosystem. Further information on the B-Briddhi programme is available on the programme's website: [www.sie-b.org](http://www.sie-b.org).

The programme started in December 2019 and implementation commenced full swing from early 2020, just as the COVID-19 pandemic struck Bangladesh. Despite the lockdowns and other hurdles, the programme continued to progress by adopting more digital tools to reach the target audience and proceed with the planned interventions. The implementing partner, Roots of Impact, has been regularly reporting on progress and to date no evaluations and review have taken place. As planned from the onset of the programme, an externally commissioned midterm review was planned for 2022.

This terms of reference (ToR) sets out the requirements relating to the midterm of the B-Briddhi programme, the selection process and criteria. The ToR describes the purpose, context, objectives, scope and a proposed methodology of the review. They further describe the review process and the expected deliverables. The ToR will become a component of the contract for this assignment.

#### **2.0 Objective**

The objective of the midterm review is to conduct a pulse check of how the programme is tracking with implementation, especially considering the current 'post' pandemic context and reaffirming whether the current approaches are fit for purpose or requires modifications to achieve the desired goal of the programme. The ground realities, lessons learnt and findings from review will assist to inform Switzerland's decision making process in taking the programme forward, especially in planning the next phase.

#### **3.0 Approach and Methodology**

The midterm review will be conducted by a consultancy firm or an individual consultant. The assignment will be conducted through document reviews, virtual meetings and in-person consultations and field visits. The reviewers will use qualitative and quantitative methods to gather relevant information to address the scope of work. Roots of Impact will assist the

reviewers to organise the in-person and virtual meetings for consultations, field visits and provide all relevant documents. The internal review should be guided by the OECD/DAC Criteria<sup>1</sup> for evaluations:

Criterion	Areas of Focus/Questions
Relevance	(i) Assess the relevance of the programme, within the current context in Bangladesh, Switzerland's portfolio and other donor initiatives; (ii) Assess the relevance and effectiveness of the programme's strategy and approaches for the achievement of the objectives; (iii) Is the programme contributing to creating systemic change in the field of impact linked finance in Bangladesh? (iv) Is the programme contributing to providing adequate and required support services to the impact entrepreneurs? and (v) How is the programme ensuring that impact enterprises could grow sustainably?
Coherence	(i) How does Switzerland complement other interventions on impact investing in Bangladesh? (ii) Does the programme create additionality in supporting the impact investing ecosystem in Bangladesh?
Effectiveness	(i) To what extent the objectives have been achieved or are likely to be achieved?
Efficiency	(i) Critically review the programme (a) structures and resources (management, monitoring, steering, coordination); (b) systems and policies and (c) monitoring system; (ii) Is there an alternative approach, at a lower cost, with similar results to promote impact investing to achieve the same or similar results?; and (iii) Are the interventions cost-efficient in achieving their outputs and outcomes? (iv) Is the current administrative setup of the programme suitable for the nature of the intervention?
Sustainability	(i) Assess to what extent the current and/or likely positive results will be continued beyond the end of the external support; (ii) What is the rate and causes of drop-outs and/or mission drifts amongst the catalytic funding recipients? (iii) Was the programme's coping mechanism with the COVID-19 pandemic accurate? (iv) Are there any opportunities to attract support from other donors and/or financial contributors?
Impact	(i) What are the intended and unintended effects of the interventions, including the effects on the beneficiaries and others?

#### 4.0 Scope of Work

The review will assess how the programme is tracking against the defined outcomes in the current context, identify the key bottlenecks and challenges, provide recommendations for overcoming these challenges and document the key lessons learned that may be used to adjust and improve the implementation approach going forward. The review will provide concrete, actionable and prioritised recommendations, with action points, covering all the required scope of work. The scope of work includes conducting the following, but is not limited to:

- A desk review of all programme information to date, including the key documents such as the programme document, all operational and financial progress reports, and any analyses and/or studies;

<sup>1</sup> OECD/DAC Network on Development Evaluation: [Better Criteria for Better Evaluation. Revised Evaluation Criteria Definitions and Principles for Use](#) (2019).

