



# **Independent Evaluation of *infoDev***

Final Report - Volume I

December 2013



## A c k n o w l e d g e m e n t s

The evaluation team would like to thank all the staff members from *infoDev* and the World Bank who supported this evaluation process as well as members of the Evaluation Advisory Committee (EAC). We are also grateful for the assistance of service providers, donor representatives, government officials, and beneficiaries who responded to an electronic survey, or were interviewed by telephone or during the visits to Kenya, Tanzania, Vietnam, Cambodia, South Africa, and Finland.



## Executive Summary

### Background

The Universalia Management Group Limited (Universalia) and ITAD are pleased to submit to the *infoDev* Secretariat and the World Bank a final evaluation report on *infoDev* program's performance over fiscal years 2007-2012.

*infoDev* is a global partnership program within the World Bank Group that has promoted the use of information and communications technologies for development (ICT4D) since its creation in 1995. Since 2008, it has also promoted the growth of innovative technology-enabled enterprises to improve sustainable, inclusive growth, competitiveness and employment. In April 2013, *infoDev* formalized this newer focus in designing a new multi-donor trust fund (MDTF).

In August 2012, in keeping with regular World Bank practices for global and regional partnership programs (GRPP), *infoDev* commissioned an evaluation of the performance of the Program. As agreed with the Evaluation Advisory Committee, the purposes of the evaluation are to contextualize and assess the evolution and performance of the *infoDev* program since 2007 and identify strengths and areas for improvement in *infoDev*'s future strategic directions, programming, governance, management and operations as required.

The evaluation was carried out between September 2012 and July 2013 by Universalia in association with its strategic associate, ITAD. In addition to an overall review of the *infoDev* program, the evaluation included an in-depth, stand-alone mid-term evaluation of *Creating Sustainable Businesses in the Knowledge Economy* (CSBKE), a project funded by the Government of Finland. An Evaluation Advisory Committee (EAC) was convened by the World Bank in order to provide insight and oversight to the evaluation. Their comments on the first draft of the report have been taken into account in this final report.

### Methodology

The evaluation foci reflect the criteria usually applied in evaluations of GRPPs and take into account *infoDev*'s stage of development.<sup>1</sup> They address the following key areas that were adapted based on input from the EAC: the most important **contributions** by *infoDev* for the period FY 2007-2012; the extent to which *infoDev* **strategically positioned** itself to promote the growth of innovative technology-enabled enterprises to improve sustainable, inclusive growth, competitiveness and employment; and the **strengths and areas for improvement** of the *infoDev* entity in management, governance and operations to better support the delivery of products and services aimed at promoting this growth.

Further, the evaluation report focused on three of the largest *infoDev* projects that were operational during the review period, namely *Creating Sustainable Businesses in the Knowledge Economy* (CBKE), the *Climate Technology Program* (CTP), and *Entrepreneurship Program for Innovation in the Caribbean* (EPIC).

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<sup>1</sup> Although *infoDev* has been in existence since 1995 and could be considered a mature program in terms of number of years in existence, it has reinvented itself a number of times over the past 18 years. Given where the program is in implementing its mission to support growth of innovative technology-enabled enterprises, the evaluation team feels that *infoDev* should be assessed as an early stage GRPP, rather than a *mature* stage as defined in the IEG guidance (IEG, *Sourcebook for Evaluating Global and Regional Partnership Programs, Indicative Principles and Standards*, p. 34). The IEG guidelines for evaluating GRPPs categorizes GRPPs for evaluation purposes by number of years in existence as follows: Early Stage (first 2-3 years); Established (over 5 years old); and mature (duration not specified). For early stage programs, important evaluation purposes include the appropriateness of the program design (including relevance and clarity of objectives), governance and management arrangements; mature programs typically pay attention to outcomes, sustainability and other strategic issues such as growth, devolution or exit.

Data collection was performed using a mixed methods approach to strengthen the reliability of data and increase the validity of findings and recommendations. This approach helped to broaden and deepen understanding of the processes through which results were achieved, and how these were affected by the context within which the program was implemented. The approach also allowed for triangulation from a wide variety of sources. Methods included: interviews with more than 100 stakeholders, focus groups and workshops with a cross-section of *infoDev* stakeholders, four country site visits (in Vietnam, Cambodia, Tanzania and Kenya), document and systems reviews (including institutional arrangement, governance framework, as well as results reporting and knowledge management systems), a web survey of *infoDev*'s network of entrepreneurs and business enablers, and consultations and observation at the 2013 Global Forum on Innovation and Technology Entrepreneurship held in East London, South Africa.

The primary evaluation limitations included accurately situating *infoDev*'s performance within its rapidly evolving contexts particularly within *infoDev*, FPD and the Bank and the absence of data on progress beyond outputs. The evaluation team has attempted to mitigate each of these challenges, notably by revising the draft report's analysis, findings and recommendations to reflect contextual updates.

### Key Findings and Conclusions

#### The context for *infoDev*'s work

As a trust-funded global program, hosted by the World Bank, *infoDev* programming has taken place in a dynamic and challenging context. In response to national economic difficulties, governments around the world are placing increasing priority on job employment and job creation and are increasingly looking to the private sector for creative solutions with heightened emphasis on innovation and growth-oriented sectors. In such a context, organizations that provide services to the private sector, including *infoDev*, are competing to be nimble and visionary to keep up with the pace and frequency of global shifts in technology and markets and to respond cost-effectively to the sometimes significant differences in regional and national innovation and economic ecosystems. In addition to the business context, *infoDev*, like other GRPPs, is expected to align with changes within the World Bank, with regard to the reforms being put in place to manage trust-funded programs more strategically and efficiently, as well as other reforms intended to renew the Bank's role and relevance.

*infoDev*'s new three-year work program addresses this changing context. It aims to improve employment, competitiveness, and sustainable, inclusive growth for innovative, technology-enabled ventures. It does so by providing support to start-up or growth of technology-enabled enterprises in development countries. This places the *infoDev* Program in the technology and development realm, in an area of private sector development that is not directly pursued by the World Bank or the International Finance Corporation (IFC), nor in their mandate, but complements their work.

An important factor in this context is that *infoDev* itself has been in transition towards greater emphasis in growing innovation and nurturing entrepreneurs in sectors such as mobile, climate technology, and agribusiness and through new mechanisms such as access to finance. The evaluation focuses on this period of transition where *infoDev* is still in formative stages of being a "learning lab" of the World Bank.

#### Relevance and strategic positioning of *infoDev*

*infoDev* activities and mandate are highly relevant to grassroots stakeholders. For growth-oriented entrepreneurs and business enablers consulted during the study, *infoDev*'s grant funding and specific just-in-time knowledge and advice have been critical to the design and start-up, improvement, and growth stages of their businesses. *infoDev* is also valued as a source of networking and exposure to innovative ideas, business support services and investors (for example, through idea competitions and convenings such as the Global Forum). For the public sector, *infoDev* is viewed as a strategic partner that is able to play a bridging role between government and these start-up enterprises – and literally introduce government to the

entrepreneurs. Private sector stakeholders in the mobile sector need mobile app developers in growing and potential markets and value *infoDev*'s work within this ecosystem.

Respondents in the World Bank identified benefits that *infoDev* provides: it plays a coordinating role that has helped to link large Bank operations on open data and e-governance and green growth with the innovative enterprises that can support them; it is close to the entrepreneurs and can provide task teams with data and insights; and it has actual experience in implementing and taking risks on the ground, which can then catalyze larger Bank operations. These are all cited as value added of *infoDev*. Overall, however, respondents noted that *infoDev*'s value-added as a lab for innovation/entrepreneurship is not yet widely known or recognized in the World Bank.

Similarly, for potential donors or investors, *infoDev*'s emphasis on entrepreneurship and innovation supports their own private sector development agenda; the relevance to some donors is illustrated by the 450% increase in donor contributions to *infoDev* between FY2008 and FY2012. However, its perceived role and the proposed funding arrangements (i.e., a new Multi Donor Trust Fund (MDTF) structure), might not align with donor demands and priorities given that donors interviewed want to retain control over their resources in this area. Given the early stages of the Program in its current reincarnation, its on-going programming relevance must still be tested; there is a need for *infoDev* to provide greater clarity on what it means and what it offers to donors through collective mechanisms such as the MDTF.

### Contributions and benefits of *infoDev*

*infoDev*'s work shows early signs of effectiveness. Given the length of time of implementation in some of its program areas, achievements to date are mostly in the form of outputs rather than development outcomes. Its successes to date include new initiatives to support growth-oriented entrepreneurs in mobile innovation in developing countries. As a result of several pilots over the past two years, there are now four regional mLabs in operation and at different stages of development (Europe and Central Asia, East Asia, Southern Africa, and East Africa), with another underway in the Caribbean. These mLabs are now running startup competitions, implementing different types of lab support for entrepreneurs, and have already incubated over 100 successful start-up companies. mHubs have also provided networking within the mobile industry ecosystem in at least eight countries. In some cases, data suggests that *infoDev*, often through its partners in country, has also been able to influence the overall incubation sector by providing policy advice to government. In addition, *infoDev* Climate Innovation Centers, either operating or in design phases in six countries, provide useful links between government policy on green growth and entrepreneurs, and offer a promising intervention logic and programmatic approach that has drawn attention from many donors. In Kenya, where the CIC opened in late 2012, the level of demand and capacity to respond has been notable. In the first six months, the CIC admitted 26 entrepreneurs. Other initiatives, (such as Access to Finance, Women's Entrepreneurship, and Agribusiness Innovation) are in earlier stages of development. The evaluation confirms that these areas appear to respond to observed needs of *infoDev*'s grassroots constituencies and are seen as relevant initiatives with potential to influence individual firms, incubators, and in some cases the broader innovation ecosystem.

Furthermore, *infoDev* continues to demonstrate its convening and networking role at both the regional and national level or globally through the Global Forum on Innovation and Technology Entrepreneurship. The evaluation team's consultations confirmed the opportunities provided by the 2013 Forum in South Africa for entrepreneurs to learn, exchange with peers, and build partnerships and business linkages. However, the benefits of such a forum are difficult to codify, and *infoDev* will need to identify relevant measures of success in the future that go beyond the immediate feedback of the participants.

Despite efforts made to document and share experiences, *infoDev*'s generation and sharing of knowledge has not yet been sufficiently integrated or resourced. The 2013-15 Work Program will address this issue.

As with aspects of its effectiveness, *infoDev*'s sustainability is difficult to measure at present. Individual initiatives (such as mLabs) are in first years of operations and may take 5-10 years to be sustainable. Yet,

sustainability of benefits of individual initiatives may not always be the best parameter for judging success given that *infoDev* takes risks and does not expect that each initiative will be able to continue on its own. In its first decades as a GRPP, *infoDev* contributed to making ICT4D a mainstream development issue. It has only recently transitioned to a new area – of technology and entrepreneurship, or growing innovation. Thus, it is still premature to judge sustainability in terms of how *infoDev* has supported scaling of innovative ideas and ecosystem development in similar ways.

### Program capacities to support the achievement of results

**Strategic management:** From 2008 to 2012, the *infoDev*'s strategies enabled the Program's survival of a financial crisis and its renewal. The Program was able to identify and test more contextually relevant opportunities, and market them to individual donors. This approach enabled *infoDev* to address critical operational concerns and engage in a strategic re-orientation, which at the same time contributed to some external ambiguities about its developmental purpose and objectives. In large part this came about because *infoDev* was perceived by some MDTF donor contributors to be implementing projects for certain donors. *infoDev*'s Work Program for 2013-15 provides a more focused approach to a program and provides potential donors/investors with a description of its proposed future programming areas. The current Work Program and related measures are positive. We suggest, however, that the Work Program requires greater clarity and specificity in order to make it into a strategy and business plan. What is needed is a clear identification of the strategic value of *infoDev* as a GRPP and lab and definition of results and theories of change to guide and frame its work.

**Staffing:** *infoDev* has a cadre of talented staff that is valued by its clients. This has been a key element in the Program's success in recent years. The Program has managed to assemble this core team in spite of challenges in building up teams due to Bank rules and regulations on extended and short term contractors. The majority of staff are based in Washington, D.C. In going forward, *infoDev* will need to continue to pay attention to talent management and to building the staff mix that is required for fulfilling its desired role as a lab.

**Institutional Arrangements and Governance:** The FPD VPU is accountable for ensuring that the Bank's responsibilities as laid out in Trust Fund Agreements and the Program Framework are met. It has provided this accountability at a time when the collective mechanism for governance set up under the Program Framework Agreement, the Donor's Committee, became increasingly moribund as donors ceased to invest in the MDTF and preferred to engage *infoDev* on other programs, each guided by separate administrative arrangements, including steering committees that provided oversight and guidance to the program. Given changes in its development objectives, donors' contexts and the new Work Program, *infoDev* is exploring new configurations of its governing body in order to strengthen its ownership, accountability, and strategic expertise. The optimal governance model for such a program would provide both oversight as well as intellectual or strategic guidance, with a composition that reflects the wide range of the Program's stakeholders (including the World Bank). The evaluation provides two options as part of Recommendation 5, which differ in terms of decision-making authority given to those who provide funding and the authority offered to other stakeholders, such as "users" or "thought leaders."

**Risk management:** *infoDev* operates in a complex, risky, high reward environment where it takes calculated risks that can help catalyze World Bank lending operations or inform the private sector development programs of bilateral donors with the ultimate intent of catalyzing very valuable, potentially high returns. Its clients, seed stage innovative and technology oriented enterprises in poor countries, present some risks. There is also the risk inherent in an approach that is seeking to experiment and pilot different ways of promoting innovation and strengthening the ecosystem for early-stage entrepreneurs — not every initiative will succeed. There are the various risks associated with not meeting its funders' expectations, including the rules for Trust Funds and general operating procedures of the World Bank; it must also manage the risk of actual or perceived duplication or completion with other parts of the World Bank Group (WBI or IFC).



*infoDev* managers' abilities to rigorously and proactively identify and manage risks will continue to be critical to its successful performance. The balancing act is likely to become more complex as *infoDev* moves into access to finance, an area that is highly relevant for its grassroots constituency, but may bring other risks to the foreground.

**Results-oriented planning, management, and reporting:** *infoDev* has given limited emphasis to developing results-oriented program planning, management and reporting systems, which has affected its ability to report meaningfully on its performance. In the present global investor environment, this is a critical factor. However, it is now starting to take steps to address these shortcomings.

**Knowledge generation and dissemination:** *infoDev* has published a number of key knowledge products since 2007 (such as Regulator Toolkits and Incubator Handbooks, case studies on Mobile Usage at the Base of the Pyramid, IC4D 2012: Maximizing Mobile, Survey of ICT and Education in Africa), but it has often operated without a clear strategy with regards to its role in generating and disseminating knowledge and lessons from experience. This is a key component for GRPP. By including research and analysis as a program priority of the 2013-2015 Work Program, *infoDev* is moving in the right direction.

**Resource management:** *infoDev* relies on World Bank systems and practices for human resources, procurement, and financial management, which has presented some important challenges to both the Bank and the Managers of *infoDev*. As *infoDev* moves into a consolidated Work Program, it needs to find ways of adapting these systems to suit the characteristics of flexibility, nimbleness and innovativeness in its proposed program. In terms of financial resources, *infoDev* dramatically increased its annual donor contributions between FY 2008 and 2012. In 2013, *infoDev* began to seek contributions to a new Multi Donor Trust Fund (MDTF) to support the 2013-2015 Work Program.

## Recommendations

*infoDev* has demonstrated growing relevance and early results as a global Program in the innovation and entrepreneurship space. In the dynamic context that it operates in, *infoDev*'s strategic positioning in the future will hinge on its ability to continue to strengthen its credibility in supporting innovation and entrepreneurship (including not only technical expertise but being recognized as a thought leader), clarity with respect to strategy and role(s), and capacity to fulfill these. The following recommendations are framed in order to support this strategic positioning. The recommendations assume that *infoDev* will continue in the near future as a trust-funded program operating under the rules of the World Bank and thus will be subject to Trust Fund reforms and should align with World Bank strategy.<sup>2</sup>

In the absence of a collective mechanism for governance (Donors' Committee), all recommendations are addressed to the *infoDev* Secretariat and/or to the World Bank.

**Recommendation 1: The *infoDev* Secretariat should clarify and validate its role and added value as an experimental "lab" in innovation and entrepreneurship in developing countries within the World Bank Group.**

It is necessary for *infoDev* to demonstrate where it has played the role of innovation "lab" and how it is supporting different parts of the World Bank and its donor investors. In addition, it is important that *infoDev* clarify the differences between a "lab," a "think tank" and a "knowledge broker." Finally, it needs to distinguish itself from others, identifying and providing evidence of its specific "added value" in innovation, technology and entrepreneurship to its various stakeholders (including growth-oriented entrepreneurs, donor investors and the World Bank).

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<sup>2</sup> The report notes the pros and cons of the current arrangements. The key challenge is that the World Bank, as a mature organization, has a set of rules and regulations that must be followed, while *infoDev* requires flexibility in order to respond to changing technologies, markets, and client needs.

**Recommendation 2: The *infoDev* Secretariat should develop a strategy and business plan that helps to make the components of its Work Program 2013-2015 more concrete, actionable and results-oriented.**

*infoDev* needs to establish a clear planning and reporting cycle that provides donor/investors with opportunities to provide input into both its longer-term strategy and to approve its annual operational plans. The proposed business strategy/plan should contain the following components: a clearly articulated program vision for the entire program period; a program performance measurement framework that includes results and indicators; a clearly defined logic that identifies targeted beneficiaries and associated results chains, assumptions and risks; a clarification of developmental partners.

**Recommendation 3: *infoDev* should establish a results-based planning, monitoring, reporting, and evaluation system that is appropriate for a program that focuses on innovation and entrepreneurship, and should institutionalize its use.**

*infoDev* is in the process of engaging external support to help it build its systems and capacities in results-based management. We strongly endorse this move, which should help *infoDev* with more systematic learning about progress and in meeting donor accountability requirements. Careful thought must be put into monitoring and evaluation systems that can help capture the special dynamics of markets and innovation. In parallel to the creation of such systems, *infoDev* will need to invest in developing staff capacities to apply a more results-oriented approach, better capture the work on the ground, and share information on results with different audiences. Finally, the format for *infoDev* reporting should also be clarified with donors and be based on one results framework, which is periodically reviewed and updated.