- Assess the impact of the COVID-19 pandemic on the programme management and implementation aspects;
- Interviews with the Roots of Impact and LightCastle Partners teams to collect information on programme management and implementation aspects;
- Assess how Roots of Impact coordinates with sub-contractors and service providers;
- Assess how Roots of Impact strives to achieve maximum efficiency gains, in terms of programme management and implementation of the interventions. The ex-ante cost benefit analysis of the programme must be assessed and the assumptions validated;
- Assess the current monitoring and results management system;
- Review the financial management aspects especially around budget planning and forecasting;
- Interviews with the key stakeholders and other response actors to assess the degree to which the programme has had the intended impact; and what could have been done differently or better, so that the lessons learned can be documented;
- Interviews with the direct and indirect beneficiaries who are the recipients of the catalytic funding and voucher schemes, the trained service providers and their clients;
- Interviews all relevant stakeholder(s) and/or relevant actors, including other programmes, projects and private sector partners working on impact investing;
- Assess how the programme's alignment and value addition to SDC's private sector engagement objectives;
- Evaluate how the programme has mainstreamed gender and social inclusion across the portfolio;
- Recommend how the programme can strengthen its focus on climate change and environment in this phase and going forward; and
- Analyse the Theory of Change and the LogFrame, especially taking into consideration to what extent objectives have been achieved.

## 5.0 Timeline

The assignment will be for a total of up to 30 input days, within the timeframe of August 2022 to October 2022.

## 6.0 Deliverables

The consultant(s) will report directly to the programme manager at the Embassy of Switzerland in Bangladesh and must submit the following deliverables:

- A kick-off meeting with the Embassy of Switzerland in Bangladesh and Roots of Impact to discuss expectations and present the planned approach of the assignment;
- A detailed workplan which highlights the key milestones and deliverables, including the methodology and processes to be undertaken;
- Submission of the final report as specified in the scope of work, including up to at least two feedback loops with revisions. The report should be a maximum of 15 pages (A4, Normal margin, Arial 11, single space) with an executive summary of a maximum of three pages, which reads as a standalone document. All other information should be annexed;
- The Assessment Grid of the DAC Criteria (Annex 1) must be completed and attached to the final report;
- List of persons interviewed, minutes of workshops and meetings, summary of the discussions in the focus group discussions, leaflets, case studies, etc., must be annexed to the final report;
- Presentation of the final report to the broader Embassy team and Roots of Impact colleagues that highlights key preliminary findings and recommendations. The MS PowerPoint slides must be annexed to the final report; and
- Recommend additional and/or supporting analyses and followup actions, if required.



## 7.0 Profile of the Consultant

The consultant (individual or proposed by the consultancy firm) must have the following attributes:

- Minimum 10 years of relevant professional work experience in conducting evaluations/ reviews of donor-funded programmes with skills in robust evaluations methodologies, in the areas of private sector development, social entrepreneurship or related fields, using innovative partnership approaches;
- Demonstrated experience and ability to apply the OECD DAC evaluation standards;
- Knowledge of innovative finance, blended finance, impact linked finance, impact investment is an absolute must;
- Sensitivity at enhancing learning processes;
- Strong analytical skills, sound judgement, the capacity to think strategically, including the ability to produce high quality policy materials, high level strategic documents and advice for development implementation;
- Good understanding of multilateral and/or bilateral donor programmes and management procedures relating to programme management cycle;
- Demonstrate understanding of partnership modalities and institutional strengthening;
- Familiarity with knowledge management processes and facilitation of knowledge transfers;
- Ability to steer complex processes involving a multiplicity of stakeholders through participatory methods;
- Competency with gender, social inclusion and 'Leave no one behind (LNOB)' issues;
- Appropriate academic qualifications in relevant field of expertise;
- Demonstrate ability to identify what areas need particular attention and where development partners can (and cannot) add value;
- High level oral communication skills, including representation and liaison skills; and
- Social competence including intercultural sensitivity and ability to work with varied stakeholders.
- Track record of successful consultancies on developing high level strategic documents, including conducting monitoring and evaluation related analyses and reviews of programmes and projects; and
- Knowledge of SDC's working principles and methods is highly desirable.

## Annex B: Approach and methodology

### Approach

Overall, in addition to adhering to OECD standards for evaluation and its evaluation criteria, the review was theory-based and management-oriented. It aimed to facilitate stakeholder engagement, promote learning, and ensure accountability, and placed a priority on gender equality. The progression of this approach proceeded from these principles and priorities to data collection and analysis, which informed specific analytic elements (e.g., the pandemic, expenditures and costs, PSE, etc.), and enabled the reviewer to complete the assessment grid and present recommendations for SDC's management response.

### Methodology

The methodology used to carry out the mid-term review was based on a mixed-methods strategy involving the collection and analysis of both qualitative and quantitative data. Data-collection methods included document and file review; a kick-off meeting and debriefing session with the Embassy of Switzerland in Bangladesh, Roots of Impact and LightCastle; 40 individual consultations (remote and in-person) with key SDC and Embassy officials, implementation team members, and representatives of ecosystem organizations and impact enterprises that have benefited from the programme, as well as other development professionals and scholars; and, finally, participant observation at a hybrid webinar in Dhaka in late September 2022 on gender smart investing in women-owned or -led SMEs. Table B1 summarises the various categories of stakeholders consulted for the MTR.

**Table B1: Persons consulted for the MTR**

Embassy / SDC-HQ 8	Implementation team 9	Other donors 1
Accelerators / Incubators 6	SIINC 3	IRMF 2
Voucher scheme* 2	Investors 2	Other 7

In terms of data analysis, the data collected from these sources were triangulated and examined using theory of change analysis, contribution analysis, value for money analysis (informed by social value tools), and gender analysis. In addition to examining the effects of the pandemic on B-Bridddhi's implementation, and the tactics used by the implementation team to deal with COVID-19, the mid-term review compared the design and achievements of a related IINC project in Latin America, and also analyzed the B-Bridddhi's expenditures compared with the financial and in-kind contributions the intervention has generated. These and other analyses informed the final analytic task of the assignment: the completion of the SDC assessment grid. Aligned with the categories of the assessment grid and evaluation criteria of the OECD was a list of questions included in the terms of reference that were examined by the MTR, reproduced here as Table B2.

**Table B2: Key criteria and questions for the mid-term review**

<b>Criterion</b>	<b>Areas of Focus/Questions</b>
<b>Relevance</b>	<ul style="list-style-type: none"> <li>(i) Assess the relevance of the programme, within the current context in Bangladesh, Switzerland's portfolio and other donor initiatives</li> <li>(ii) Assess the relevance and effectiveness of the programme's strategy and approaches for the achievement of the objectives</li> <li>(iii) Is the programme contributing to creating systemic change in the field of impact linked finance in Bangladesh?</li> <li>(iv) Is the programme contributing to providing adequate and required support services to the impact entrepreneurs?</li> <li>(v) How is the programme ensuring that impact enterprises could grow sustainably?</li> </ul>
<b>Coherence</b>	<ul style="list-style-type: none"> <li>(i) How does Switzerland complement other interventions on impact investing in Bangladesh?</li> <li>(ii) Does the programme create additionality in supporting the impact investing ecosystem in Bangladesh?</li> </ul>
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>(i) To what extent the objectives have been achieved or are likely to be achieved?</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>(i) Critically review the programme (a) structures and resources (management, monitoring, steering, coordination); (b) systems and policies and (c) monitoring system</li> <li>(ii) Is there an alternative approach, at a lower cost, with similar results to promote impact investing to achieve the same or similar results?</li> <li>(iii) Are the interventions cost-efficient in achieving their outputs and outcomes?</li> <li>(iv) Is the current administrative setup of the programme suitable for the nature of the intervention?</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>(i) Assess to what extent the current and/or likely positive results will be continued beyond the end of the external support</li> <li>(ii) What is the rate and causes of drop-outs and/or mission drifts amongst the catalytic funding recipients?</li> <li>(iii) Was the programme's coping mechanism with the COVID-19 pandemic accurate?</li> <li>(iv) Are there any opportunities to attract support from other donors and/or financial contributors?</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>(i) What are the intended and unintended effects of the interventions, including the effects on the beneficiaries and others?</li> </ul>

## **Annex C: Documents reviewed**

### **B-Bridddhi Programme**

ProDoc, Scaling Social and Impact Enterprises in Bangladesh Programme, 2019

B-Bridddhi, Annual and Biannual Operational Reports, 2020-2022

B-Bridddhi, Annual and Biannual Financial Reports, 2020-2022

B-Bridddhi, Enterprise Verification Reports, 2021-2022

B-Bridddhi, Catalytic Finance Payment Status, 2021-2022

B-Bridddhi, Logical Framework Report, 2021

B-Bridddhi, Risk Management Matrix Status, 2020-2022

B-Bridddhi, Steering Committee Minutes, 2021-2022

Kore Global and ROI, B-Bridddhi Gender Analysis, 2021

KPMG, Financial Reviews, 2021-2022

LightCastle, Report on Startup Ecosystem in Bangladesh, 2021-2022, 2022

NAB and SDC, Bangladesh Impact Investment Strategy and Action Plan, 2022

NAB, LightCastle, SDC and others, Policy Landscape Analysis, 2020

BUILD, First International Summit on Impact Investing in Bangladesh: Proceedings, 2017