**Recommendation 4: *infoDev* Secretariat should enhance its capacity in learning and knowledge generation and dissemination as it clarifies its role as a “lab”.**

In addition to its more explicit focus on knowledge generation and dissemination, *infoDev* should look beyond its grassroots projects to gather a better sense of what others are doing and draw on that experience. Further, *infoDev* needs to develop a knowledge generation and dissemination strategy (e.g. intended audiences, research content, product types, methods and frequency of dissemination) and develop its capacities these areas. Similarly, *infoDev* needs to clarify how its action research will be produced.

**Recommendation 5: The *infoDev* Secretariat and the World Bank should revise the *infoDev* governance and institutional arrangements to better integrate the requirement for oversight with Program demand for strategic advice. In all cases, there is a need to align accountabilities and increase the ownership of the members of the governing body.**

We believe that *infoDev* would benefit from a governance structure that brings together not only the “investors”, but also key users<sup>3</sup> and thought leaders. The question for *infoDev* is what such a configuration should look like. We provide two basic options below--the basic difference lies in the perceived authority. In Option 1, all stakeholders (investors, users, strategic leaders) are within a structure that is provided with a relationship of authority with respect to the *infoDev* Program Manager (primarily through the Vice President FPD). In Option 2, only the investors are provided with such authority. It should be noted that in both options all three groups participate at some level in governing the “new” *infoDev*.

**Option 1:** Create a Governing Council that includes Donors/Investors and other Stakeholders. In this option, the Governing Council includes representatives of the investors or financial contributors to *infoDev* (donors) as well as other key partners. This involves defining the roles and responsibilities of the Governing Council; clarifying the characteristics of the governors; defining membership categories; and determining the frequency of Governing Council meetings.

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<sup>3</sup> Users could include, key WB representatives, client country representatives, private sector participants. It would be up to the Governing Council to determine who would be the best to meet their mandate.

**Option 2:** Create a Governing Council of Donors/Investors and a separate Advisory Committee. In this option, the Governing Council is made up of the investors/donors, and a separate Advisory Committee composed of other stakeholder groups (potentially including users and “thought leaders” in the sector) would provide independent strategic advice to the *infoDev* Program Manager and the members of the Governing Council.



## Acronyms

AIC	Agribusiness Innovation Center
CIC	Climate Innovation Center
CIDA	Canadian International Development Agency
CSBKE	Creating Sustainable Businesses in the Knowledge Economy
CTP	Climate Technology Program
DANIDA	Ministry of Foreign Affairs of Denmark, International Development Cooperation
DFID	Department for International Development
EAC	Evaluation Advisory Committee
EPIC	Entrepreneurship Program for Innovation in the Caribbean
FORMIN	Ministry of Foreign Affairs of Finland
FPD	Financial and Private Sector Development
GRPP	Global and Regional Partnership Program
HQ	Headquarters
IBRD	International Bank for Reconstruction and Development
ICT	Information and communications technologies
ICT4D	Information and communications technologies for development
IDA	International Development Assistance
IFC	International Finance Corporation
IT	Information Technology
KTF	Korean Trust Fund
M&E	Monitoring and Evaluation
MDTF	Multilateral Donor Trust Fund
MWEC	Mekong Women' Entrepreneurship Challenge
OECD	Organization for Economic Cooperation and Development
PFA	Program Framework Agreement
STC	Short Term Consultant
ToC	Theory of Change
TOR	Terms of Reference
UMG	Universalialia Management Group
VPU	Vice Presidential Unit
WB	World Bank



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## 1. Introduction

### 1.1 Background

*infoDev* is a global partnership program within the World Bank Group that has promoted the use of information and communications technologies for development (ICT4D) since its creation in 1995. Since 2008, it has also promoted the growth of innovative technology-enabled enterprises to improve

sustainable, inclusive growth, competitiveness and employment. In April 2013, *infoDev* formalized this newer focus in designing a new multi-donor trust fund (MDTF) (see sidebar).

In August 2012, in keeping with regular World Bank practices for global and regional partnership programs (GRPP), *infoDev* commissioned an evaluation of the performance of the Program. As agreed with the Evaluation Advisory Committee, the purposes of the evaluation are to contextualize and assess the evolution and performance of the *infoDev* program since 2007 and identify strengths and areas for improvement in *infoDev*'s future strategic directions, programming, governance, management and operations as required.

The Terms of Reference for the evaluation are found in Volume II, Appendix I. The evaluation was carried out between September 2012 and July 2013 by The Universalia Management Group Ltd. (a.k.a. Universalia) in association with its strategic associate, ITAD. In addition to an overall review of the *infoDev* program, the evaluation included an in-depth, stand-alone mid-term evaluation of *Creating Sustainable Businesses in the Knowledge Economy (CSBKE)*, a USD 19.4 million project funded through a single donor trust fund established by the Government of Finland and the International Bank for Reconstruction and Development (IBRD)/International Development Assistance (IDA). The CSBKE evaluation report, which was finalized in September 2013, informed the findings and recommendations of the overall evaluation of *infoDev*.

Primary audiences and their expectations of the overall *infoDev* evaluation include:

- *infoDev* - which is interested in the operational and developmental lessons since 2007, and intends to use them to inform its future programming, management and governance and the conceptualization of a new MDTF being created in 2013.
- *infoDev* donors and World Bank management - are interested in lessons learned and the implications of these lessons for their future support of *infoDev*. They are also obliged, according to *infoDev*'s Program Framework Agreement and World Bank guidelines for GRPPs, to conduct periodic external reviews of GRPPs such as *infoDev*.
- *infoDev* Evaluation Advisory Committee (EAC) – This Committee, which was established in February 2013 was charged with providing strategic guidance and advice, as well as quality assurance, to the evaluation.

#### ***infoDev* Developmental Goal**

Promote competitiveness, employment and sustainable, inclusive growth by enabling the growth of innovative, technology-enabled new ventures, focussing on the mobile, climate technology and agro-processing sectors.

From Project Concept Note for a Proposed Five Year Multi Trust Fund (World Bank, April 19 2013)

The Evaluation Advisory Committee will be chaired by a representative of FPD Management. It will consist of invited representatives from a range of stakeholder groups, including client countries, World Bank Group staff, donors, and technology/innovation experts.

Final EAC Member TOR, *infoDev* Independent Evaluation, 2012-13

Committee members (see sidebar) were also responsible for reviewing preliminary and final findings produced by the evaluation team and providing feedback on key deliverables by the team. The comments of the EAC on the first draft of the report have been taken into account in this revised report.

### 1.2 Methodology

This section provides an overview of the methodology used for the evaluation. It describes the overall phased approach to the evaluation; identifies the key evaluation foci and outlines the evaluation matrix; describes the basis for assessment; and identifies the key *infoDev* projects that were reviewed, the key evaluation methods and sources of data. Finally, it describes the evaluation challenges, limitations and mitigating strategies.

#### *infoDev* evaluation foci

During the evaluation inception phase, the evaluation team reviewed overall *infoDev* evaluation objectives as defined in the original TOR, reviewed key program documents and interviewed key program stakeholders (including selected key *infoDev* and World Bank managers and a limited number of *infoDev* donors) in order to clarify and develop the evaluation foci and methodology. This process culminated in the subsequent approval of three key **evaluation foci** as defined below.

- 1) What have been the most important contributions<sup>4</sup> by *infoDev* for the period 2007-2012<sup>5</sup>? (***infoDev* results<sup>6</sup> – including both the successes (what it has learned) and challenges (failures)**)
- 2) To what extent has *infoDev* strategically positioned itself to promoting the growth of innovative technology-enabled enterprises to improve sustainable, inclusive growth, competitiveness and employment? (***infoDev* relevance, niche and future strategy**).
- 3) What are the strengths and areas for improvement of the *infoDev* entity in management, governance and operations to better support the delivery of products and services aimed at promoting the growth of innovative technology-enabled enterprises to improve sustainable, inclusive growth, competitiveness and employment? (***infoDev* organizational capacities**)

These evaluation foci reflect the criteria usually applied in evaluations of GRPPs (see the IEG *Sourcebook for Evaluating Global Regional and Regional Partnership Programs Indicative Principles and Standards* (World Bank, 2007)), given *infoDev*'s stage of development.<sup>7</sup>

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<sup>4</sup> An important discussion for *infoDev* to engage in is: what constitutes a contribution or a result? Unlike typical development activities, *infoDev* is evolving into its own type of incubator, where it is testing out ideas, or playing the role of a laboratory.

<sup>5</sup> *infoDev* has been guided by three different work programs over the evaluation period. The most recent work program (2013-15) focuses on promoting the growth of innovative technology enabled enterprises to improve sustainable, inclusive growth, competitiveness and employment in client countries and elsewhere.

<sup>6</sup> The word "results" is used here to encompass outputs, outcomes as well as effects and impacts if/as appropriate.

<sup>7</sup> Although *infoDev* has been in existence since 1995 and could be considered a mature program in terms of number of years in existence, it has reinvented itself a number of times over the past 18 years. Given where the program is in implementing its mission to support growth of innovative technology-enabled enterprises, the evaluation team feels that *infoDev* should be assessed as an early stage GRPP, rather than a *mature* stage as defined in the IEG guidance (IEG, *Sourcebook for Evaluating Global and Regional Partnership Programs, Indicative Principles and Standards*, p. 34). The IEG guidelines for evaluating GRPPs categorizes GRPPs for evaluation purposes by number of years in existence as follows: Early Stage (first 2-3 years); Established (over 5 years old); and mature (duration not specified). For early stage programs, important evaluation purposes include the appropriateness of the program design (including

## Evaluation Matrix

The evaluation was guided by a set of key evaluation questions. These are consolidated in the evaluation matrix shown in Volume II, Appendix II, which also identifies the relevant OECD DAC evaluation criteria examined. These questions were used to develop standardized interview protocols and survey instruments for the evaluation.

## Basis for assessing *infoDev* effectiveness

Over the review period, *infoDev* launched a series of three Work Programs whose objectives and priorities evolved over time. In addition, it shifted away from a common work program guided and governed by *infoDev*'s Donor Committee and funded through a common MDTF to a series of individual projects<sup>8</sup> (such as CSBKE, KTF, EPIC and CTP) that were guided, governed and funded through individual bilateral relationships with one or two donors. As a consequence there is no one common relevant basis against which *infoDev*'s overall performance could be measured over the 2007-12 period at the outcome (or impact) levels. To address this limitation, the evaluation team instead:

- Analyzed the planned/actual performance of selected *infoDev* projects, based on available secondary data.
- Shared a set of “implicit” *infoDev* objectives defined by the evaluation team (see sidebar) with various respondent groups to elicit feedback on *infoDev*'s past performance (and the appropriateness of these objectives for the future). For each of these objectives, the evaluation team identified indicators that could be used to assess *infoDev*'s performance.
- Used a “goal free approach” (advocated by Scriven, Patton and others<sup>10</sup>), which permits evaluators to gather the actual experiences of program participants with program effects in their own terms. The evaluation team interviewed/surveyed stakeholders to help identify the “types” of contributions made by *infoDev*. The evaluation team sought trends (including frequency) in these responses, with the intent of highlighting the extent to which views are consistent or divergent.

### Implicit *infoDev* objectives<sup>9</sup>

To promote the growth of innovative technology-enabled enterprises

To contribute to strategic thinking, policy and programming decisions, and/or new investments related to the promotion of the growth of innovative technology-enabled enterprises

## Sampling *infoDev* Projects

During the Inception Phase it was agreed that the evaluation team would focus on **three** of the four largest *infoDev* projects that were operational during the review period, namely CSBKE, CTP and EPIC. These projects reflect the type of program streams articulated in *infoDev*'s Work Program 2013-2015. It

### Value of *infoDev* largest projects (2007-12)

KTF ICT4D: USD 15 million

CSBKE: USD 19.4 million

CTP: USD 20 million

EPIC: CDN 20 million

relevance and clarity of objectives), governance and management arrangements; mature programs typically pay attention to outcomes, sustainability and other strategic issues such as growth, devolution or exit.

<sup>8</sup> For the purpose of this clarity throughout this report, we have purposefully distinguished *infoDev* projects (such as CSBKE and KTF) from *infoDev* Programs (such as Mobile Innovation or Climate Technology).

<sup>9</sup> From the *infoDev* Evaluation Inception Report (December, 2013), p11

<sup>10</sup> Patton, Michael Quinn. *Qualitative Research and Evaluation Methods*. (Sage, 2002) Pp 169-170

was decided that a separate evaluation of the KTF on ICT4D, the fourth largest *infoDev* project, would be postponed until a later date.<sup>11</sup>

### Methods

The evaluation used a mixed methods approach to strengthen the reliability of data and increase the validity of findings and recommendations. This approach helped to broaden and deepen understanding of the processes through which results were achieved, and how these were affected by the context within which the program was implemented. The approach also allowed for triangulation from a wide variety of sources. Methods included: interviews, focus group discussions and workshops, country site visits, document and systems reviews, and a web survey.

- **Interviews with key *infoDev* stakeholders and leading experts:** The evaluation team conducted individual and small group interviews throughout the evaluation with more than 100 individuals representing a cross-section of *infoDev* stakeholders including current and past *infoDev* donors; current and former *infoDev* managers and staff; World Bank staff, *infoDev* program partners and beneficiaries as well as leading experts in innovation and technology (see Appendix II for a list of stakeholders consulted). Several of these were consulted during the 2013 Global Forum in East London, South Africa from May 28-30, 2013. Interview protocols were drafted, tested and revised (with *infoDev* input) for various stakeholder groups, using the evaluation matrix as the guiding framework. The information and opinions collected during the interviews were aggregated and synthesized and informed the findings in the evaluation. The list of key informants is provided in Volume II, Appendix VI.
- **Focus Groups:** To complement the interviews, the evaluation team conducted focus groups with a cross section of *infoDev* stakeholders, including *infoDev* Secretariat staff based in Washington; groups of entrepreneurs who are engaged through the country visits as beneficiaries of support from mLabs and other business incubation and innovations centres; stakeholders / *infoDev* partners in private sector, academia, government, and civil society who are supporting *infoDev* implement their programs in the field; World Bank stakeholders that were engaged with *infoDev* programs over the review period.
- **Country visits:** Four country visits were conducted in November and December 2012 across two regions (in Vietnam, Cambodia, Tanzania and Kenya). These were aimed at reviewing the performance of the CSBKE and CTP projects, as well as *infoDev* support to other selected initiatives that received MDTF support since 2007. In addition, one team member attended the Global Forum in South Africa in May 2013. A broad sample of *infoDev* stakeholders were engaged during the visits and *infoDev* activities were observed first hand. Focus groups were conducted with entrepreneurs (as beneficiaries of support from mLabs, mHubs and business incubators) during country visits.
- **Survey:** To reach a broader group of relevant stakeholders, in March 2013 the evaluation team conducted an electronic survey of *infoDev*'s network as identified through 2011 Global Forum attendees. A total of 18% of the 471 persons surveyed responded to the survey (see sidebar above for a profile of respondents). The evaluation team sent two rounds of reminders to the contacted individuals in order to elicit as many replies as possible within the agreed upon timeline. Survey responses were treated anonymously, and data were analyzed both quantitatively and qualitatively. The survey questions were developed with *infoDev* input. Survey results are included in Volume II, Appendix IX.

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<sup>11</sup> Readers should note that *infoDev*'s role vis-à-vis the KTF ICT4D project (trust fund administration) is quite distinct from the role it played in implementing the three other projects. Given this distinction, it was felt that the evaluation of KTD ICT4D should have a different purpose.

- Document, data and *infoDev* system reviews:**  
 The evaluation team reviewed key documents identified with *infoDev* support during the Inception Phase as well as others identified throughout the data collection phase. Information gleaned from these reviews was summarized according to the key questions and sub questions in the evaluation matrix. The team also reviewed *infoDev*'s institutional arrangement, its governance framework, as well as its system results reporting and knowledge management systems. A list of documents reviewed is presented in Volume II, Appendix VII.

**Profile of Survey respondents**

**Geographical distribution of respondents:** The largest group of respondents were from Africa (34%) followed by Middle East and North Africa (22%) and South Asia (18%). Other important regions such as Europe and Central Asia, Latin America and East Asia and Pacific were represented by between 10-14% of the responses each.

**Sector distribution:** The largest sector represented was business incubation with 25% of the respondents. Private sector business comes second with 15% of the responses while 14% of the respondents came from NGOs or civil society organizations. 13% of the respondents were self-employed entrepreneurs. Other sectors such as Government, academia, other multilateral institutions and parastatals were represented with lower numbers of respondents. No World Bank representatives participated in the survey.

**Degree of familiarity with *infoDev*:** A clear majority of survey respondents (91%) indicated that they were familiar with *infoDev* by rating their degree of familiarity as 3 or above on a scale from 1-5.

**Level of interaction with *infoDev*:** The majority of respondents (61%) only interact with *infoDev* "a few times per year or less."

**Evaluation challenges and mitigating strategies**

The evaluation encountered some challenges and employed strategies to mitigate or limit their effects, as described in Exhibit 1.1.