ROI, Revised Guidelines for Financial Management and Programme Reporting-SSIE-B, Updated 2021

### **Swiss Agency for Development and Cooperation**

SDC, Swiss Cooperation Programme Bangladesh, 2022-25, Dhaka and Bern, 2021

SDC, Strategy 2021-2024, Bern, 2021

SDC, Handbook for Private Sector Engagement, Bern, 2021

SDC, SDC Gender Equality Network, Bern, 2022

SDC, CEP Guidance Note: Achieving Development Outcomes with Social and Impact Enterprises, Bern, 2021

SDC and ROI, Social Impact Incentives: White Paper, Bern, 2016

### **Roots of Impact**

Abbas, S., B. Struwer, and P. Baffioni, Pushing the Water Boundaries: How Social Impact Incentives Can Make WASH Enterprises More Innovative, Impactful and Catalytic, The Next Billion, 2022

Naeve, K., How Impact-Linked Finance Incentivizes High-Impact Investment in Agricultural SMEs, Root Capital, Roots of Impact, SDC and IDB Lab, 2022

ROI, Impact-Linked Finance Fund for Gender Inclusive Fintech: Executive Summary, 2020

ROI, Call for Proposals: Research Collaboration on Impact-Linked Finance, 2020

Struwer, B. How incentives can successfully steer capital toward impact, Impact Alpha, 2022

Struwer, B. It's Not About Subsidies...And Five Other Myths About Blended Finance, The Next Billion, 2020

## **Impact Measurement and Management**

2X Challenge, 2X Criteria, London, 2020

Better Evaluation, Website, 2022

Harji, K., L. Budzyna, H. Hachigian, and P. Hawkins, Ventures at the Helm, Working Capital and Humanity United, 2022

IFRS Foundation, Proposal for an International Sustainability Standards Board, London, 2021

Jackson, E.T. and C. Robina (eds). Growing Gender Lens Investing in Emerging Markets, Journal of Sustainable Finance and Investment, 2022

Social Value International, Website, London, 2022



## **Annex D: Persons Consulted**

## Annex E: General interview protocol

Name of Interviewee: \_\_\_\_\_

Date of Interview: \_\_\_\_\_

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### INTRODUCTION

Thank you for agreeing to be interviewed for the mid-term review of the B-Bridddhi Programme commissioned by the Swiss Agency for Development Cooperation (SDC). We appreciate you taking time to assist us with this assessment.

#### Context

A multi-year initiative implemented by Roots of Impact (ROI) with LightCastle, funded by SDC and supported by a range of stakeholders, the B-Bridddhi Programme ([www.sie-b.org](http://www.sie-b.org)) “focuses on building capacity of the service providers, introducing innovative financing instruments and engaging in advocacy to address legal and regulatory constraints holding back the development of the entrepreneurial ecosystem” (ToR). The programme works to strengthen both the supply and demand sides of the impact-enterprise ecosystem. The Embassy of Switzerland in Bangladesh has commissioned this independent mid-term review (MTR) of B-Bridddhi, which began in late 2019 and has operated through the pandemic.

#### Objective of the Mid-Term Review

According to its terms of reference, the objective of the mid-term review is “to conduct a pulse check of how the programme is tracking with implementation, especially considering the current ‘post’ pandemic context and reaffirming whether the current approaches are fit for purpose or requires modifications to achieve the desired goal of the programme. The ground realities, lessons learnt and findings from review will assist to inform Switzerland’s decision-making process in taking the programme forward, especially in planning the next phase.”

#### Informed Consent

All your responses to the questions that follow will be treated in the strictest confidence. All interviewee responses will remain anonymous in our reports and briefings. You may choose not to answer any question. If you agree, I would like to take notes on your responses, but I will not record this interview electronically.

## BACKGROUND

### 1) Your involvement with the B-Briddhi Programme

- 1a) Please describe your involvement with the B-Briddhi Programme. What has been your *role*? What *time-period* has your involvement covered?
- 1b) What *specific aspects* of B-Briddhi's work were you/have you been involved in?

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## OVERALL ASSESSMENT

### 2) Your overall assessment

- 2a) In your view, what main problem/issue is B-Briddhi *seeking to solve*?
- 2b) What are the *main elements* of the B-Briddhi approach or model?
- 2c) In your experience, what have been the *most significant achievements* of the B-Briddhi Programme?
- 2d) What *challenges* have constrained the effectiveness of the programme?
- 2e) Looking ahead, what opportunities exist for strengthening and *scaling up what works* in B-Briddhi and adjusting the model to address its *challenges*?