**Exhibit 1.1 Evaluation Challenges and Mitigation Strategies**

Limitation or challenge	Explanation	Mitigation strategy
Evolving <i>infoDev</i> context	<p>The overall evaluation took place over an extended time frame, from August 2012 to July 2013. During this period, several important events and changes took place which affected <i>infoDev</i>'s strategy, performance and so on. These included several Steering Committee meetings for CSBKE and EPIC; the Global Forum in May 2013; the launch of a draft work program for 2013-15, the development of a draft MDTF; the CSBKE evaluation; and, most recently, the launch of an RFP aimed at strengthening <i>infoDev</i>'s performance measurement and management capacities.</p> <p>At the same time, <i>infoDev</i> initiatives examined by the evaluation team in late 2012 continue to develop and show increased performance.</p> <p>Finally, the World Bank, <i>infoDev</i> and FPD contexts evolved rapidly throughout the course of the evaluation and continue to evolve at the time of finalizing this report. As a consequence, some of the information collected by the evaluation team may be outdated at the time of writing.</p> <p>Wherever possible, the evaluation team makes references to 2013 developments in order to reflect the current <i>infoDev</i> situation.</p>	<p>The evaluation team sought feedback from <i>infoDev</i> staff and stakeholders on the draft report, and corrected errors and outdated information in the final report. However, the <i>infoDev</i> programming context continues to evolve.</p>

Limitation or challenge	Explanation	Mitigation strategy
Data availability on <i>infoDev</i> progress beyond activities and outputs and expenses	<p>The lack of data on results beyond activities and outputs limited the extent to which the evaluation team could assess higher order results such as outcomes and impacts. The main reason is that there has been insufficient calendar time for most of <i>infoDev</i>'s large projects (CSBKE, CTP and EPIC) to realize planned outputs or outcomes. While this is an important evaluation finding in and of itself, it also constituted a significant limitation in the analysis of results.</p> <p>The lack of detailed financial data and reporting on results beyond activities and outputs limited the extent to which the evaluation team has been able to evaluate issues such as the program's efficiency and Return on Investment (ROI).</p>	<p><i>infoDev</i> is in the process of investing in the development of a performance measurement and management system.</p> <p>None</p>

### 1.3 Structure of Report

This report is presented in six chapters. Following this introduction, Chapter 2 provides a profile of the *infoDev* program, while Chapter 3 describes the contexts within which *infoDev* programming takes place. Chapters 4 to 6 present evaluation findings on relevance, effectiveness, and sustainability and Chapter 7 provides findings on *infoDev*'s governance and management capacities. Conclusions, recommendations and lessons learned are presented in Chapter 8.

The methodological appendices to the report are provided in a separate Volume II and include the evaluation matrix, list the stakeholders and documents consulted, the electronic survey results as well as additional information that supplements analysis found in the report.



## 2. *infoDev* Profile

This section provides a brief overview of *infoDev*, a global partnership program situated in the Finance and Private Sector Development Department (FPD) of the World Bank Group that brings together like-minded donors and development partners. It was established in 1995 to promote the use of information and communications technologies for development (ICT4D). Since 2008, its focus has evolved beyond ICT4D to one that promotes the growth of innovative, technology-enabled enterprises to improve competitiveness, employment, and sustainable, inclusive growth reflecting a broader shift in development priorities. Its program framework, governance and administrative principles are described in a Program Framework Agreement (PFA) (2007)<sup>12</sup>, which will soon be replaced by a new Program Framework Agreement once the *infoDev* concept note for a new five-year MDTF (FY 2013-18) is approved.

*infoDev*'s programs and projects are implemented in partnership with the World Bank/ International Finance Corporation (IFC), and with stakeholders from the public, private and civil society sectors in the developing world. The *infoDev* program receives funding from external donors via a number of trust funds administered by the World Bank.

### ***infoDev* key activities**

*infoDev* has recently drafted a Work Program 2013-15 which includes a description of its five core programs as well as its research and analysis work. In subsequent sections of this report, we present our findings in terms of these programs as currently defined, even though several were conceptualized and/or packaged differently during the review period.

- **Mobile innovation:** focused on specialized mobile business incubation (known as mLabs) and on the development of multi-stakeholder networks to strengthen the mobile industry ecosystem (known as mHubs).
- **Climate Technology:** helping to build Climate Innovation Centers, which are specialized incubators, as part of a broader strategy to address critical market gaps and enable developing countries to reach their green-growth objectives.
- **Agribusiness:** brings a focus on the creation of locally owned and operated Agribusiness Innovation Centers that deliver financial and non-financial services to growth-oriented agribusiness entrepreneurs.
- **Access to finance:** a program that seeks to experiment, create and catalyze new financing and market mechanisms, which provide early-stage funding to innovative and growth-oriented small and medium businesses.
- **Women's Entrepreneurship:** to support growth-oriented, women-led SMEs to scale up their businesses by addressing the barriers that impede expansion.

According to the Work Program, these core program areas are to be delivered by supporting business enablers (ranging from incubators to contests and mentorship schemes), access to finance, producing and delivering knowledge products, and facilitating networking and capacity building. In the latter area, *infoDev* will continue to convene beneficiaries, enablers, investors, policy makers, and other stakeholders through events such as the Global Forum on Innovation and Technology Entrepreneurship, most recently held in May 2013 in East London, South Africa.

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<sup>12</sup> While the exact date of this agreement is not known, it was developed circa 2007 to replace *infoDev* Operational Guidelines (1995).

**infoDev projects and revenues**

*infoDev*'s is financed through donor contributions. As shown in Section 7.4 of this report (Exhibit 7.1), annual donor cash contributions to *infoDev* increased by almost 450% over the period, from USD 3.9 million in FY 2008<sup>13</sup> to USD 21.1 million in FY2012. However, between FY2008 and FY2012, these contributions were for specific projects, financed by individual donors (or combinations of donors), that became the vehicles for delivering programming.<sup>14</sup> The table below provides the highlights for the most significant projects funded over this period of time. A full list of projects is provided in Volume II, Appendix III.

**Exhibit 2.1 Key donor-financed projects FY 2008-2013**

Type of Funding	Project	Duration	Purpose	Geographic focus	Key Donors	Approximate Donor Investment <sup>15</sup>
Donor Trust Funds	Korean Trust Fund (KTF) on ICT4D	FY 2008 – 2013	To finance a range of ICT projects across the World Bank which demonstrates the impact of ICT in developing countries. The fund is administered by <i>infoDev</i> .	Global	Korea	USD 15 million
	Creating Sustainable Businesses in the Knowledge Economy (CSBKE)	FY 2009-2013	To increase the growth of small, innovative and technology businesses – primarily in the ICT and agribusiness sectors -, thereby increasing incomes, creating and supporting jobs, improving gender inclusion and launching new products and services that improve the quality of life of citizens.	Africa, Asia, and Europe & Central Asia	Finland	About USD 20 million
	Entrepreneurship Program for Innovation in the Caribbean(EPIC)	FY 2010-	To improve private sector competitiveness in the Caribbean region by offering technical assistance through regional business incubators.  Expand and improve business incubator network.	Caribbean	CIDA	USD 20 Million

<sup>13</sup> Information on FY 2007 is not available in MyTF legacy data; hence the table provides information on FY 2008-2012 only.

<sup>14</sup> *infoDev* received minimal support from the MDTF after FY 2007.

<sup>15</sup> For some of the projects, more precise information was not available at the time of finalizing this report (November 2013).



Type of Funding	Project	Duration	Purpose	Geographic focus	Key Donors	Approximate Donor Investment <sup>15</sup>
	Climate Technology Program (CTP)	FY 2009-	Design and implementation of Climate Innovation Centers (CICs) to accelerate the development, deployment and transfer of locally relevant climate technologies.	Business plans have been developed for: <ul style="list-style-type: none"> <li>• Kenya (first CIC launched 26 Sept.)</li> <li>• India</li> <li>• Ethiopia</li> <li>• South Africa</li> <li>• Vietnam</li> </ul>	DFID DANIDA (for Kenya)	USD 13.9 mill from DFID for Kenya and Ethiopia USD 9 mill from DANIDA for Kenya USD 6.6 mill from Norway for Ethiopia USD 5.6 mill from AusAid for Vietnam

### ***infoDev* governance**

According to *infoDev*'s PFA (2007), the Donors' Committee is the highest governing body of *infoDev*. Membership in the Donors Committee is open to governments and other international institutions that make certain financial or in-kind contributions. It is tasked with approving the broad orientations and priorities of *infoDev*. The Chair of the Committee (the World Bank's Vice President for Financial and Private Sector Development) is also responsible for appointing the *infoDev* Program Manager, after consultation with members of the Donors' Committee.

The four project-related donor trust funds identified in Exhibit 2.1 were governed by individual steering committees.

At the time of drafting this report, *infoDev* was revising its proposed governance structure for the new Multi Donor Trust Fund.

### ***infoDev* management**

*infoDev*'s day-to-day activities are carried out by a Secretariat that is headed by a Program Manager, who is supported by an Operational Team, consisting of staff with expertise in operations, administration, financial management and communications as well as several Program Teams that are responsible for *infoDev*'s work in the different streams outlined in the Work Program. (Project teams were also designated for core projects, such as CSBKE.)

### 3. Context

*infoDev* programming has taken place in a dynamic and challenging context. The evolving context has posed several opportunities and threats for *infoDev* programming over the review period including the following:

- Governments around the world are placing increasing priority on job employment and job creation and are increasingly looking to the private sector for creative solutions with heightened emphasis on innovation and growth-oriented sectors. In such a context, organizations that provide services to the private sector, including *infoDev*, are competing to be nimble and visionary to keep up with the pace and frequency of global shifts in technology and markets and to respond cost-effectively to the sometimes significant differences in regional and national innovation and economic ecosystems.
- *infoDev*, like other GRPPs, is expected to align with changes within the World Bank, with regard to the reforms being put in place to manage trust-funded programs more strategically and efficiently, as well as other reforms intended to renew the Bank's role and relevance.
- *infoDev*'s new three-year work program addresses this changing context. It aims to improve employment, competitiveness, and sustainable, inclusive growth for innovative, technology-enabled ventures. It does so by providing support to start-up or growth of technology-enabled enterprises in development countries. This places the *infoDev* Program in the technology and development realm, in an area of private sector development that is not directly pursued by the World Bank or the International Finance Corporation (IFC) nor in their mandates but complements their work.
- *infoDev* itself has been in transition towards greater emphasis in growing innovation and nurturing entrepreneurs in sectors such as mobile, climate technology, and agribusiness and through new mechanisms such as access to finance. The evaluation focuses on this period of transition where *infoDev* is still in formative stages of being a "learning lab" of the World Bank.

These opportunities and threats, and their implications for *infoDev*, are discussed in more detail below

#### 3.1 Global context

Ongoing changes in the global context have significant implications for global programs like *infoDev*, as illustrated below.

In recent years, governments around the world have placed increasing priority on job employment and job creation to address the effects that the global financial crisis is having on their economies, reflected in unemployment and other statistics, a shift that is increasingly reflected in donor priorities and resource allocation. As was the case in the 1980s, governments are investing heavily into programs and strategies that support and encourage the private sector and entrepreneurship. However, identifying how to best scale successful models for early stage entrepreneurs remains elusive.

Current global priorities for private sector development include a heightened emphasis on innovation and growth-oriented businesses, climate change, food security, agribusiness development sectors,

A recent report (Forrester 2013<sup>16</sup>) that looks at the state of IT investments globally, projects that there will be USD2.06 trillion invested across software, hardware, and IT services by enterprises and governments in 2013. Within that, apps will be the single biggest spending category of all.

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<sup>16</sup> <http://techcrunch.com/2013/07/15/forrester-2-1-trillion-will-go-into-it-spend-in-2013-apps-and-the-u-s-lead-the-charge/>

and the use of information technology (IT), which are all viewed as exciting possibilities for private sector growth<sup>17</sup>. Recent analysis by Forrester and others (see sidebar) for example, points to the growing importance of software development noting that *the focus on cloud-based implementations and “smart computing” in the form of big data analytics and mobile apps are booming*.<sup>18</sup> There is also increased emphasis on financial inclusion, with a particular emphasis on the youth, and increased prevalence of public-private partnerships between large players in the corporate world, governments and business support organizations. This directly relates to the present work of *infoDev*.

While there is increased global interest in supporting the growth and development of technologically innovative entrepreneurs, context matters. Technological development and diffusion vary by region and country, both of which have diverse regulatory frameworks and business-incentive systems. There are also notable differences in the readiness of nations to support such development due to cultural, political (e.g. connected to the changes and conflict in the Arab World) or economic contexts (e.g. among LICs and MICs). What works in one region may not work in another, creating challenges and opportunities for the growing number of business support organizations (or enablers) in the increasingly crowded and dynamic ecosystem. Knowledge sharing would be a significant stimulant to the growth and development of this sub sector.

In such a context, organizations that provide services to the private sector, including *infoDev*, are competing to be nimble and visionary to keep up with the pace and frequency of global shifts in technology and markets. These also face challenges in responding cost-effectively to the sometimes significant differences in regional and national innovation and economic ecosystems.

One final challenge for the organizations that support the private sector and rely on donor support is the tendency of donors to prefer providing thematically and geographically (or even project-related) earmarked funds over contributing to their core funds, sometimes distorting the priorities of the organizations .

#### GRPP Features

The partners contribute and pool resources (financial, technical, staff, and reputational) toward achieving agreed-upon objectives over time.

The activities of the program are global, regional, or multi-country (not single-country) in scope.

The partners establish a new organization with a governance structure and management unit to deliver these activities.

Most GRPPs are specific to a certain sector or theme, such as agriculture, environment, health, finance, or international trade.

Almost all advocate greater attention to specific issues or approaches to development in their sector, but on different scales:

Some, generally small, programs are primarily policy or knowledge networks that facilitate communication, advocate policy change, and generate and disseminate knowledge and good practices in their sector.

Other, somewhat larger, programs also provide country or local-level technical assistance to support national policy and institutional reforms and capacity strengthening, and to catalyze public or private investment in the sector.

The largest programs also provide investment resources to support the provision of global, regional, or national public goods.

<sup>17</sup> Readers should note that technology and innovation for growth and competitiveness exists both in different clusters as well as a sector in itself.

<sup>18</sup> <http://techcrunch.com/2013/07/15/forrester-2-1-trillion-will-go-into-it-spend-in-2013-apps-and-the-u-s-lead-the-charge/>

### 3.2 World Bank Context

*infoDev*, similar to other GRPPs, is expected to align with changes within the World Bank, with regard to the reforms being put in place to manage trust-funded programs more strategically and efficiently, as well as other reforms intended to renew the Bank's role and relevance.

**Global and Regional Partnership Programs (GRPPs):** These programs play an important role in fostering World Bank partnerships to address global challenges and share knowledge (which are cornerstones of the World Bank's strategic vision). See sidebar for a description of GRPP features. An evaluation<sup>19</sup> of these programs (World Bank, 2011) raised various concerns about the role played by the Bank in initiating, developing and sustaining these partnerships. Among other recommendations, the evaluation suggested that the Bank develop a strategic and policy framework to guide its engagement with GRPPs, define its engagement strategy for each GRPP, be more selective in engaging in new GRPPs, and strengthen its oversight and risk management practices vis-à-vis GRPPs.

**Trust funds and trust fund reform:** There has been significant growth in financial support for Trust Funds administered by the Bank. According to a recent evaluation of the Bank's trust fund portfolio<sup>20</sup>, trust fund contributions that amounted to far less than IDA contributions through the mid-1990s, surpassed total IDA contributions in the three-year periods of both IDA 13 (fiscal 2003–05) and IDA 14 (fiscal 2006–08). However, while increasing support for certain WB priorities, donors' increased preference for TFs has reduced the Bank's flexibility to invest in its own ongoing Bank priorities/programs, contributing to some tensions between Bank programs that do and do not receive support from TFs.

The World Bank continued its Trust Fund reform process that includes four pillars of reform that affect the way Global and Regional Programs and Partnerships (GRPP), are now integrated in the Bank. These reforms address the areas of:

- Strategic alignment, which focuses on aligning GRPP with country strategies and corporate strategy and results; in light of these reforms, the Bank is also scaling up its strategic dialogue with donors so as to ensure that trust funds are aligned with the Bank's strategic objectives;
- Integration with budget and business processes (including the migration of GRPP products into the World Bank product lines and the integration of GRPP into Bank quality assurance processes);
- Cost recovery and efficiency, with focus on costs and administrative fees; and
- Oversight by Senior Management and the Board, reflecting efforts to enhance World Bank accountability for the GRPP.

**Financial and Private Sector Development:** *infoDev* operates in the favorable context of the vice presidency of Finance and Private Sector Development (FPD) of the World Bank and the IFC. In 2011, FPD created six practices, of which innovation (ITE) was one. One of these is ITE, which has two complementary approaches, one focused on the policy side and the other on ground up innovation (*infoDev*).

### 3.3 *infoDev* context

Since 2007, *infoDev*'s internal context was marked by several changes and characteristics which have had some positive and negative effects on its growth, development, viability, financial effectiveness, relevance and foci over the period and/or present various future opportunities and challenges. While *infoDev* is a

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<sup>19</sup> An Independent Assessment - The World Bank's Involvement in Global and Regional Partnership Programs, 2011

<sup>20</sup> An Evaluation of the World Bank's Trust Fund Portfolio: Trust Fund Support for Development, 2011

“mature program” in terms of the number of years it has been operating, it has the characteristics of a program in early stages of development given the significant changes in its context identified below.

### 1995 to 2007

Over the period 1995 to 2007, which represented a time of both tremendous donor interest in ICT4D and a rapid decline in such donor interest, *infoDev* developed a positive and growing reputation for its work in ICT4D. Initially *infoDev* acted as a grant facility for ICT-related experimental projects that sought to demonstrate the relevance of ICT for fostering economic growth and social empowerment), later transforming into a “knowledge shop” (2001) and a “think tank” (2003) that focused on producing and disseminating knowledge about the effective use of ICT for development. In keeping with its evolution and increasing assumed maturity as a GRPP, the World Bank decided in 2007 to cease providing *infoDev* with Development Grant Facility (DGF) support which had been in the range of USD 2-4 million annually over the previous decade. Around this time, *infoDev*’s donors’ interest in, and financial support for, its work in ICT4D waned. Combined with the World Bank decision, this created a financial crisis for the Program.

### 2008-12

Between 2008 and 2012, *infoDev* entered a period of strategic re-orientation prompted by a funding crisis. . It embraced new types of projects (such as administering the Korean Trust Fund); and it became less engaged in ICT4D programming and increasingly engaged in new opportunities related to innovation, entrepreneurship, competitiveness and employment for technology-enabled businesses (such as CSBKE, EPIC and CTP) in an expanding number of sectors and types of interventions utilizing its base and information on small business incubation and a grassroots network of incubators and innovation stakeholders. It also responded positively to donor’s increased preference for vertical programs over common work programs.

These decisions have had several effects on *infoDev*’s performance over the review period. On the positive side, *infoDev* is considerably more secure financially in 2013 than in 2007, allowing for the potential development of a more coherent organizational strategy. In addition, *infoDev* has demonstrated its ability to evolve beyond ICT4D into areas of increasing relevance to stakeholders. This has been reinforced by its move to the Innovation and Technology Entrepreneurship practice (ITE) within FPD where *infoDev* currently resides.