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## REVIEW QUESTIONS

### 3) Relevance

- 3a) To what extent and in what ways is the programme *relevant* within the current context in Bangladesh, Switzerland's development cooperation portfolio, and other donor initiatives?
- 3b) To what extent are the programme's *strategy and approaches* relevant and effective for the achievement of its objectives?
- 3c) To what extent is the programme contributing to creating *systemic change* in the field of impact linked finance in Bangladesh?
- 3d) To what extent is the programme contributing to providing adequate and required *support services* to the impact entrepreneurs engaged in B-Briddhi?
- 3e) How is the programme ensuring that impact enterprises can grow *sustainably*?

### 4) Coherence

- 4a) How does Switzerland *complement other interventions* on impact investing in Bangladesh?
- 4b) Does the programme *create additionality* in supporting the impact investing ecosystem in Bangladesh?

### 5) Effectiveness

- 5a) To what extent the objectives of the programme have been *achieved* or are likely to be achieved?
- 5b) With respect to your organization, please summarise your *business model* and *theory of change*.
- 5c) Please describe the assistance your organization has received from the B-Briddhi Programme. (Vouchers, IRMF, SIINC).

- 5d) In your view, to what extent and in what ways (if any) has this assistance changed your organization? Give specific examples.
- 5e) Among all factors contributing to your success, where does B-Bridddhi's assistance rank?
- 5f) What evidence or data points demonstrate that your organization is achieving its planned outcomes?
- 5g) What challenges have your organization faced and how have you dealt with them?
- 5h) Are there ways in which the assistance that B-Bridddhi provides could be improved? Please be specific.

## 6) Efficiency

- 6a) To what extent are the following *elements* of the programme appropriate and efficient: (a) structures and resources (management, monitoring, steering, coordination); (b) systems and policies and (c) monitoring system?
- 6b) Is there an *alternative approach*, at a lower cost, with similar results to promote impact investing to achieve the same or similar results?
- 6c) To what extent are the interventions *cost-efficient* in achieving their outputs and outcomes?
- 6d) Is the current *administrative setup* of the programme suitable for the nature of the intervention?

## 7) Sustainability

- 7a) In your view, to what extent will the current or likely positive results of the programme be continued beyond the end of external support?
- 7b) What is the rate and causes of drop-outs and/or mission drifts amongst the catalytic funding recipients?
- 7c) To what extent was the programme's coping mechanism with the COVID-19 pandemic accurate?
- 7d) To what extent are there opportunities to attract support from other donors and/or financial contributors?

## 8) Impact

- 8a) What are the intended and unintended effects of the interventions, including the effects on the beneficiaries and others?

## 9) A Possible Second Phase

- 9a) In your view, should support for a *second phase* of B-Bridddhi be considered by SDC? Why or why not?
- 9b) If a second phase were mounted, what should be its main *purpose and elements*?
- 9c) What is the feasibility of extending the B-Bridddhi services to other metropolitan areas (more coverage in Chattogram, plus Khulna, Rajshahi, etc.)?
- 9d) To what extent and in what ways could phase II better integrate and support the transversal theme of addressing climate change and the environment, including investing in more businesses that provide climate solutions; "greening" the business models and operations of incubators and accelerators; and mobilizing climate finance from investors?

- 9e) In addition to SDC's contributions, what are the possibilities for other private, philanthropic, non-governmental or public entities to assume full or partial responsibility for funding the second phase or subsequent phases?

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**ADDITIONAL COMMENTS**

- 10) Please add any *other comments* or observations that you would like to make.

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**RECOMMENDATIONS ON PERSONS AND DOCUMENTS TO CONSULT**

- 11) Are there *other individuals* whom you would recommend we consult for this mid-term review (including email, telephone coordinates)?
- 12) Can you recommend any specific *documents or links* that should be consulted for this review?

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**THANK YOU**

Thank you very much for taking the time to speak with me. In early 2023, the Embassy of Switzerland in Bangladesh will make available a summary of the findings of this mid-term review.

I wish you every success in your work.

Dr. Edward (Ted) Jackson ([edward\\_jackson@etjackson.com](mailto:edward_jackson@etjackson.com)), Consultant (Tel/WhatsApp: +613 296 9934) (Ottawa, Canada)

## Annex F: Contribution data tables

## Partner Contributions

Cost Center - New	Sum of Total actual Name - New	Column Labels				
		2020	2021	2022	2023	Total
3080	Academic Research	-	-	23,963.04 CHF	-	23,963.04 CHF
3071	B4B contributions	23,500.00 CHF	16,641.54 CHF	13,500.00 CHF	-	53,641.54 CHF
3066	IM TTT Content Partners	83,333.00 CHF	83,333.33 CHF	83,333.33 CHF	-	249,999.67 CHF
3065	IR TTT Content Partners	190,333.00 CHF	83,333.33 CHF	83,333.33 CHF	-	356,999.67 CHF
3061	Legal Circle	24,144.88 CHF	17,797.11 CHF	5,463.71 CHF	-	47,405.70 CHF
3070	Private investment from contributions by IM VS enterprises	-	39,000.00 CHF	23,014.89 CHF	-	62,014.89 CHF
3069	Private investment from contributions by IR VS enterprises	-	42,220.00 CHF	26,467.12 CHF	-	68,687.12 CHF
3075	Private investment into IRMF enterprises	-	512,129.00 CHF	11,000.00 CHF	-	523,129.00 CHF
3073	Private investment into SIINC enterprises	-	341,196.25 CHF	1,747,993.00 CHF	-	2,089,189.25 CHF
	LCP In-Kind Contributions	14,079.00 CHF	13,713.00 CHF	14,313.00 CHF	-	42,105.00 CHF
	<b>Total</b>	<b>321,310.88 CHF</b>	<b>1,135,650.56 CHF</b>	<b>2,018,068.43 CHF</b>	<b>-</b>	<b>3,475,029.88 CHF</b>

## ROI contributions

Cost Center - New	Name - New	Year				Total
		2020	2021	2022	2023	
3060	Roots of Impact - Project Management	5,911.00 CHF	5,910.63 CHF	2,955.31 CHF	-	14,776.94 CHF
3064	Public Events	600.00 CHF	1,200.00 CHF	900.00 CHF	-	2,700.00 CHF
3065	IR TTT Content Partners	3,750.00 CHF	3,000.00 CHF	2,250.00 CHF	-	9,000.00 CHF
3066	Impact Management Content with Gender Focus	-	900.00 CHF	1,200.00 CHF	-	2,100.00 CHF
3066	IM TTT Content Partners	4,800.00 CHF	2,550.00 CHF	600.00 CHF	-	7,950.00 CHF
3066	Activities on Gender Mainstreaming	-	7,500.00 CHF	15,000.00 CHF	-	22,500.00 CHF
3067	Investment Readiness execution	750.00 CHF	2,250.00 CHF	1,125.00 CHF	-	4,125.00 CHF

Cost Center - New	Name - New	Year				
		2020	2021	2022	2023	Total
3068	Impact Management execution	750.00 CHF	5,129.17 CHF	2,250.00 CHF	-	8,129.17 CHF
3072	SIINC preparation	1,800.00 CHF	5,705.00 CHF	1,451.50 CHF	-	8,956.50 CHF
3074	Review selection process	-	300.00 CHF	-	-	300.00 CHF
3074	Review and revising messaging and marketing materials	-	750.00 CHF	-	-	750.00 CHF
3074	IRMF preparation	2,550.00 CHF	11,210.00 CHF	922.50 CHF	-	14,682.50 CHF
3076	Impact Management Guideline	3,000.00 CHF	-	450.00 CHF	-	3,450.00 CHF
3077	Innovative Finance Toolkit	87,500.00 CHF	-	-	-	87,500.00 CHF
3078	BIISAP Follow-up (ROI)	-	-	7,950.00 CHF	-	7,950.00 CHF
3078	NAB Advisory	-	11,700.00 CHF	-	-	11,700.00 CHF
3080	Academic Research	-	-	5,000.00 CHF	-	5,000.00 CHF
3081	Knowledge Dissemination, 4 case studies	-	360.00 CHF	-	-	360.00 CHF
3083	Digitized Modules	-	1,300.00 CHF	866.67	-	2,166.67 CHF
3083	IT	5,250.00 CHF	-	-	-	5,250.00 CHF
<b>Total</b>		<b>116,661.00 CHF</b>	<b>59,764.79 CHF</b>	<b>42,920.98 CHF</b>	<b>-</b>	<b>219,346.77 CHF</b>