However, with decreased interest and support for a common *infoDev* work program over the period, several *infoDev* activities that had traditionally relied on members’ contributions (including expansion and maintenance of the regional business incubator networks, knowledge dissemination and management systems, and M&E systems) were reduced in scope due to limitations in un-earmarked resources. Moreover, as the donors and World Bank established separate project steering committees for their earmarked contributions, the common mechanism of the old MDTF, the Donors’ Committee became increasingly moribund.. Finally, *infoDev*’s enthusiastic response to opportunities over the period resulted in a diverse portfolio of projects, some in areas no longer deemed central to its current objectives. (e.g., administration of the Korean Trust Fund, ICT4D as described in the box text).

## 2013

As of 2013, *infoDev* has initiated a shift back towards a common work program and structure, building its new emerging programs on the projects and lessons from the 2007-12 periods. At the time of writing, *infoDev* was sharing a new work program (see *infoDev* Work Program 2013-15 in Section 2 ), defining a new institutional arrangement and MDTF governance arrangements for the period 2013-18 and taking steps to create common systems (including a results-based monitoring and evaluation system). Thus, while *infoDev* has been in existence for almost 20 years, it is once again renewing itself to focus on cutting edge concerns. As such it should be evaluated in the context of an early stage GRPP as opposed to an established or mature operation<sup>21</sup>.

### **Korean Trust Fund ICT for Development**

The World Bank (*infoDev*) and the Ministry of Finance and Strategy of Korea signed the Korea Trust Fund for ICT for development (KTF for ICT4D) in 2007 for a total of USD 15 million. The trust fund is administered by *infoDev*'s program, but it finances a range of ICT projects across the Bank, which demonstrates the impact of ICT in addressing developing challenges. The KTF for ICT4D has supported a range of noteworthy over 45 projects and activities to date, including analytical work on the role of broadband in sustainable development and a flagship report on mobile communications in key areas.

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<sup>21</sup> For additional information, please refer to p. 34 of the IEG Sourcebook for Evaluating GRPPs (World Bank, 2007)



## 4. Relevance of *infoDev*

This section examines the relevance of *infoDev* given the context described in Section 3 from the perspective of its different stakeholder groups, including its ultimate beneficiaries (i.e. growth-oriented entrepreneurs), business enablers (i.e., the intermediary organizations that provide technical, financial and other support to growth-oriented entrepreneurs), national governments in countries where *infoDev* is active, members of the World Bank group (e.g. FPD, WBI, IFC), private sector partners, and finally its financial supporters (referred to as *infoDev* donors).

**Relevance:** The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities, and partners' and donors' policies. Note: Retrospectively, the question of relevance often becomes a question as to whether an intervention or its design is still appropriate given changed circumstances.<sup>22</sup>

**Finding 1: *infoDev* is highly relevant to surveyed and interviewed growth-oriented entrepreneurs and business enablers (incubators or accelerators). Its value added to these clients at the grassroots level is due to its grant funding to support design, improvement, and growth of these initiatives; practical advice and knowledge on product and management issues; ability to facilitate networking and exposure.**

The interviews and survey of a sample of *infoDev* stakeholders indicates that growth-oriented entrepreneurs and business enablers in countries in which *infoDev* has worked over the period 2007-12 feel that *infoDev*'s support has been very relevant to their needs. Feedback received indicates that the entrepreneurs and business enablers are particularly satisfied with:

- Grant funding for design/start up or for improvement processes: *infoDev* often provided critical support at the initial stages of development of an incubator, for example. In addition, it also funded improvement processes that allowed incubators to reach higher levels of performance (i.e., become more effective, more efficient). (As noted in Finding 23 on *infoDev*'s use of WB systems, the main complaint of grantees and contractors is with regard to the complex and bureaucratic systems that are used in managing the grants and contracts.)
- Sharing tailored advice and general knowledge: For this group, access to specific, just-in-time knowledge and advice is key. Interviews note that entrepreneurs involved in incubation programs particularly valued the exposure to a wider network of stakeholders in the ecosystem, training in formal business skills (including the development of business plans and use of marketing tools and financial management systems). All entrepreneurs also mentioned the possibilities for improved access to funding although this, in most cases, had not yet materialized into practice. The survey data also suggests that *infoDev*'s knowledge sharing is a valuable source of information and knowledge for them, even if it may not be the most important source. As per the survey respondents, relevant contributions include the insights provided by *infoDev* staff on: good practices in business incubation management, product positioning, and marketing.
- Convening capacity: *infoDev* is valued for its ability to facilitate networking and give greater exposure to innovative ideas and companies. This has been achieved, in large part, through its large convenings, such as the Global Forum, and the various competitions to identify talent – through top 50 and 20 SME awards and hackathons, for example. It is also valued for its ability to facilitate networking.

<sup>22</sup> OECD (2010); Glossary of Key Terms in Evaluation and Results Based Management; p. 32

**Finding 2: Government and private sector representatives generally report that *infoDev* is a relevant strategic partner, but for different reasons.**

**Government**

The evaluation team was not able to interview government officials in all of the countries visited. However, based on the interviews conducted during the field visit, over the phone, and at the Global Forum, it is possible to identify a number of factors that make *infoDev* a relevant and strategic partner for government. *infoDev* engages government clients through consultation, involvement in public-private consortia for incubation, provision of strategic advice, or longer-term partnerships (e.g. often emerging around the organization of the Global Forum on Innovation and Technology Entrepreneurship or other convenings).

Government partners have appreciated the approach that *infoDev* takes in its collaboration with government (e.g. not imposing models from outside; mutual respect). In some cases, we would like to see greater interaction/effects of the placement of *infoDev* within the World Bank – in other words, government clients would like *infoDev* to be able to influence WB strategy. Governments are interested in going from pilots to scale as quickly as possible in order to meet the demands for growth and employment. Government representatives appreciate the bridging role that *infoDev* can play between the policy arena and the entrepreneurs on the ground.

**Private Sector**

The evaluation team consulted with a small number of private sector partners, mostly involved in mobile market. Their primary interest is in strengthening the skills of mobile app developers in their growing or potential markets. They see that *infoDev* provides a useful coordinating role that supports the development of an ecosystem and allows them to partner with others, including their competition in the sector. They also stress the importance of clarity with regard to the different roles played by different stakeholders in the sector when developing public-private partnerships.

The last few years have provided *infoDev* with the opportunity to test partnership arrangements with companies such as Nokia. This particular partnership, an important feature of *infoDev*'s flagship project funded by the Government of Finland (known as CSBKE) has been particularly fruitful in the development of mLabs and provides insights to the type of relationships that could be developed with other private sector partners. Nokia has been involved in: conceptualization of mLabs, identifying country partners, supporting activities that build on the mLab infrastructure (such as the m2Work Challenge and Open Innovation Africa Summits); and providing training, sponsorships and equipment to mLabs through their country offices.

**Finding 3: *infoDev* is relevant to the private sector development agenda of the World Bank Group. However, its relevance to Bank operations and value added as a lab in innovation/entrepreneurship is not yet widely known or recognized.**

At the 5<sup>th</sup> Global Forum on Innovation and Technology Entrepreneurship in East London, South Africa (May 2013), the Vice President of Finance and Private Sector Development of the World Bank clearly presented *infoDev* as a “learning lab” of the World Bank Group. *infoDev* defines the “lab” role to mean that it derives and tests innovative models and derives methods and methodologies based on experience that can be mainstreamed into the development community, including the World Bank Group. Those who know *infoDev* welcome this role and the initiatives outlined in the Work Program 2013-2015. As one respondent noted, staff in the Bank gain knowledge either through research or through supervising loans (however, in this latter role they are far removed from the actual project) but *infoDev* offers the possibility to be more embedded in trial and error, and in what is happening on the ground. As another client noted, it is the link to entrepreneurs that is the most important contribution of *infoDev*: “*infoDev* has helped develop a



coordinated approach in several countries in Africa. They are very close to the entrepreneurs and can provide very valuable data to us. It is a real value added.”

The interviews conducted to date suggest that *infoDev*'s value added as a lab is neither widely known nor recognized among different stakeholders of the Bank. For example, stakeholders suggest that:

- *infoDev* is not well-known within regional departments, which are the key links to Bank operations in client countries;
- WBI also focuses on innovative solutions and has its own Innovation Labs; among some respondents, this creates a sense of overlap or competition, when in fact there may be significant complementarity and opportunities for leverage. However, the potential synergies have not been explicitly defined or clarified in *infoDev*'s presentations (in the new MDTF concept paper or work program, for example).
- *infoDev* has shared knowledge and experience with task managers in the Bank, but this is often based more on established personal relationships, and less on formal mechanisms that can reach out more broadly to staff. As a result, there may have been some lost opportunities for the Bank to gain more from *infoDev*'s learning from its experimental work on the ground.
- *infoDev* continues to work with the global ICT sector unit, but this linkage is not always perceived by a broader community. In some cases, *infoDev* has handed over key products it will no longer update, such as the ICT Regulation Toolkit, to the ICT team for continuity.

At the country level, *infoDev* is associated with a growing list of operations and country strategies where it has made contributions or is involved, such as in MENA, where FPD, IFC and *infoDev* collaborate on a donor-funded MSME facility and in South Africa where the CPS highlights *infoDev* as a strategic example of non-lending programs in ICT/PSD. *infoDev* reports that at least 26 Country Partnership Strategies make reference to *infoDev*.

In Kenya, for example, the WB Group strategy supports the government with its open data initiative and green growth approach. These have natural linkages with *infoDev*'s work on mLabs -- mLab entrepreneurs were some of the first users of the data provided by government aiming to facilitate citizen access and uptake of that data. The *infoDev* supported CIC is similarly relevant, as it is intimately linked with the government strategy on green growth and climate change.

Some respondents note that *infoDev* will continue to face challenges in linking its work to Bank operations because its relevance to lending activity is not immediately clear. Others, however, stress that technical assistance and analytical work can be equally as valuable as the lending. The practical challenge for the small staff of the *infoDev* Secretariat is to ensure that when it begins working in a country it has made all the right linkages within the World Bank in order to facilitate greater alignment with the Bank's strategy in that country and hence greater possibility for scaling efforts through the Bank's lending program.

**Finding 4: *infoDev*'s overall focus on innovation and entrepreneurship is generally congruent with donors' PSD agendas. However, interviewed donors hesitate to contribute to collective mechanisms such as the new multi-donor trust fund and some of them would like to see *infoDev* playing the knowledge-sharing/think tank role that it had in the past.**

*infoDev*'s has had a number of long-time donors such as Canada, the UK, Germany, Finland, and Sweden over the years.

All of these donor agencies are placing greater emphasis on the role of the private sector in their development agendas. Thus, they continue to see great thematic relevance in *infoDev*'s programs as defined in the new work program. In addition, relevance to some of these donors is also reflected in the increased overall level of contributions for *infoDev* over the review period (an increase of 450% between FY2008 and FY2012). The donors who are currently supporting programs (such as CTP and MSME

support in the Caribbean (EPIC project)) see an enormous relevance and value added of *infoDev*. However, part of that value is determined by their ability to be able to influence *infoDev*'s strategy – where it spends and how it spends their resources.

At the same time, as noted in the 2007 evaluation and again by a handful of past donors consulted this year, many of them valued the knowledge-sharing platform or think-tank function that *infoDev* provided. Over the past few years, some of them feel that this role has not been consistently fulfilled as *infoDev* moved into implementing projects. These projects, although valuable, are perceived to respond to the interests of a single donor agency, rather than the collective interests of investors or donors that contributed to *infoDev*'s multi-donor trust fund.

This snapshot of relevance to a small number of donors highlights the potential investment challenge that *infoDev* now faces as it builds its new MDTF and the need for a new governance structure to be able to synchronize differing priorities.

**Finding 5: Interviews suggest a lab-like approach to innovative technology enabled entrepreneurship, as articulated in *infoDev*'s concept paper, has potential relevance to major constituent groups (including donors, World Bank).**

In the increasingly competitive and dynamic context within which organizations like *infoDev* operates, it is critical that *infoDev* be in a strong position to articulate and demonstrate its ongoing relevance to its key stakeholders.

Stakeholders interviewed at the Global Forum suggest that *infoDev* is focusing on the right types of issues with regard to the knowledge economy. *infoDev* has defined its products and services to meet the needs of start-up entrepreneurs primarily by working through the “enabling” initiatives/intermediaries in their environment. These services need remain flexible and adjust as the landscape for entrepreneurs continues to evolve. The World Bank respondents and donors also support the program areas that have been defined.

Thus, *infoDev* appears to be working in the right areas with the right ideas as an experimental program – however to make it useful as a trust-funded initiative for the World Bank and donors, in particular, it needs to identify and disseminate lessons and knowledge. It is this knowledge that will support the scaling up of useful ideas and inform others about the lessons from failures.

## 5. *infoDev* Effectiveness

Given the transitions and multiple work programs since 2007, it is not possible to review *infoDev*'s effectiveness (see sidebar) in traditional ways, such as progress towards pre-defined objectives or comparing actual to planned results. This section instead examines *infoDev* effectiveness based on a "goal-free" approach, identifying the most significant contributions made by *infoDev* – or its major successes--over the period, as well as identifying any challenges (or failures) faced.

### Effectiveness

The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.<sup>23</sup> Or, as the answer to the question "Is the activity achieving satisfactory results in relation to stated objectives?"<sup>24</sup>

### *infoDev* contributions (2007-12)

In this section, the analysis of *infoDev*'s contributions and challenges is presented according to *infoDev*'s newly defined streams of work (see sidebar). Between 2007 and 2012, *infoDev* also continued to work with the traditional business incubators and incubator networks that it had been supporting prior to 2007. However, the *infoDev* financial support for these initiatives was diminished and slated to end during the course of the evaluation.

### *infoDev* Work Streams (as of 2013)

Mobile Innovation;  
Climate Technology;  
Agribusiness Entrepreneurship;  
Women's Entrepreneurship; and  
Access to Finance<sup>25</sup>.

These streams of work are at varying stages of maturity but *infoDev*'s initiatives in mobile innovation and business incubation have been under implementation for several years. Projects related to other streams of work (Climate Technology, Agribusiness, Women's Entrepreneurship, and Access to Finance) are still in the very initial phases. These areas all build on *infoDev*'s experience with incubators over the past 10 years.

The most significant *infoDev* project that was operational during the period in terms of budget, scope and internal learning is "Creating Sustainable Business in the Knowledge Economy" (CSBKE) that financed activities within most of these streams of work.

### **Finding 6: Over the review period, *infoDev* has played a catalytic role in stimulating new initiatives to support growth-oriented entrepreneurs in mobile innovation in developing countries.**

*infoDev*'s work in Mobile Innovation has focused on two main types of initiatives: the establishment of Mobile Application Labs (mLabs) and Mobile Application Hubs (mHubs).

**mLabs** offer specialized mobile business incubation including physical workspace equipment, back-office support, testing facilities, and technology-neutral platforms. They focus on supplying capital-intensive resources to small entrepreneurs, and to develop their technical skills and business know-how. Currently, there are four regional mLabs in operation in Armenia, Kenya, South Africa, and Vietnam, with an additional lab planned for the Caribbean. The mLabs are based on different governance models – some are

<sup>23</sup> OECD (2010); Glossary of Key Terms in Evaluation and Results Based Management; p. 20

<sup>24</sup> UNICEF (2007); Programme Policy and Procedure Manual. Programme Operations. Revised February 2007; p. 141

<sup>25</sup> This report does not include a review of results related to the Access to Finance Program as it is a relatively new program that commenced in 2012.

Public Private Partnerships with a significant level of involvement by governments while others are entirely private sector partnerships. Expected outcomes relate to the start-up and growth of mobile applications enterprises incubated by the mLabs. Outcome indicators relate to the number of applications commercialised, investment secured, and jobs created amongst others.

**mHubs** are multi-stakeholder networks that organize *informal* gatherings (typically on a regular basis) on topics related to mobile technologies, competitions for entrepreneurs, local businesses, individual users, and peer-learning sessions. The mHubs also run training and mentorship programs, and national and international conferences. The main purposes of the mHubs are to help strengthen the mobile industry ecosystem and generate personal relationships between entrepreneurs, developers, network operators, device manufacturers, investors, marketing specialists, and students. Eight mHubs are currently in operation, in Azerbaijan, Georgia, Kenya, Moldova, Nepal, Tanzania, Uganda, and Vietnam. The mHubs and the mLabs are intimately linked and often mHub activities are hosted by the mLabs.

### Key contributions

- Four regional mLabs have been established and are now operational (Armenia, Kenya South Africa, and Vietnam).
- Most of the output and outcome targets established for the mHubs and mLabs have been surpassed. According to a recent publication from *infoDev*<sup>26</sup>, start-ups supported by mLabs and mHubs have managed to raise USD1.7 million, and have made a total annual revenue of USD 500.000. In addition, the mLabs have contributed to the creation of 30 start-up companies, created 160 jobs and supported the commercialization of 350 apps.
- Eight mHubs have been established under the CSBKE program and have delivered most of their expected outputs.
- Evidence of considerable demand for the social networking activities organized by the mHubs and some of their activities are approaching sustainability.

Feedback to date indicates that the activities and services provided by mHubs and mLabs are seen as relevant and useful by the entrepreneurs supported by the programme. *infoDev*'s catalytic role is appreciated. As one representative of an mLab consortium noted, "We could have done this ourselves, but somehow we didn't." To date, *infoDev*

#### Scaling up through a government's incubation agenda

As one of the objectives of the Virtual Incubation Project was to derive lessons for potential future scaling-up and replication in Vietnam and other countries, it was interesting to learn about the ambitious incubation agenda of the government and to observe the close relationship between the Virtual Incubator and the Ministry of Science and Technology (MOST). According to government officials interviewed, business incubation is still a relatively new concept in Vietnam and *infoDev* was among the first international development programs to bring incubation expertise and funding to the country. Within the last few years, business incubation has become an increasingly important priority of the Vietnamese government and MOST is currently implementing an ambitious incubation program aiming at establishing 100 business incubators across Vietnam by 2015. Topica, which manages the virtual incubator, contributes to this process by providing policy advice to the government and by organizing networking events for different actors, including the government, to develop the broader ecosystem. According to several stakeholders interviewed, these factors have allowed the incubator to influence the overall incubation "sector" in Vietnam beyond the immediate support provided to entrepreneurs participating in incubation activities.