Source: Roots of Impact, October 2022

**Notes:**

- Exchange rate calculations for 2020 EUR/CHF of 1.07 were based on information obtained in this spreadsheet ([https://rootsofimpact2.sharepoint.com/:x:/r/sites/RootsofImpact/\\_layouts/15/Doc.aspx?sourcedoc=%7BD238BE4F-1D42-5E92-CC2F-915791B6605A%7D&file=210114\\_Financial\\_Reporting\\_Template\\_Contribution\\_Annual%20Report.xlsx&action=default&mobileredirect=true&cid=ad7ed29d-ceb7-4f1a-a5dc-a5b87a1e04d6](https://rootsofimpact2.sharepoint.com/:x:/r/sites/RootsofImpact/_layouts/15/Doc.aspx?sourcedoc=%7BD238BE4F-1D42-5E92-CC2F-915791B6605A%7D&file=210114_Financial_Reporting_Template_Contribution_Annual%20Report.xlsx&action=default&mobileredirect=true&cid=ad7ed29d-ceb7-4f1a-a5dc-a5b87a1e04d6))
- Exchange rate calculations for 2021 EUR/CHF of 0.92453 were based on averages of the 2021 exchange rates from each quarter, taken from this spreadsheet ([https://rootsofimpact2.sharepoint.com/:x:/r/sites/RootsofImpact/Shared%20Documents/1014.00\\_SDC\\_Bangladesh/4.%20Reporting/Reporting/Operational%20Reports/2021/Annual%20Operational%20Report/Finances/220203\\_Bangladesh%20Reporting%202021\\_AT.xlsx?d=w3c7f3884a9334fc484583e6871442e6f&csf=1&web=1&e=FnVR3m](https://rootsofimpact2.sharepoint.com/:x:/r/sites/RootsofImpact/Shared%20Documents/1014.00_SDC_Bangladesh/4.%20Reporting/Reporting/Operational%20Reports/2021/Annual%20Operational%20Report/Finances/220203_Bangladesh%20Reporting%202021_AT.xlsx?d=w3c7f3884a9334fc484583e6871442e6f&csf=1&web=1&e=FnVR3m))
- Exchange rate calculations for 2022 EUR/CHF of 0.99846 were based on info obtained in this spreadsheet ([https://rootsofimpact2.sharepoint.com/:x:/r/sites/RootsofImpact/Shared%20Documents/1014.00\\_SDC\\_Bangladesh/4.%20Reporting/Reporting/Operational%20Reports/2022/Biannual%20Operational%20Report/Bckgd%20materials/220630\\_Financial%20Figures%20Datev%20and%20Accruals.xlsx?d=wddf5b96ac961461c93e1bcf68f317b9d&csf=1&web=1&e=3UH3RZ](https://rootsofimpact2.sharepoint.com/:x:/r/sites/RootsofImpact/Shared%20Documents/1014.00_SDC_Bangladesh/4.%20Reporting/Reporting/Operational%20Reports/2022/Biannual%20Operational%20Report/Bckgd%20materials/220630_Financial%20Figures%20Datev%20and%20Accruals.xlsx?d=wddf5b96ac961461c93e1bcf68f317b9d&csf=1&web=1&e=3UH3RZ))

- Exchange rate calculations for 2022 USD/CHF of 0.958953778 were based on monthly historical averages taken from x-rates.com
- Figures for private investment into SIINC and IRMF enterprises are only updated on a biannual basis, so the figures for 2022 have not been updated yet
- LCP In-Kind Contributions were calculated using an assumption of \$15,000 USD/year, converted into CHF with average monthly exchange rates for 2020, 2021, and 2022 taken from x-rates.com
- LCP In-Kind Contributions were calculated specifically for this data request; thus, it does not have a cost centre associated with it



## Annex G: Completed assessment grid

### Annex 1: Assessment Grid for the DAC Criteria

#### Assessment Grid for Project/Programme Evaluations of the Swiss Supported Interventions

**Note:** this assessment grid is used for evaluations of SDC financed projects and programmes (hereinafter jointly referred to as an 'intervention'). It is based on the OECD Development Assistance Committee evaluation criteria.<sup>2</sup> In mid-term evaluations, the assessment requires analysing the likelihood of achieving impact and sustainability. All applicable sub-criteria should be scored and a short explanation should be provided.

Please add the corresponding number (0-4) representing your rating of the sub-criteria in the column 'score':

- 0 = not assessed
- 1 = highly satisfactory
- 2 = satisfactory
- 3 = unsatisfactory
- 4 = highly unsatisfactory

Key aspects based on DAC Criteria	Score (put only integers: 0, 1, 2, 3 or 4)	Justification (please provide a short explanation for your score or why a criterion was not assessed)
<b>Relevance</b>  <b>Note:</b> the assessment here captures the relevance of objectives and design <i>at the time of evaluation</i> . In the evaluation report, both relevance at the design stage as well as relevance at the time of evaluation should be discussed.		
1. The extent to which the objectives of the intervention respond to the needs and priorities of the target group.	1	<b>T Low-income workers, smallholder farmers and women outside elite/professional circles have pressing social needs that can be met by scaled social enterprises</b>
2. The extent to which the objectives of the intervention respond to the needs and priorities of indirectly affected stakeholders (not included in target group, e.g., government, civil society, etc.) in the country of the intervention.	1	<b>As Bangladesh transitions to a middle income country and donors shift to trade, the roles of scaled social enterprises and impact investors become more important</b>



3. The extent to which core design elements of the intervention (such as the theory of change, structure of the project components, choice of services and intervention partners) adequately reflect the needs and priorities of the target group..	1	<b>Multi-level, multi-component structure and theory of change are well-aligned with the priorities/needs of the target group</b>
<b>Coherence</b>		
4. Internal coherence: the extent to which the intervention is compatible with other interventions of Swiss development cooperation in the same country and thematic field (consistency, complementarity and synergies).	1	<b>With its focus on SEs and impact investors, and use of impact-linked finance, the intervention is well aligned with the Swiss development cooperation strategy in Bangladesh and is a flagship PSE model globally.</b>
5. External coherence: the extent to which the intervention is compatible with interventions of other actors in the country and thematic field (complementarity and synergies).	1	<b>B-Briddhi is working with the leading network of local impact ecosystem champions, who also work with other donors and investors; B-Briddhi is well-positioned with policymakers, as well. Including GoB's ICT Division</b>
<b>Effectiveness</b>		
6. The extent to which approaches/strategies during implementation are adequate to achieve the intended results.	1	<b>The programme's catalytic financing, capacity building and policy advocacy are appropriate and adequate.</b>
7. The extent to which the intervention achieved or is expected to achieve its intended objectives (outputs and outcomes).	1	<b>With a second phase, and high performance from two or three of its investees, and more granular policy work, the intervention can achieve its expected outputs and outcomes.</b>
8. The extent to which the intervention achieved or is expected to achieve its intended results related to transversal themes.	2	<b>B-Briddhi is catching up after a delayed start on gender equality and is well-positioned to do more on climate change.</b>
<b>Efficiency</b>		
9. The extent to which the intervention delivers the results (outputs, outcomes) cost-effectively.	1	<b>With lean project management costs (too lean, in fact), the project has generated CHF 1.5 in financial and in-kind contributions from its implementers and partners for every CHF 1 SDC has expended.</b>
10. The extent to which the intervention delivers the results (outputs, outcome) in a timely manner (within the intended timeframe or reasonably adjusted timeframe).	1	<b>The intervention adapted to online delivery very efficiently during the pandemic and is catching up to its planned activities, though ILF deals can take longer to reach fruition.</b>

11. The extent to which management, monitoring and steering mechanisms support efficient implementation.	2	Management and monitoring are diligent and thorough, but now need to better balance learning with operations.
<b>Impact</b>		
12. The extent to which the intervention generated or is expected to generate 'higher-level effects' as defined in the design document of the intervention.	2	Again, with a second phase, high-performance from a few of its investees, and more precise targeting by SEs of low-income individuals and communities, the intervention is expected to generate impact-level results. There is a need in this regard to revise the impact level of the programme's logical framework.
<b>Note:</b> when assessing this criterion, the primary focus is the intended 'higher level effects'. In the event that significant unintended negative or positive effects can be discerned, they must be specified in the justification column, especially if they influence the score.		
<b>Sustainability</b>		
13. The extent to which partners are capable and motivated (technical capacity, ownership) to continue activities contributing to achieving the outcomes.	1	All partners are highly motivated to continue scaling impact enterprises and mobilizing capital for that purpose.
14. The extent to which partners have the financial resources to continue activities contributing to achieving the outcomes.	1	With their strong local and international relationship, the ecosystem leaders who are B-Briddhi's core allies have access to the financial resources they require, particularly from Singapore, the US and UK internationally, and from other donors, corporates and government.
15. The extent to which contextual factors (e.g. legislation, politics, economic situation, social demands) is conducive to continuing activities leading to outcomes.	2	Currently the government is very supportive of tech-enabled start-ups, impact enterprises and investors, though its laws and regulations need reform. The prospect of Bangladesh's graduation to middle-income status in 2026 is a further motivator to continue these activities.

Additional information (if needed):

Title of the intervention: **The Biniyog Briddhi (B-Briddhi) Programme in Bangladesh**

Assessor(s): **Edward Jackson**

Date: **October 31, 2022**