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<sup>26</sup> *infoDev* Mobile, mHubs and mLabs, the backbone of *infoDev*'s Mobile Innovation Program, 2013.

has shown patience in recognizing that it takes time for mLabs to demonstrate results. In some countries, such as Vietnam, government has also built on *infoDev*-supported initiatives to enhance its incubation agenda (See sidebar above).

In addition to providing technical assistance, office space, back-office support and facilitating social networking events, the mLabs and mHubs have also organized competitions such as the “m2Work” and “m2Work Hackathons”. The m2Work was an online challenge conducted by *infoDev* in collaboration with other stakeholders (including the World Bank) with funding and support from UKaid and the Government of Finland. The aim was to identify problems that could be solved by tapping the micro-workers who use mobile phones. Participants of the challenges were asked to come up with ideas for mobile phone applications to solve these problems and according to *infoDev*, around 1000 ideas were collected globally. Based on this competition a global “m2work hackathon” was organized in September 2012 in five countries –ECA Region including Armenia, Kenya, Nepal, South Africa and Vietnam. The mLabs and one mHub (in Nepal) hosted this competition in collaboration with local stakeholders in the ecosystem. The purpose of the hackathon was to stimulate the development of mobile applications. A total of 301 people participated in the hackathon in which 61 mobile applications were developed within two days.<sup>27</sup>

However, the work in mobile innovation has not been without its challenges. The implementation of the mLab in Vietnam was, for example, delayed due to heavy bureaucratic processes of the local Vietnamese government and the implementing partner – Saigon Hi-Tech Business Incubator Park. Some of the mLabs have also experienced challenges with their management and in two cases (in Vietnam and South Africa), the original management teams had to be replaced due to underperformance which caused some delays. Finally a planned mLab in Pakistan never took off due to changes in leadership in the consortium as well as consortium dissolution that prevented *infoDev* from continuing with their mLab activities in the country.

**Finding 7: Although in early stages, *infoDev*’s work through the Climate Technology Program has begun to establish Climate Innovation Centers in eight countries and offers a promising intervention logic and programmatic approach that has drawn attention from a number of donors.**

The Climate Innovation Centers (CIC) build private sector innovation capacity through a holistic offering of services including venture finance, business advisory, government advisory, market intelligence, and technical office facilities. The evaluation team visited the Kenya Climate Innovation Centers in December 2012. Although the CIC had only recently opened, the level of interest in the CIC and the ‘buzz’ it has created in Kenya – both from a government / private sector demand and from a climate innovator / entrepreneur supply perspective - was clearly apparent. Progress over the first six months of 2013 appears to have been rapid. By the time of the Global Forum in May 2013, the CIC Kenya had admitted 26 entrepreneurs and awarded three Proof of Concept grants.<sup>29</sup>

The progress is also evidenced by the emergence of a comprehensive, ambitious and well-designed CTP program built around the CIC concept and as set out in the CTP 5-Year Strategic Plan.

The Climate Track, for example, is focused on a knowledge brokering function, which will “work work with a variety of partners to deliver and disseminate a range of practical research and evidence-based learning on a range of climate innovation topics drawing on the knowledge generated from CTP and CIC activities across multiple countries and regions.”<sup>28</sup>

<sup>27</sup> See [http://m2workhackathon.org/#hackathon\\_](http://m2workhackathon.org/#hackathon_) for more details.

<sup>28</sup> Ibid, pp. 26.

<sup>29</sup> Climate Innovation Center – Kenya presentation at the 5<sup>th</sup> Global Forum on Innovation and Technology Entrepreneurship, May 30, 2013.



Building on *infoDev*'s learning through CSBKE, this Program has:

- Knowledge and M&E strategies designed from the outset. The Climate TRACK and Impact Xchange components of the CTP demonstrate a recognition of the need for a program that goes beyond the establishment of a set of CIC to be 'greater than the sum of its parts'.
- Staff based in country. For example, engaging a CIC Country Representative based in the WB's Nairobi office suggested a recognition of the need for a clear and established link between green growth / clean tech 'decision-makers' (donor, private sector and government) and the CIC implementers and beneficiaries. This is the first time that *infoDev* has its staff on the ground in order to support implementation and learning/knowledge capture, and facilitate linkages among the different stakeholders (including the World Bank in Kenya).

The challenges for the CIC are yet to materialize. The major challenges that the CTP team is well aware of include the transition to the long-term operational sustainability and independence of the CIS and the revenue generation model for this.

**Finding 8: Other program areas, such as Access to Finance, Women's Entrepreneurship, and Agribusiness Innovation are in earlier stages of development. These areas appear to respond to observed or expressed needs of *infoDev*'s grassroots constituencies.**

*infoDev*'s work in agribusiness focuses on the creation of locally owned and operated Agribusiness Innovation Centers (AICs) that deliver financial and non-financial services to growth-oriented entrepreneurs in this sector.

The sector offers high potential to help catalyze more inclusive growth. To date, activities have included consultations, feasibility assessments in five countries, dissemination of good practices, and the design of an agribusiness knowledge and training course.

The emphasis on agribusiness emerged as a result of input from the network of incubators that signed up to IDISC, the *infoDev* Incubator Support Center.

***infoDev*'s Agribusiness activities to date**

Carried out an international study on lessons from agribusiness incubation;

Developed an agribusiness incubation course;

Conducted feasibility assessments in four African markets as well as Nepal;

Initiated technical assistance to local stakeholders in Kazakhstan.

*infoDev* began to integrate more work with female entrepreneurs based on its years of working with incubators and the move into the mobile app economy. The objective of the *infoDev*'s work with Women's Entrepreneurship is to support growth-oriented, women-led SMEs to scale up their businesses by addressing the barriers that impede expansion. Although a few regional initiatives have been implemented, the overall level of activity to date has still been modest. In December 2012, a Cambodian business incubator supported by *infoDev*, conducted the "Mekong Women' Entrepreneurship Challenge" (MWEC) to facilitate the expansion of female-owned businesses in the Mekong region. The MWEC was designed as a competition of business ideas between female-owned enterprises in the Mekong region (Laos, Cambodia and Vietnam). In addition to competing about the best business idea, all the selected entrepreneurs participated in a 3-day workshop focusing on innovation, competitiveness, and creativity focusing on the growth of their businesses. There is evidence of a significant demand for initiatives of this nature from female entrepreneurs in the Mekong region. For *infoDev*, the broader challenge is to determine the extent to which women's entrepreneurship should continue to be a separate program or mainstreamed into all other areas. In its current work program, both approaches are envisioned.

Many start-ups and small ventures in developing countries get caught in the so-called "Valley of Death"—the financing gap between an entrepreneur's immediate resources and the investment floor of many venture

capitalists and banks. At the 5<sup>th</sup> Global Forum there were ample discussions of the needs for smaller amounts of financing (under USD 1 million) to support small and medium –size enterprises in their start-up phases. *infoDev*'s Access to Finance Program aims to bridge a financing gap by designing and piloting early-stage financing facilities where entrepreneurs can get both the business coaching they need to thrive—and also to attract investments from non-traditional sources, such as angel investors, crowdfunders, and accelerators. These types of activities were just beginning under the Entrepreneurship Program for Innovation in the Caribbean, financed by the government of Canada.

**Finding 9: *infoDev* grassroots constituencies, or clients, are highly appreciative of the valuable knowledge that they gain through their interactions with *infoDev*.**

A survey and interviews with *infoDev* stakeholders indicate that they are very satisfied with the information and knowledge gained from *infoDev*. Most of those surveyed for this evaluation commented extensively and positively on the business incubation training provided by *infoDev*<sup>30</sup> which has increased their knowledge in multiple ways. See sidebar for selected stakeholders' feedback.

Others commented positively on *infoDev*'s positive role in increasing stakeholders' access to information (such as international best practices) and to knowledgeable experts through attending *infoDev* events and networking with peer groups and *infoDev* organisers.

**Finding 10: *infoDev* has continued to demonstrate its convening capacity and networking role through the Global Forum on Innovation and Technology Entrepreneurship.**

The Global Forum is a biennial *infoDev* flagship event that dates back to 2004. Originally called the Global Forum on Business Incubation, the event formed part of *infoDev*'s Incubator Initiative (started in 2002) with a focus on ICT-enabled innovation and entrepreneurship in developing countries. The 1<sup>st</sup> and 2<sup>nd</sup> events in 2004 and 2006 evolved largely around global and regional networks of incubators, as a means of solidifying these channels of communication, knowledge sharing, and capacity building.

The scope and title of the event expanded in 2009. As the 3<sup>rd</sup> Global Forum on Innovation and Technology Entrepreneurship, it moved beyond business incubation to a broader focus on innovation and entrepreneurship in keeping with shifts in *infoDev*'s corporate agenda. This continued through the 4<sup>th</sup> Global Forum in Helsinki in 2011 and the 5<sup>th</sup> Global Forum in 2013 hosted by the Department of Science and Technology of the Republic of South Africa.

**Surveyed stakeholders' comments on *infoDev*'s strengths**

*Helped us learn good practices on business incubation management.*

*Helped us keep abreast of the developments in the incubation arena.*

*The Business Incubation Training Program for Incubator Managers has been a major milestone for helping incubators throughout the world to adopt the best practices in business incubation.*

*This global knowledge resource allowed our incubator to experience much more rapid growth.*

*infoDev taught me business incubation-I crated a provate business incubators which is running without subsidies for the past four years [sic].*

*Helped us learn a new approach to foster innovation.*

*Helped us learn how to conduct training.*

Respondents to an *infoDev* stakeholders survey April 2013

<sup>30</sup> The strong focus on business incubation training likely reflects the profile of those who responded to the survey.

The 5<sup>th</sup> Global Forum –with a focus on Africa–illustrates the convening capacity of *infoDev*. The Forum brought together about 800 men and women representing a wide range of stakeholders with different interests in innovation and entrepreneurship.

*infoDev* stakeholders surveyed by the evaluation team in April 2013 flagged several benefits of the Global Forum (see sidebar). The evaluation team’s consultations in South Africa confirmed the opportunities provided by the 2013 Forum in South Africa for entrepreneurs to learn, exchange with peers, and build partnerships and business linkages (see sidebar). For most of the individuals consulted in East London, “networking” was the most significant benefit of attending the Global Forum. For many of the non-African participants, it was the first time to explore the innovation space in Africa and many of them came away with new partners identified – for example, at least two accelerator-type initiatives based in Europe or United States had identified new suitable partners. These are just two examples of the new relationships that emerge from this kind of a convening. Forum participants also expressed a keen interest in the access to knowledge and information that the sessions provide.

### 2013 Global Forum

According to a post-Forum participant survey administered by *infoDev*, 90% of the participants rated the Global Forum as ‘extremely valuable’ or ‘very valuable’. Moreover, 44% of participants indicated that the Global Forum’s learning and knowledge exchange was their most valuable takeaway; 25% indicated the networking and partnership building as the second most attractive aspect of the Global Forum.

### Benefits of the Global Forum

*The first Global Forum in India helped us to ramp up our incubation activities.*

*The Global Forum in Helsinki gave me a new vision about entrepreneurship and business incubation in my country – when I returned home, my team began developing new actions and projects to improve the government’s role in the innovations ecosystem. In our country we subsequently had a national conference which included six *infoDev* incubator training sessions that were attended and well received by participants from different cities in my country.*

*The 2011 Global Forum introduced me to a global network of people focused on entrepreneurship and innovations.*

Responses to an *infoDev* stakeholders survey April 2013

### **Finding 11: Most of the *infoDev* successes identified above are at the activity or output levels; until recently, *infoDev* has paid insufficient attention to tracking and reporting outcomes.**

Many of the *infoDev* initiatives are in relatively early stages of implementation, and thus have had limited calendar time to demonstrate higher levels of results at outcome or impact levels. In addition, in the design stage of projects and initiatives, there was less attention paid to the desired results beyond the initial creation and functioning of the incubator/accelerator. For example, mLab design and implementation emphasized the physical creation of mLabs and direct support to incubatees with outcomes related to start-up and growth of mobile applications enterprises incubated by mLabs (indicators related to incubatee jobs created and investment attracted). There was less attention paid to outcomes relating to mLab proof of concept, knowledge generation, and/or *infoDev*’s role in coordinating a network of mLabs. The absence of explicit outcomes and indicators related to such outcomes meant that such successes were not viewed as explicit objectives of the project, and were therefore not tracked nor reported as such. Similarly, while surveyed Global Forum participants were highly satisfied with the 2013 event, the expected outcomes of the forum beyond the immediate feedback of the participants have not been codified by *infoDev*. In an increasingly resource-constrained environment, more questions are being asked about the merit and worth of various development activities, particularly global convenings which are inherently more expensive.



In a broader context where there is an expectation for results, *infoDev* will need to strengthen its definitions of results and contributions to be expected from a “learning lab” (see sidebar for examples related to the Global Forum). This is further addressed in Section 7, when discussing the results-based management capacities required by the Program.

**Finding 12: *infoDev*'s accumulated learning from implementing key projects over the review period, particularly CSBKE, has significantly influenced, and is becoming the foundation for, its new 2013-15 Work Program.**

#### Need to become more outcome oriented

Given the importance of the Forum for its stakeholders and for *infoDev*'s own development, *infoDev* may want to consider approaches to evaluating the event that go beyond the immediate feedback provided by participants. Other organizations, such as the International Union for Conservation of Nature IUCN (The World Conservation Union), have tested diverse external and internal evaluation approaches to assess their Conservation Congress and Forum, held every four years, and to report to their Council. For example, in addition to on-site and post-Forum surveys, IUCN also has experimented with surveys that inquire about effects of the event 3-6 months after the event and carries out follow-up interviews with a sample of participants. Its experience could be useful for *infoDev*.

While it is too soon to expect impacts on developing countries and SMEs, there is ample evidence that *infoDev* projects implemented over the period have had positive effects on *infoDev* itself. For example:

- As a result of the CSBKE project, *infoDev* has generated considerable knowledge and lessons on program conceptualization, design, implementation, management, budgeting, monitoring and knowledge to apply to a new suite of programs, and which are currently being used to engage a new and wider set of development partners under a renewed and re-energized multi-donor trust fund. CSBKE allowed for testing many ideas and experimenting. Then, the most promising initiatives were taken forward to the new work program. Interviewed *infoDev* staff members pointed to EPIC and the Climate Innovation Program as examples of such positive effects.
- *infoDev*'s active engagement in a range of new streams of work such as mobile innovation, climate innovation, agribusiness and women's entrepreneurship has enabled it to ‘reinvent’ itself from a program focused on ICT4D into one focused on innovation and entrepreneurship, areas with much greater global interest and growth potential.
- *infoDev*'s experience in conceptualizing, designing, planning and implementing the CTP project has developed its generic capacities in program planning, design, management and reporting explicitly building on *infoDev*'s niche and comparative advantage. For example, the CTP Strategic Plan clearly sets out *infoDev*'s potential niche within the field of climate innovation, addressing the gap in developing country climate technology innovation capacity, and specifically highlighting the ‘valley of death’ phenomenon of a gap between conceptual research and commercial scale clean technologies. The ‘intervention logic’ clearly elaborates the links between ‘global need’, *infoDev* niche, and operational response which could provide the ‘blueprint’ for all *infoDev* programs under the 2013-15 Work Program.

In conclusion, *infoDev*'s experience in implementing projects over the past 4-5 years has had a positive effect on its thinking and programming even though it is still in early stages in terms of communicating the results of its work over this period of time.

**Finding 13: While *infoDev* took steps to document and share its experiences over the past few years, the generation and sharing of knowledge and learning was not sufficiently integrated nor resourced. In its 2013-15 Work Program, *infoDev* plans to address this shortcoming.**

A review of *infoDev* reports, the CSBKE evaluation as well as interviews with entrepreneurs and business enablers in five countries suggests that *infoDev* services over the period have benefited growth-oriented entrepreneurs and business enablers in several ways. For example by:

- Contributing to the development and strengthening of mobile innovation ecosystems through establishment of mHubs and mLabs. Virtually all beneficiaries of mHubs interviewed mentioned that their participation in mHub activities had significantly broadened their networks and knowledge of the main tendencies in the field of mobile innovation;
- Implementing activities related to women's entrepreneurship such as the MWEC which, according to participants in Cambodia, was the first of its kind in the country and one of the first opportunities for women entrepreneurs to participate in more formalized networking events;
- Helping entrepreneurs to commercialize business ideas and formalize their business processes through their involvement in "traditional" business incubators, mLabs and Climate Innovation Centers;
- Providing high-quality and geographically customized training materials for business incubator managers free of charge which, according to interviewees, has contributed to improving the quality of the services provided by business incubators;
- Implementation of the Global Forum every second year with more than 500 participants from a broad range of sectors (public as well as private) which has helped create global partnerships and improve the knowledge of the participants.

Beyond these benefits, *infoDev* has made some progress in leveraging the knowledge it has gained through these initiatives to influence and inform the broader community about entrepreneurship and innovation. During the period under review *infoDev* produced a range of knowledge products including the Mobile Flagship Report, the Inclusive Green Growth report prepared by the CTP, various toolkits, best-practice guides, issue briefs, training curricula etc.

However, in our view there were several 'lost opportunities' where *infoDev* could have been more proactive in capturing knowledge.

- For example, although there is evidence of a high demand for activities such as the mHubs and anecdotal evidence of their positive contribution to the creation of regional mobile innovation ecosystems, little has been done to date in terms of documenting their results and describing their management and implementation models in different contexts so that *infoDev*'s experience to date can benefit others.
- As noted above, there continues to be a demand for the Global Forum and participants express their satisfaction with the event (which is an indicator of its perceived relevance). However, *infoDev* does not have tools to be able to document the cumulative effects and contributions of the Forum.

These shortcomings are due to a combination of project design, resources and timing constraints faced by *infoDev* over the past few years.

- During the period under review, and in keeping with those donors that financed the projects, *infoDev* mainly focused on the conceptualization and implementation of projects, rather than on learning and knowledge dissemination.

- The objectives and design of some large projects (particularly CSBKE and initially EPIC) were framed in terms of benefits for certain numbers of entrepreneurs, rather than, or in addition to the creation of multipliers that might be duplicated over time.
- The extremely limited availability of unrestricted funds, due to its donors' preferences for vertical programs over a common *infoDev* work program meant that it had scarce resources for activities not built into individual projects such as learning and information dissemination. In addition, in the earlier part of the review period, *infoDev* may not have felt it was in a strong position to negotiate project terms (including resources for learning) with potential donors/investors.
- The short time frame of some of the projects (particularly CSBKE, and initially EPIC) meant that *infoDev* had limited opportunity to do more than implement.

On a positive note, *infoDev*'s draft Work Program 2013 – 2015 described one of its four key objectives as “influencing the global innovation and technology entrepreneurship agenda”<sup>31</sup>; this will necessitate a systematic generation and dissemination of codified knowledge products based on its experience on the ground and on research.

The evaluation team strongly endorses *infoDev*'s renewed and more explicit focus on the generation and dissemination of knowledge as central to successfully delivering the Work Program 2013-15, which represents a significant step forward in *infoDev*'s evolution as it overcomes the frequently expressed tension of primarily acting as donor program implementer rather than as a ‘thought leader’.

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<sup>31</sup> *infoDev* Draft Work Plan 2013 – 2015, p. 8.

## 6. Sustainability

The Sourcebook for Evaluations of GRPPs underlines the importance of the sustainability of the benefits of partnership programs, particularly mature programs, which have had the opportunity to complete many activities or achieve many outcomes. In less mature programs, it is appropriate to examine the extent to which the program is effectively planning for the sustainability of benefits.

The IEG<sup>33</sup> identifies several factors that can be taken into account in assessing the sustainability of the benefits including, financial resilience; government demand or ownership when relevant; other stakeholder ownership; institutional support; social support and ability to adapt to exogenous influences.

### Sustainability

Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn.<sup>32</sup>

**Finding 14: In its first phases, *infoDev* contributed, along with many others, into making ICT4D a mainstream development issue. Its transition to a new area is just beginning and thus it is premature to judge sustainability in these terms.**

As noted in the previous evaluation in 2007, *infoDev* was one of the actors contributing to the integration of ICT4D into development areas such as education. In 2009, Richard Heeks published a “manifesto” for ICT4D describing the concept and how it needs to be redefined to better match future needs and technologies. He argued that while ICT4D used to be seen as a priority in itself, a more recent trend has been to “integrate” or mainstream ICTs into other development sectors. As the ICT agenda has continued to change and expand, many organizations that were previously active in ICT4D have re-defined and re-positioned themselves in the changing development landscape in order to remain relevant and to survive.

It is too early in *infoDev*’s incursion into the innovation/entrepreneurship interface to assess the sustainability of its efforts in terms of mainstreaming approaches in development. As with ICT4D, there may soon be a time when *infoDev*’s proposed products and services in this area are already available within a national innovation ecosystem and there will be no need for an external catalyst.

For *infoDev* as a learning “lab” it is important to define what sustainability means. The nature of testing of ideas means that not every initiative will be or should be sustainable. Thus, traditional ways of assessing the sustainability of benefits of individual initiatives will give only a partial view. However, it is possible to provide a few observations on the sustainability of the benefits of individual activities.

- Incubators catalyzed/supported by *infoDev*: *infoDev* is now at the stage of ending its funding of several of the incubators that had received grant funding support over the years. From the perspectives of some of those grant recipients there are, of course, concerns about sustainability. However, the environment today is such that incubators are emerging even without grant funding, completely financed by private sector.
- mLabs supported by *infoDev*: In the spring of 2013, *infoDev* was working with individual mLabs to develop sustainability plans, but there was uncertainty about future sources of financing in several cases.
- Networks catalyzed/supported by *infoDev*: *infoDev* promoted and facilitated the development of regional networks of incubators for a number of years. During this evaluation, stakeholders still referred to some of those networks, but *infoDev* is no longer providing funding to them. In some

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<sup>32</sup> OECD DAC Evaluation Criteria - <http://www.oecd.org/dac/evaluationofdevelopmentprogrammes/dacriteriaforevaluatingdevelopmentassistance.htm>

<sup>33</sup> See Sourcebook for conducting GRPP Evaluations (World Bank, 2007) p.91

regions, such as Asia Pacific, the incubator network remains active even without the external support provided by the program. In other regions, such as LAC and Africa, the networks are no longer as active or new specialized networks have emerged (such as AfriLabs in Africa). This is the natural dynamic of networks and ultimately they must be driven and owned by their members. However, to the extent that they do exist and continue to function even at moderate levels they provide valuable platforms for learning and for sharing the knowledge that is emerging from *infoDev*'s current set of activities.

However, in its design of projects (for donors), *infoDev* has not given consistent or sufficient attention to the definition of sustainability and the strategies to encourage or support the sustainability of individual activities, or in a broader sense (e.g. issues of ownership and adoption of ideas at the level of an ecosystem). The duration of projects (such as CSBKE) has also been insufficient to be able to move beyond the establishment and functioning of the labs or hubs, to higher order results related to a strengthened ecosystem that can continue to enable innovation.

Interviewed *infoDev* staff indicates a long time is required to realize sustainability for some activities (e.g. mobile applications in some cases require 7-10 years to realize sustainability). At this stage of its evolution, *infoDev* has few guidelines on how and when to support scale-up, adaption and/or replicability of its work by others – yet this will have to be an inherent feature of its work as a lab.

The limitations noted above are common. As noted in a World Bank evaluation in 2011, see sidebar, very few GRPPs are paying sufficient attention to the sustainability of the results of their work.

#### **Sustainability of results in GRPPs**

Another key message is the importance of paying attention to the sustainability of program benefits early on—to focus on long-term capacity building, to establish criteria for devolving activities, and to define potential exit strategies—even when the short-run need for the partnership is regarded as indisputable. Very few (GRPP) programs have done this.

World Bank Evaluation of GRPPs (2011) p. 44

## 7. *infoDev* capacities

The purpose of this section is to review the management, governance, and certain operational capacities of *infoDev*.

### 7.1 Strategic management

**Finding 16: *infoDev* survived a financial crisis and renewed itself, but created considerable ambiguity about its developmental objectives, results, effectiveness and niche. *infoDev*'s recent adoption of a program-based approach should help clarify its developmental objectives.**

Over the past five years, *infoDev* was driven by a strategy that had a couple of implicit objectives: financial survival and transition out of ICT4D by identifying and testing more contextually relevant opportunities. *infoDev* has been quite successful on both counts, by adopting a pragmatic, opportunistic approach that included identifying (or creating) and then securing project opportunities with one or more funders. This has culminated today in a more stable financial situation and the identification of several core work streams which are providing a good foundation for future programming.

While this approach enabled *infoDev* to address critical operational concerns, it simultaneously contributed to ambiguities about its developmental purpose and objectives. In large part this came about because *infoDev* was perceived to be implementing projects for certain donors (somewhat akin to a consultancy firm) (e.g. FORMIN for CSBKE, CIDA for EPIC, Korea for KTF, DFID and DANIDA for CTP), rather than implementing its programs that reflected its own priorities, objectives and expected results. This ambiguity is reflected in how *infoDev* objectives, results and priorities constantly changed and were reported about over the period. This was confirmed by *infoDev* staff and stakeholders consulted in the latter part of 2012 who reported that *infoDev* did not engage sufficiently in strategic planning and management. This situation is fairly common in entities at early stages of their life cycles or in the process of renewing themselves (in the case of *infoDev*).

However, by 2013, there are multiple positive signs that *infoDev* is paying considerably more attention to its developmental effectiveness. Buoyed by its success in securing funding from a growing and diverse number of donors/investors, as well as positive feedback on some of its recent project undertakings, it is moving away towards a more strategic programming-based, approach. *infoDev* staff have recently produced several key documents including a draft work program for 2013-15 which describes a more focused approach than was evident in previous years. *infoDev* staff teams also valued the process of developing the Work Program. In 2013, *infoDev* shared these documents with key stakeholders (including World Bank colleagues and prospective donors/investors) for feedback. In our view, these and other related measures are very positive and have considerable potential, but as will be argued below, require greater clarity and specificity if intended to justify, attract and secure financial support from potential program donors/investors in the future.

**Finding 17: *infoDev*'s Work Program for 2013-15 provides potential donors/investors with a description of its proposed future programming areas. This is a necessary but not a sufficient step in developing its next program.**

For the first time in several years, *infoDev* developed a work program that articulates a common program. The most notable strength that distinguishes it from its predecessors is a deliberate shift away from a focus on projects to five developmental programming areas (i.e. Mobile Innovation, Climate Technology,

Agribusiness, Access to Finance, Women's Entrepreneurship) plus a cross-cutting Research and Analysis program. The program area teams are now developing a more detailed prospectus to complement the Work Program.



While *infoDev*'s Work Program is not labelled a strategy, it contains some of the descriptive elements of one. A detailed review of the Work Program document and feedback from selected *infoDev* stakeholders and external experts reveal some areas for enhancement and/or clarification with the intent of clarifying and *infoDev*'s strategic directions for those inside and outside the organization.

### Rationale for selected programming areas

Strategic plans normally describe the rationale for a program, which typically includes an analysis of the context, the needs of targeted beneficiaries, and its comparative advantages vis-à-vis others (peers or "competitors"), with the intent of providing a strong argument and justification for the proposed programming areas.

While the *infoDev* Work Program provides some of this information, it can strengthen its arguments on why it makes sense for ***infoDev* as a GRPP** to be engaged in some proposed program areas. The IEG has developed a useful checklist for analyzing the rationale for programming areas of a GRPP (see sidebar). In our view, in developing a strategy *infoDev* can further clarify the rationale for proposed programs. This will be useful to *infoDev* in demonstrating its "added value" and comparative advantages as a GRPP to potential *infoDev* investors and securing their financial support.

For example, in the area of Women's Entrepreneurship the literature provides ample evidence of the challenges that women face as entrepreneurs. Moreover, many governmental and non-governmental as well as private organizations have been working in the area of women's entrepreneurship for decades. The strategy could better articulate the added value of donors/investors supporting *infoDev* rather than other entities that have much longer histories, track records and reputations in these areas. If *infoDev* does not have any particular advantages in this area, but simply wants to ensure that its programs benefit women as well as men, it can consider other strategies that complement its various programming areas.

#### Program rationale checklist

Demonstrates that the GRPP will produce **global public goods** in the proposed programming area that will address specific questions where there is identified **research interest**;

Demonstrate that there is **demand** by the GRPP stakeholders (including the World Bank, GRPP donors/investors, GRPP partners and/or beneficiaries) in the global public goods that will be produced;

Demonstrate that the GRPP has the **knowledge, capacity and expertise** to deliver the proposed public goods in the proposed programming area;

Demonstrate how the work of the GRPP will **complement** (not duplicate) the work of existing entities (partners, competitors, others) in the programming area.

### *infoDev* results

The first part of the Work Program provides a good overview of *infoDev*'s proposed approach. While it proposes an overall strategy, it does not define *infoDev*'s **overall objectives or results** for the period, creating some ambiguity about how *infoDev*'s overall performance should be measured, monitored and reported, and evaluated over time. For example, it would be useful for *infoDev* to develop a set of Key Performance Indicators to help define its success as a Program. It might consider KPI related to integration with scale-up of ideas by others (including World Bank), integration with World Bank operations or strategies, and other elements related to being a lab. The program areas presented in the Work Program do define objectives, results, targets, and indicators, but they do this inconsistently (for example, some programs define indicators, others do not; no programs define the outputs of their work). These improvements could be made in the process of transforming the work program into a strategy and business plan.

## Theories of change

The draft Work Program document outlines several strategies, products and services that *infoDev* indicates will guide its work over the 2013-15 period. While this is helpful, the work program lacks clarity on the **assumptions** that link the program, inputs and activities to the attainment of desired ends or results (from outputs to outcomes and impacts), or its *theories of change*.<sup>34</sup> We understand that as a lab *infoDev* is primarily interested in a) how to take an idea to workable business and b) in how to scale that up. These are the two threads that it is aiming to weave together, while disseminating lessons and knowledge along the way. A theory of change would draw out the links between the ultimate intended beneficiaries (the growth oriented entrepreneurs or the prototype), the intermediary partners (e.g. business enablers, incubators, accelerators), the investors that scale up, and the innovation ecosystem that facilitates this flow. In between the prototype and the scale up, there is a need for information, partnership, knowledge sharing, etc. In our view, the program logic would be much clearer if *infoDev* could also frame results in terms of the kinds of changes anticipated in these different levels and the assumptions at each stage.

## 7.2 Institutional arrangements and governance

As a trust-funded global program hosted by the World Bank, various policies, agreements, and legal documents have been approved by the WB and its Board in order to guide the governance and operations of *infoDev* and other GRPP. At the core of this guidance are the norms and rules that guide the WB and the various actors involved in Trust Fund activities. These rules and administrative agreements put forward the parameters within which *infoDev* operates. The rules identify a number of legal, functional, operational and symbolic constraints on *infoDev* and its management. Ultimately, it is the VPU that is accountable for ensuring the Bank's responsibilities as laid out in these agreements are met.

The data collected during the evaluation does not suggest that there is a need to move *infoDev* from the World Bank hosting arrangement at this time, although there are pros and cons to this arrangement. On the one hand, there is an opportunity to link *infoDev*'s work with start-up, high growth entrepreneurs to larger operations and to tap into the broad array of policy-related analytical work conducted by the Bank. On the other hand, being hosted by the World Bank means that the Bank is accountable for *infoDev* and the Program must align with World Bank strategy, policy, and procedures, which has some bearing on how the program approaches defining its value added, managing risk, and staffing, for example.

Governance models of global partnerships and programs have evolved over the past two decades, from shareholder governance models (principally including funders) to the program and were common among GRPP created in the mid-1990s to stakeholder governance models (including almost all affected parties). Recent reviews underscore the problems and challenges in the "arrangements for and the discharge of primary responsibilities of governance."<sup>35</sup>

This section reviews how effectively *infoDev* has been governed between 2007 and 2012. It also offers some suggestions on how it might be governed in the future, drawing upon World Bank experience in managing other GRPPs and *infoDev*'s recent actions on this matter.

### **Finding 18: The present Program Framework Agreement within which *infoDev* is operating is significantly outdated and has been for several years.**

There are wide assortments of internal World Bank units that guide a trust fund such as *infoDev*. For example the Global Partnerships and Trust Fund Operations department (CTPFO) provides advice and

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<sup>34</sup> Weiss, Carol. Evaluation (Prentice Hall, 1998)

<sup>35</sup> Bezanson, Keith and Paul Isenman. Governance of New Global Partnerships: Challenges, Weaknesses and Lessons (Center for Global Development, 2012).



guidance on new partnership and trust fund proposals, manages related review processes, develops policies and business processes for trust funds and partnerships, provides centralized support and training, develops risk management frameworks for trust funds, and administers selected programmatic funds. The Legal department (LEG) participates in clearance of TFPs, prepares legal agreements, and provides legal advice relating to trust funds. Other Bank units establish disbursement arrangements, quality assurance, risk analysis and so forth. The specific procedures that apply to trust funds vary, depending on the trust fund type.

The administrative agreement the Bank puts forward to donors complements these internal processes. Originally, the *infoDev* Program Framework Agreement was a key institutional link between the Bank and its *infoDev* donors. While the original PFA was revised in 2007, analysis indicates that it is significantly out of date; moreover, several *infoDev* donors have not honoured the terms of the agreement. As a consequence, the agreement has been effectively suspended for the past few years, as new *infoDev* agreements with individual donors were put in place.

**Finding 19: The collective mechanism for governance set up under the Program Framework Agreement, i.e., the Donor’s Committee, became increasingly moribund as donors ceased to invest in the MDTF and preferred to engage *infoDev* on other programs on more of a bilateral basis.**

A previous evaluation of *infoDev* in 2007 noted that while the roles and responsibilities of the Donors’ Committee were clear, carrying out those responsibilities was more challenging. The evaluation made a couple of recommendations aimed at improving *infoDev* governance by strengthening the functioning of its Donors’ Committee and establishing a mechanism for providing appropriate supervision of, and guidance to, the Secretariat/Program Management in between the meetings of the Committee.

Despite various efforts by World Bank management and *infoDev* Secretariat managers to re-establish the Donors’ Committee and the *infoDev* Symposium over the period 2007-12, and even though various subsets of *infoDev* donors met on several occasions over the period (see sidebar for details), the collective mechanism for governance envisaged in the Program Framework Agreement (2007) (see Section 2.4) became increasingly moribund.

*infoDev* and the World Bank did execute fiduciary responsibilities through various project steering committees that were convened regularly as per the administrative agreements with each of the donors. While not aligned with the intent of the multi-donor trust fund governance arrangements, in practice the Bank carried out its fiduciary responsibility to donors through the role played by the Bank unit responsible for *infoDev* (the Sustainable Development Vice Presidency until 2010, and the FPD Vice Presidency since then)..

**Required contributions of Members of Donors’ Committee:**

According to *infoDev*’s Program Framework Agreement in place as of late 2012/early 2013, members in the Donors’ Committee were required to provide a minimum annual contribution of USD 250,000 to support *infoDev*’s core programming costs (i.e. core funding). (The requirements have subsequently changed with the creation of the new MDTF in 2013.)

Donors are also encouraged to provide funding for specific activities under the Work Program, but are not allowed membership in the Donors’ Committee if they do not contribute with the minimum annual contribution to core funding. Developing country members are asked to pay USD 100,000 in cash or kind for a membership depending on their financial capacity.

Interviewed donors, World Bank officials and *infoDev* Secretariat staff explain this situation by pointing to the increased preference by donors for vertical “Project” funding agreements with *infoDev* each of which had their own distinct goals and objectives over the period. They reported that donors generally lacked the time and/or interest to attend Donors’ Committee meetings, given that they were already investing their time in PSC meetings associated with the projects that they were most interested in.

At the time of writing, the *infoDev* Secretariat and the Vice President FPD in the World Bank were actively engaged in addressing these challenges as will be discussed below.

### ***infoDev* Donors’ Committee meetings**

According to interviewed *infoDev* Management, *infoDev* has convened four Donor’s Committee meetings during the evaluation period (2007, 2008, 2009 and 2010) and a “Donors and Partners” meeting in Helsinki in 2011. Additionally, current and prospective donors were invited to attend the *infoDev* Global Forum on Innovation and Technology Entrepreneurship in Brazil in 2009, in Finland in 2011, and in South Africa in 2013.

Some took up this invitation and met at the “Donors and Partners” meeting in Helsinki in 2011 and East London in 2013.

**Finding 20: The consultations carried out with stakeholders suggest that *infoDev* could be better served by a stakeholder governance model that accommodates the need for oversight as well as intellectual or strategic guidance, with a composition that reflects the wide range of the Program’s stakeholders (including the World Bank).**

During our interviews with IEG, WB’s legal and procurement departments, clients, donors and so forth, a number of fundamental issues were raised that link to the relationship between an “innovative” program like *infoDev* and its key stakeholders. Perhaps the single most important and talked about issue is the function and structure of the Governance Body, particularly what aspects of the Governing Body are decisional (with fiduciary responsibilities) and what aspects are more in tune with an advisory body?

As *infoDev* begins its 2013-2015 Work Program, it is exploring new categories of membership, thus moving towards a stakeholders’ governance model. Best practice dictates that decisions about membership categories should be linked to the purpose and expectations of a governing body--expectations that should be clear before creating a governing structure or searching for members. (For example, members of an advisory group normally have a lower set of fiduciary expectations than those operating as a decision-making governing board; the membership would also be different.) In defining membership categories, *infoDev* should clarify the expectations of its governing body before identifying member categories, In so doing, it should consider whether it requires members who:

- See themselves as having a fiduciary responsibility for the funds being expended;
- See themselves as being “mission driven” and accountable for the outcomes and impacts of the funds being invested;
- Represent trusted members of the industry, programming and financial community; and/or
- Intimately understand the existing market (supply and demand) associated with the program area and or the emerging market.

Finding a governance model that will be useful for *infoDev* will depend on the ultimate characteristics of its new program, the donor environment, the context (including country demand for early stage-innovative-targeted-entrepreneurial support) and the accountability requirements of *infoDev*’s investors and the Bank.

In other words, it is a key strategic decision. *infoDev* has begun this dialogue among senior World Bank managers, its funders and partners with the aid of a concept note about the MDTF.<sup>36</sup>

Among the different partnership programs reviewed in the recent Bezanson and Isenman global study on the lessons learned about governance of global partnerships, Consultative Group to Assist the Poorest (CGAP), a GRPP in the World Bank, stands out as having a model that has been able to provide effective governance. CGAP has different layers in its governance structure beginning with a Council of Governors (all members) and Executive and Investment Committees. This study notes that a key success factor is that the larger Council of Governors has delegated strategy and policy-decision making and the exercise of fiduciary responsibility to the smaller Committees, whose members are mainly technical and professional specialists (rather than generalists) who are able to exercise governance responsibilities for this particular program.<sup>37</sup>

In moving forward, Volume II, Appendix V provides *infoDev* with a number of ideas as discussion items as it moves ahead in addressing its governance challenge.

### 7.3 Program planning, management, reporting and knowledge sharing

The purpose of this section is to review how *infoDev* has managed its program over the review period, examining the systems in place to design, implement, monitor, evaluate and report on the performance of its overall program, and offer suggestions on areas for improvement with the intent of informing its future programming.

**Finding 21: *infoDev* has given limited emphasis to developing results-oriented program planning, management and reporting systems, which has affected its ability to report meaningfully on its performance. It is aware of and starting to take steps to address these shortcomings.**

One of the recommendations of the 2007 external evaluation was that the *infoDev* Secretariat should strengthen its planning, monitoring, evaluation and reporting systems. Noted areas for improvement included a results-based strategy and business plan which identified *infoDev*'s strategic objectives, key areas of work or lines of business, and include a simple performance measurement framework. It was also recommended that it develop a program level monitoring and evaluation framework that could provide meaningful feedback into its planning and reports, serve accountability purposes and help it to draw lessons from its work.

A review of *infoDev* work programs, reports and actions since 2007 suggest that as the Program has evolved these are recurring challenges. While the Secretariat has produced several work program documents and some reports over the period, they have fallen short of the generally acceptable principles and standards of a results-based approach. *infoDev* is now seeking external support to enhance its monitoring and evaluation system, an important foundation for program planning and reporting and for its learning and knowledge sharing roles.

<sup>36</sup> World Bank, Project Concept Note for a Proposed Five-Year Multi Donor Trust Fund in the Amount of USD 70 Million for the World Bank Group's *infoDev* Program, April 19, 2013

<sup>37</sup> Bezanson, Keith and Paul Isenman. Governance of New Global Partnerships: Challenges, Weaknesses and Lessons (Center for Global Development, 2012).

**Finding 22: *infoDev* has produced a number of key knowledge products since 2007, but it has often operated without a clear strategy with regards to its broader role in generating and disseminating knowledge and lessons from experience. By including research and analysis as a program priority of the 2013-2015 Work Program, *infoDev* is moving in the right direction.**

Over the past five years, *infoDev* has produced a series of codified knowledge products ranging from the Regulators Toolkit to case studies on Mobile Usage at the Base of the Pyramid. Clearly a lot of new knowledge has been generated under the program in a short period of time and this is impressive. For the codified knowledge products, this knowledge is mainly contained in the deliverables of distinct and stand-alone research or project outputs. Internally, lessons learned are often shared informally among the program teams and are being fed back into the design and implementation of other *infoDev* initiatives and new program areas. However, the synthesis and communication of new program knowledge and lessons are not yet being systematically shared with key audiences (donors/investors, World Bank, and others in the sector).

### ***infoDev*'s role in knowledge**

As a “lab”, *infoDev* is primarily concerned with experimenting with prototypes and scaling up when possible. In addition to sharing its own lessons, it can play a role in systematically identifying and brokering additional sources of knowledge in the issues that it works in. While *infoDev*'s role with regard to knowledge generation and sharing is central to its value proposition, the design of its projects has not always considered the nature of this role and the time and resources required for its realization.

*infoDev* tends to disseminate knowledge to an undifferentiated user group. This approach will have limited and reducing potential for impact given the emergence of locally-specific needs amongst particular stakeholder groups as the new drivers of progress in the innovation and entrepreneurship field.

## **7.4 Managing and generating resources**

This sections review the strengths and areas for improvement in how *infoDev* manages different resources, including human and finances. It also examines its revenue generation function.

**Finding 23: *infoDev* has a cadre of talented staff that is highly valued by its clients and has been a key element in the Program's success in recent years. As *infoDev*'s role evolves into a learning lab, attracting and managing talent will continue to be a key issue for Program Management.**

*infoDev* has been able to draw a pool of qualified staff that is well respected by its network of clients and partners. As of 2012, *infoDev* had 14 staff members, including the Program Manager, 4 ETCs, 48 STCs (including 4STTs). The majority of *infoDev* staff are based in Washington, D.C.; some of the staff associated with *infoDev* projects are based in Europe (England); Africa (South Africa and Kenya), Asia and the Caribbean.

The Program has managed to assemble this core team in spite of challenges in building up teams due to Bank rules and regulations on extended and short term contractors. In some cases, the recruitment of one staff member has taken up to a year. As a result, during the implementation of key projects between 2007 and 2012 (such as CSBKE supported by the Government of Finland), *infoDev* operated with staffing levels that were sub-optimal given the complexity of the global program being implemented.<sup>38</sup> As a way to mitigate the bottlenecks in recruitment, a relatively high number of short term consultants (STCs) were

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<sup>38</sup> Universalialia/ITAD, Independent Mid-Term Evaluation of the Creating Sustainable Businesses in the Knowledge Economy (CSBKE) Program, June 2013.

recruited. This brings additional administrative workload for staff, however, as STCs are not authorized to access certain WB system due to fiduciary controls.

In going forward, *infoDev* will need to pay particular attention to talent management and building the staff mix that is required for fulfilling its desired role as a lab. It will be crucial to be able to find the right people at the right time, and possibly for new task areas related to knowledge brokering and monitoring and evaluation, for example. On the one hand, it will require staff capacity to implement initiatives and support testing of prototypes. It will also require staff skills and time to translate the learning and analysis from experience.

In addition, in countries with important levels of experimentation or types of initiatives, *infoDev* may want to have a staff member on the ground to facilitate partnerships, investments, capacity development and other important enabling activities. This is the approach currently being tested in Kenya, where *infoDev* has a staff member in the World Bank Country Office to support the Climate Innovation Center and other work of the Climate Technology Program.

**Finding 24: *infoDev* relies on World Bank systems and practices for procurement and financial management, which have presented inefficiencies and challenges for the Program. However, as *infoDev* moves into a consolidated Work Program it may need to find alternative ways of working with or adapting these systems to suit the needs of a learning lab.**

*infoDev*, like all trust-funded programs, is required to follow the rules and regulations established by the World Bank. This provides an important level of trust and confidence to potential donors, even though it may cause some difficulty for *infoDev* and its grantees or contractors. The World Bank recently amended its legal, financial management, procurement and clearance processes for grants, with new safeguards being introduced. As a result, transaction times and costs for management of grants have risen which have caused some delays in delivering certain CSBKE program activities<sup>39</sup>. According to *infoDev*, these amendments, and in particular the additional safeguards built into the process have significantly increased the transaction costs associated with initiating and executing grants. For CSBKE, this was particularly challenging since grants constituted the program's main delivery mechanism. As a result of these changes, the transaction costs for managing a small grant for an mHub of USD 35,000 were the same as the transaction costs associated with a USD 300,000 grant.<sup>40</sup>

The Program's grantees and contractors have commented on the bureaucratic procedures and the delays in processing that have affected their work.

A number of interview and survey respondents note the slow and complex Bank procedures as a limiting factor in their appreciation of *infoDev*.

**Finding 25: *infoDev* dramatically increased its annual donor contributions between FY2008 and FY2012. The target program size for the new Work Program FY2013-2015 represents a large jump in revenues.**

*infoDev*'s is financed through donor contributions. As shown in Exhibit 7.1 below, annual donor cash contributions to *infoDev* increased significantly by almost 450% over the period, from USD 3.9 million in FY2008<sup>41</sup> to USD 21.1 million in FY2012. Other notable changes over the period include:

<sup>39</sup> CSBKE Progress Report, 2012.

<sup>40</sup> Ibid.

<sup>41</sup> Information on FY 2007 is not available in MyTF legacy data; hence the table provides information on FY 2008-2012 only.

## Independent Evaluation of *infoDev*

- The number of *infoDev* Trust Fund accounts increased from three in FY2008 to six by FY2012. The relative importance of the MDTF in terms of a source of revenue for *infoDev* decreased significantly, from 56% in FY2008 to 1% in FY2012.
- The Government of Finland through FORMIN provided the greatest cash contribution over the period, representing 27% of all *infoDev* donor cash contributions. The Government of Korea was the next most significant source of revenue, representing 21% of all revenues.
- In 2012, support from for the Climate Technology Program represented the most significant source (about 60 %) of cash contributions.

The target program size for the new MDTF FY2013 – 2015 reaches a total cost of almost USD 200 million, including activity implementation, monitoring and evaluation, knowledge dissemination and communication, program administration and trust fund fees. This represents an important jump in terms of level of resourcing over a three-year period.

**Exhibit 7.1 Donor Cash Contributions to *infoDev* FY 2008-12 by Trust Fund Account (Expressed in million USD)**

<b>Donor Cash Contributions to infoDEV</b> (Expressed in \$ million)						
	FY08	FY09	FY10	FY11	FY12	TOTAL
Multi- Donor Trust Fund	2.2	1.0	2.9	2.1	0.3	8.5
Creating Sustainable Business in Knowledge Economy			9.9	4.7	4.6	19.2
Korea Trust Fund for ICT4D		12.0		3.0		15.0
Climate Technology Program ***				0.1	12.7	12.8
Entrepreneurship Program for Innovation in the Caribbean				8.4	2.0	10.4
IFC FMTASS*		1.0	0.5	0.5		2.0
World Bank	0.2	0.4	0.2	0.1	0.3	1.2
DFG **	1.5				1.3	2.8
<b>TOTAL</b>	<b>3.9</b>	<b>14.4</b>	<b>13.5</b>	<b>18.9</b>	<b>21.1</b>	<b>71.8</b>
* Financing Mechanism for Technical Assistance and Advisory Services **Development Grant Facility - Reflects Recipient -Executed Grants financed in FY12 *** Included \$113K contribution of Externally Financed Output in FY11						

While individual donor support increased over the period, donor support for the FY 2007-2012 MDTF declined. The total value of support for the FY 2007-2012MDTF has declined over the period to USD 300K in FY2012 from USD2.2 million in FY2008. Donors' reduced support for the FY 2007-2012 MDTF reduced *infoDev*'s ability to address some important corporate needs, including strategic planning, monitoring and evaluation systems.



## Risk management

**Finding 26: *infoDev* programs operate in an increasingly high risk, high reward environments. *infoDev* managers' abilities to rigorously and proactively identify and manage risks will continue to be critical to its successful performance.**

*infoDev* operates in a complex, risky, high reward environment where it takes calculated risks that can help catalyze World Bank lending operations or inform the private sector development programs of bilateral donors with the ultimate intent of catalyzing very valuable, potentially high returns.

However, to operate in this context, *infoDev* faces and is expected to manage risks at different levels. Its clients, seed stage innovative and technology oriented enterprises in poor countries, present some risks. There is also the risk inherent in an approach that is seeking to experiment and pilot different ways of promoting innovation and strengthening the ecosystem for early-stage entrepreneurs — not every initiative will succeed. There are the various risks associated with not meeting its funders' expectations, including the rules for Trust Funds and general operating procedures of the World Bank. For example, in its work with start-up entrepreneurs, a wide assortment of bureaucratic Bank rules need to be accommodated, sometimes also producing risks. Finally, it must also manage the risk of actual or perceived duplication or completion with other parts of the World Bank Group (WBI or IFC).

This situation means that *infoDev* must continuously manage risks at all these levels. The balancing act is likely to become more complex as *infoDev* moves into access to finance, an area that is highly relevant for its grassroots constituency, but may bring other risks to the foreground.

## 8. Conclusions and Recommendations

The purpose of this chapter is to provide a set of conclusions based on the findings of the independent evaluation of *infoDev*, primarily covering the period of FY 2007- FY2012.<sup>42</sup> The conclusions are framed around the key questions of the evaluation related to *infoDev*'s contributions, strategic positioning, and key governance, management, and operational capacities for the future.

We also set out a series of recommendations primarily for the *infoDev* Secretariat to consider in the next phase of its development, consolidation of its investors' financial contributions into a single MDTF built around one common strategy and work program to promote competitiveness, employment, and sustainable inclusive growth by enabling the growth of innovative, technology-enabled new ventures in developing countries.

### 8.1 Conclusions

*infoDev* is in the process of re-inventing itself and is now in an early stage of developing a global partnership program in the innovation and entrepreneurship space. This evaluation covers a period of time (2007-2012) when *infoDev* was very much an entity in transition. *infoDev* shifted its focus from primarily ICT4D in 2007, and experimented with activities that are now foundational elements of its 2013-2015 Work Program.

*infoDev* is working in a dynamic context, where there are many players who are increasingly prioritizing entrepreneurship and the knowledge economy as strategies for expanding development outcomes. In such an environment, *infoDev* needs to continue to refine its niche and value added. *infoDev* works in a multi-level ecosystem, where global trends in the different sectors are important, but where the national context ultimately plays the most critical role in the success of the technology enabled enterprises that it works with. At global levels, key potential *infoDev* investors or donors are keen to have more knowledge and learning about what works – or doesn't work—in such a context.

Over the period 2007-2012, the most important contributions by *infoDev* have been in the areas of testing approaches for stimulating the mobile applications sector and the development of innovative technologies in support of climate change in selected countries. Its work in these two sectors was informed by a sector-specific approach to incubators, which built on many previous years in working more generically in the area of incubation. More recently, *infoDev* has begun activities in new program areas: Access to Finance, Agribusiness Innovation, and Women's Entrepreneurship. Over the review period, *infoDev* continued to play a convening role, through its organization of the two Global Forums with some of its key partners. The 5<sup>th</sup> Global Forum, held in South Africa, was a recognized success among the stakeholders consulted for this evaluation. The results (outcomes) of *infoDev*'s initiatives are still evolving; more effort is now required by *infoDev* to monitor and provide timely feedback to stakeholders on the results and lessons from the experiments it has initiated. Over this period, *infoDev* also produced key knowledge products: including case studies on mobile usage for the bottom of the pyramid presented in the context of the Global Forum. Interviewed *infoDev* investor/donor stakeholders and its colleagues in the World Bank feel that *infoDev* should do even more in this area, expressing high expectations for *infoDev*'s future role in dissemination of knowledge and learning.

*infoDev*'s strategic positioning hinges on several core elements: credibility (technical expertise, recognition as global leader, knowing how to link/connect organizations to each other and wide appreciation by its grassroots for its added value), clarity with respect to mandate and strategy, and capacity to be able to fulfill the mandate. *infoDev* is positioning itself as a learning "lab" in innovation and entrepreneurship. The feedback from evaluation respondents suggest that this positioning is in early stages.

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<sup>42</sup> Wherever possible, we have tried to report on more recent practice and activities in order to reflect the rapid evolution taking place in the *infoDev* during the evaluation.



*infoDev* is not well known in the World Bank Group, outside of FPD and IFC. However, where it is known in the Bank, the new program areas being developed by *infoDev* are viewed as helpful. Externally, it is well known and valued within its network -- particularly the grassroots level -- but its niche is still not always clear to a broader audience. In particular, it faces a tension between adequately servicing the needs of the ‘grassroots’ (i.e., the entrepreneurs, the business enablers) and generating knowledge/learning from this experience (and the experience of others) that can be useful for potential investors/donors. Its strategic positioning has been, in some ways, context specific. For example, in some countries (such as South Africa or Kenya), it is well positioned with respect to private sector, government, World Bank and the entrepreneurial community. In other countries, its positioning in the ecosystem is less clear.

Over the past few years, *infoDev* has focused on turning its program around. Accordingly, the emphasis has been on start-up and the implementation of new types of activities. It is in earlier stages of developing its management systems, ensuring that it manages for results, and re-structuring the collective governance mechanism for providing the Program with oversight and strategic direction. *infoDev* is seeking donor support for a new MDTF that both aligns with the World Bank’s Trust Fund requirements, and meets *infoDev*’s need for strategic guidance from a wide variety of stakeholders. *infoDev* has recently sought additional support from consultants to strengthen its monitoring and evaluation capacities. Developing such capacities will be critical to its future growth and development: they are needed to support more timely and consistent capturing of the learning from *infoDev* “testing” or “experimenting”. The design of the Climate Technology Program is promising in this regard because it articulates a strong program logic and specific approaches to gathering evidence to support learning. Effective monitoring and evaluation capacities are central to a results-oriented reporting system to meet the demand of *infoDev*’s investors/donors.

## 8.2 Recommendations

*infoDev* has demonstrated growing relevance and early results as a global Program in the innovation and entrepreneurship space. In the dynamic context that it operates, *infoDev*’s strategic positioning in the future will hinge on its ability to continue to strengthen its credibility in supporting innovation and entrepreneurship (including not only technical expertise but being recognized as a thought leader); clarifying its strategy and role(s); and developing the capacity and securing the resources to fulfill these roles. The following recommendations are framed to support this strategic positioning. The recommendations assume that *infoDev* will continue in the near future as a trust-funded program operating under the rules of the World Bank and thus will be subject to Trust Fund reforms and should align with World Bank strategy.<sup>43</sup>

In the absence of a collective mechanism for governance (Donors’ Committee), all recommendations are addressed to the *infoDev* Secretariat and/or to the World Bank. Acknowledging the changing environment at the World Bank (particularly its strategy and rules for trust funds); in some cases we have provided options or scenarios for *infoDev* to consider depending on how its institutional environment shifts.

**Recommendation 1: The *infoDev* Secretariat should continue to define, clarify and validate its role and added value as an experimental “lab” in innovation and entrepreneurship in developing countries within the World Bank Group.**

*infoDev* refers to itself and is sometimes referred to as an innovation “lab” within the World Bank Group. This is identified as the key strategic objective in the new MDTF – to better position *infoDev* as a “learning

<sup>43</sup> The report notes the pros and cons of the current arrangements, but the data is inconclusive on whether a move out of the Bank is required. The key challenge is that the World Bank, as a mature organization, has a set of rules and regulations that must be followed, while *infoDev* requires flexibility in order to respond to changing technologies, markets, and client needs.

lab” and a convener for donors, public and private sector actors around innovation, technology and entrepreneurship in the developing world. The concept paper for the MDTF outlines some of the characteristics of a “lab.” We suggest that *infoDev* define the meaning of lab and develop a common or shared understanding among key stakeholders (including donor/investors and the World Bank) about the features of a “lab” and parameters for judging its success, and how that is different from a traditional development program.

There is no standard definition of a “lab” in the way that *infoDev* is shaping it.<sup>44</sup> In general, the concept of laboratory refers to the testing and reporting on innovative ideas—these ideas are not theoretical but rather of interest to “investors” who can scale them up so that they will have an impact. In *infoDev*’s case, these “investors” are the World Bank, other donors, the private sector or governments which are looking to adopt proactive policies or

approaches to support entrepreneurship in developing countries. Typically, successful labs are working in partnership with these investors so that when ideas are successful they are scaled up.

It is necessary for *infoDev* to begin to demonstrate areas where *infoDev* has played its role as a lab, with examples that illustrate all of these dimensions. It also needs to better show how it is working as a lab and supporting the different parts of the World Bank Group (especially regional departments) as well as its donor investors, its two main stakeholders that are currently most interested in lab-type functions. It is also important that *infoDev* clarify differences between a “lab”, a “think tank” and a “knowledge broker”, which are terms interchangeably used to describe the current or the expected role of *infoDev*. Finally, it needs to distinguish itself from others providing similar services (even within the World Bank Group), identifying and providing evidence of its specific “added value” in innovation, technology and entrepreneurship in the developing world.

**Recommendation 2: The *infoDev* Secretariat should develop a strategy and business plan that helps to make the components of its Work Program 2013-2015 more concrete, actionable and results-oriented.**

*infoDev*’s proposed 2013-15 Work Program represents a positive step in its programming evolution, outlining some core ideas for each of its proposed programs. *infoDev* is taking steps to develop a new MDTF for the period 2013-18. To secure the support of potential donors/investors, it needs to establish a clear planning and reporting cycle that provides donors/investors with opportunities to provide input into both its longer-term strategy and business plan and to approve its annual operational plans. The proposed business strategy/plan should contain, at a minimum, the following components:

- Clearly articulated program vision, objectives for the entire program period (5 years)
- A program performance measurement framework that includes clearly defined SMART<sup>45</sup> results and indicators at the output, outcome and impact levels for the program period

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<sup>44</sup> As noted in the body of the report, other functions, such as knowledge broker and think tank are more clearly defined.

<sup>45</sup> Specific, Measurable, Achievable, Realistic and Time Bound

- Clearly defined logic that clearly identifies:
  - *infoDev*'s targeted beneficiaries (e.g. businesses, enablers, donors etc.)
  - the inputs, activities, outputs, outcomes and impacts (results chains) associated with each group of targeted beneficiary
  - the assumptions and risks associated with the transformation of activities into different levels of results
- Clarify its developmental partners and their roles vis-à-vis the *infoDev* strategy and business plan.

Complementing this strategy, *infoDev* will need to develop annual operational plans that dovetail with its business strategy that provide its Governing Council and staff with a clear definition of the goals, objectives, priorities, assumptions, risks and budget for each year.

**Recommendation 3: *infoDev* should establish a results-based planning, monitoring, reporting, and evaluation system that is appropriate for a program that focuses on innovation and entrepreneurship, and should institutionalize its use.**

This evaluation identified various shortcomings with *infoDev*'s current program management systems, particularly in terms of the limited consistent attention to results at the project and overall *infoDev* program levels. As noted above, *infoDev* is in the process of engaging some external support to help it build its systems and capacities in results-based management. We strongly endorse this move, which should help *infoDev* with its knowledge generation and dissemination objectives and in meeting its accountability requirements to donors.

In parallel to the creation of such systems, *infoDev* will need to invest in developing staff understanding, commitment and capacities in applying a more results-oriented approach. This will take time and financial resources. *infoDev* will likely need to identify one-time funding support for the development of this system, and will need to set aside resources to support ongoing system maintenance and staff skill building.

Finally, the format for *infoDev* reporting should also be vetted and clarified with the donors. Reporting should not only reflect on annual progress vis-à-vis planned outputs and activities, but also on cumulative progress towards long-term change. Our experience suggests that the traditional bilateral donors need both of these types of reporting.

**Recommendation 4: *infoDev* Secretariat should enhance its capacity in learning and knowledge generation and dissemination as it clarifies its role as a "lab".**

The evaluation team endorses *infoDev*'s renewed and more explicit focus on the generation and dissemination of knowledge as central to successfully delivering the Work Program 2013-15. Knowledge production is one of the products and services articulated in the Work Program as: "Producing and disseminating cutting edge knowledge through research derived from, and integrated into, our grassroots projects." However, stakeholders also noted that *infoDev* should look beyond its grassroots projects to gather a better sense of what others are doing in the same topic areas, so that *infoDev* knowledge generation and dissemination generates public goods that draw on its experience and the experience of others in the field.

In moving forward, *infoDev* needs to develop a knowledge generation and dissemination strategy and develop its capacities in these areas. The strategy should clarify *infoDev*'s intended audiences, the content and types of research it will produce, how such knowledge will be published (types of products) and disseminated to others, the frequency of such knowledge dissemination and so forth.

In addition, *infoDev* needs to clarify how this research will actually get produced. Will it develop in-house capacities to produce knowledge products? Will it rely on external associates? Will it partner with other established knowledge management groups or institutions (inside or outside the World Bank Group) that

can complement its technical expertise in innovation and entrepreneurship with their expertise in knowledge generation and dissemination? These various strategies have their own costs, benefits and risks that need to be explored by *infoDev*.

**Recommendation 5: The *infoDev* Secretariat and the World Bank should revise the *infoDev* governance and institutional arrangements to better integrate the requirement for oversight with Program demand for strategic advice. In all cases, there is a need to align accountabilities and increase the ownership of the members of the governing body.**

The evaluation team believes that a program like *infoDev* would benefit from a governance structure that brings together “investors” rather than traditional “donors” and gives the governing body a set of strategic and fiduciary responsibilities that complement those carried out by the World Bank as the Trust Fund Administrator. A governance structure should provide *infoDev* with oversight, funding, knowledge of the field, strategic insights, a definition of and guidance on risk tolerance, and overall greater confidence in decision making. Over the past five years, *infoDev* has found it has been challenging to motivate the creation and continuity of a Donors’ Committee with the sufficient participation and engagement to fulfill all these needs. Moving forward, *infoDev* may want to consider two different options with regard to revising its governance arrangements; in either case, the World Bank/IFC would continue to chair the governing body.

**Option 1:** Create a Governing Council that includes Donors/Investors and other Stakeholders (Stakeholder Model)

In this option, the Governing Council includes representatives of the investors or financial contributors to *infoDev* (donors) as well as other key partners. As noted in Section 7.2, the World Bank and *infoDev* need to clarify the specific roles and responsibilities of the Governing Council. Possible responsibilities include:

- Ensure a clear direction (strategy) and plan is written and updated on a regular basis which is in line with the purpose of *infoDev*
- Ensure principal roles and responsibilities of governors are clear including effective delegation of authority and clear differentiation of management and board
- Ensure rules for board membership are in place and succession plans exist for both the Council and Program Manager
- Ensure that the organization has in place information systems (finance and program) that track and report on performance against established objectives (although it is understood that *infoDev* uses World Bank systems there may be a need for investment in its own systems for tracking and measuring results, for example)
- Ensure timely feedback is provided to the Program Manager on all substantive plans and reports to the Board
- Provide the necessary financial oversight to satisfy World Bank MDTF requirements and exemplify good practices in the governance of global partnerships
- Ensure proper risk assessments are conducted when appropriate and the Governing Council monitors risks of work. When appropriate, risk mitigation work should be requested and engaged in by management.
- Ensure any partnerships or inter-organizational relation agreements are properly vetted and approved
- Ensure ethical practices are followed, including issues of conflict of interest.

In addition, the World Bank and *infoDev* need to clarify characteristics of the governors or directors.<sup>46</sup> Possible characteristics could include:

- Provide a high level of confidence (legitimacy) to investors and senior Bank officials in governors
- Be seen as having knowledge in *infoDev*'s program areas
- Be capable to dialogue with Bank with respect to appropriate institutional arrangements
- Represent the investors in *infoDev*
- Be supportive in obtaining appropriate level investments and resources based on strategy
- Be capable of accessing cutting edge knowledge about Innovation, technology and start-up entrepreneurship
- Willingness to spend between 3-7 days a year on *infoDev*'s business
- Attention to performance (results) of *infoDev*.

In relation to defining membership categories, *infoDev* should consider whether it requires members who:

- See themselves as having a fiduciary responsibility for the funds being expended
- See themselves as being “mission driven” and accountable for the outcomes and impacts of the funds being invested
- Represent trusted members of the industry, programming and financial community
- Intimately understand the existing market (supply and demand) associated with the program area and or the emerging market.

Finally, the World Bank and *infoDev* need to determine the frequency of Governing Council meetings. In our opinion, they should occur at least once per year, with the purpose of reviewing and approving the annual *infoDev* workplan and strategy.

**Option 2:** Create a Governing Council of Donors/Investors (Shareholder Model) and a separate Advisory Committee to advise Management and the Governing Council as required

In this option, the Governing Council is made up of the investors/donors. The Council could appoint a separate Advisory Committee composed of other stakeholder groups (e.g., private sector partners, academia, clients, others in the sector who know the state of the art) that can provide independent strategic advice to the *infoDev* Program Manager in the development and implementation of the MDTF strategy and business plan, and advise the members of the Governing Council on strategic opportunities and challenges associated with that strategy. The Advisory Body, as the name implies, would not have any fiduciary responsibilities.

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<sup>46</sup> In this document we use the terms “governors” and “directors” interchangeably to refer to the members of the governing body that generally provides strategic and fiduciary oversight.



## Appendix I List of Findings

- Finding 1: *infoDev* is highly relevant to surveyed and interviewed growth-oriented entrepreneurs and business enablers (incubators or accelerators). Its value added to these clients at the grassroots level is due to its grant funding to support design, improvement, and growth of these initiatives; practical advice and knowledge on product and management issues; ability to facilitate networking and exposure.
- Finding 2: Government and private sector representatives generally report that *infoDev* is a relevant strategic partner, but for different reasons.
- Finding 3: *infoDev* is relevant to the private sector development agenda of the World Bank Group. However, its relevance to Bank operations and value added as a lab in innovation/entrepreneurship is not yet widely known or recognized.
- Finding 4: *infoDev*'s overall focus on innovation and entrepreneurship is generally congruent with donors' PSD agendas. However, interviewed donors hesitate to contribute to collective mechanisms such as the new multi-donor trust fund and some of them would like to see *infoDev* playing the knowledge-sharing/think tank role that it had in the past.
- Finding 5: Interviews suggest a lab-like approach to innovative technology enabled entrepreneurship, as articulated in *infoDev*'s concept paper, has potential relevance to major constituent groups (including donors, World Bank).
- Finding 6: Over the review period, *infoDev* has played a catalytic role in stimulating new initiatives to support growth-oriented entrepreneurs in mobile innovation in developing countries.
- Finding 7: Although in early stages, *infoDev*'s work through the Climate Technology Program has begun to establish Climate Innovation Centers in eight countries and offers a promising intervention logic and programmatic approach that has drawn attention from a number of donors.
- Finding 8: Other program areas, such as Access to Finance, Women's Entrepreneurship, and Agribusiness Innovation are in earlier stages of development. These areas appear to respond to observed or expressed needs of *infoDev*'s grassroots constituencies.
- Finding 9: *infoDev* grassroots constituencies, or clients, are highly appreciative of the valuable knowledge that they gain through their interactions with *infoDev*.
- Finding 10: *infoDev* has continued to demonstrate its convening capacity and networking role through the Global Forum on Innovation and Technology Entrepreneurship.
- Finding 11: Most of the *infoDev* successes identified above are at the activity or output levels; until recently, *infoDev* has paid insufficient attention to tracking and reporting outcomes.
- Finding 12: *infoDev*'s accumulated learning from implementing key projects over the review period, particularly CSBKE, has significantly influenced, and is becoming the foundation for, its new 2013-15 Work Program.
- Finding 13: While *infoDev* took steps to document and share its experiences over the past few years, the generation and sharing of knowledge and learning was not sufficiently integrated nor resourced. In its 2013-15 Work Program, *infoDev* plans to address this shortcoming.
- Finding 14: In its first phases, *infoDev* contributed, along with many others, into making ICT4D a mainstream development issue. Its transition to a new area is just beginning and thus it is premature to judge sustainability in these terms.



- Finding 16: *infoDev* survived a financial crisis and renewed itself, but created considerable ambiguity about its developmental objectives, results, effectiveness and niche. *infoDev*'s recent adoption of a program-based approach should help clarify its developmental objectives.
- Finding 17: *infoDev*'s Work Program for 2013-15 provides potential donors/investors with a description of its proposed future programming areas. This is a necessary but not a sufficient step in developing its next program.
- Finding 18: The present Program Framework Agreement within which *infoDev* is operating is significantly outdated and has been for several years.
- Finding 19: The collective mechanism for governance set up under the Program Framework Agreement, i.e., the Donor's Committee, became increasingly moribund as donors ceased to invest in the MDTF and preferred to engage *infoDev* on other programs on more of a bilateral basis.
- Finding 20: The consultations carried out with stakeholders suggest that *infoDev* could be better served by a stakeholder governance model that accommodates the need for oversight as well as intellectual or strategic guidance, with a composition that reflects the wide range of the Program's stakeholders (including the World Bank).
- Finding 21: *infoDev* has given limited emphasis to developing results-oriented program planning, management and reporting systems, which has affected its ability to report meaningfully on its performance. It is aware of and starting to take steps to address these shortcomings.
- Finding 22: *infoDev* has produced a number of key knowledge products since 2007, but it has often operated without a clear strategy with regards to its broader role in generating and disseminating knowledge and lessons from experience. By including research and analysis as a program priority of the 2013-2015 Work Program, *infoDev* is moving in the right direction.
- Finding 23: *infoDev* has a cadre of talented staff that is highly valued by its clients and has been a key element in the Program's success in recent years. As *infoDev*'s role evolves into a learning lab, attracting and managing talent will continue to be a key issue for Program Management.
- Finding 24: *infoDev* relies on World Bank systems and practices for procurement and financial management, which have presented inefficiencies and challenges for the Program. However, as *infoDev* moves into a consolidated Work Program it may need to find alternative ways of working with or adapting these systems to suit the needs of a learning lab.
- Finding 25: *infoDev* dramatically increased its annual donor contributions between FY2008 and FY2012. The target program size for the new Work Program FY2013-2015 represents a large jump in revenues.
- Finding 26: *infoDev* programs operate in an increasingly high risk, high reward environments. *infoDev* managers' abilities to rigorously and proactively identify and manage risks will continue to be critical to its successful performance.



## Appendix II List of Recommendations

- Recommendation 1: The *infoDev* Secretariat should continue to define, clarify and validate its role and added value as an experimental “lab” in innovation and entrepreneurship in developing countries within the World Bank Group.
- Recommendation 2: The *infoDev* Secretariat should develop a strategy and business plan that helps to make the components of its Work Program 2013-2015 more concrete, actionable and results-oriented.
- Recommendation 3: *infoDev* should establish a results-based planning, monitoring, reporting, and evaluation system that is appropriate for a program that focuses on innovation and entrepreneurship, and should institutionalize its use.
- Recommendation 4: *infoDev* Secretariat should enhance its capacity in learning and knowledge generation and dissemination as it clarifies its role as a “lab”.
- Recommendation 5: The *infoDev* Secretariat and the World Bank should revise the *infoDev* governance and institutional arrangements to better integrate the requirement for oversight with Program demand for strategic advice. In all cases, there is a need to align accountabilities and increase the ownership of the members of the governing body.