



# Evaluating a National, Three Year Jobs Fund Outcomes-Based Pilot for Green SMMEs

A multi-year, multi-million rand pilot project requires insightful monitoring and evaluation (M&E). This ensures a suitable evaluation framework is selected; relevant data are collected regularly to ascertain project progress; data are analysed to inform any adjustments to activities or systems; ultimately, the project's impact is evaluated. The M&E provider must be independent of the project to avoid conflict of interest, and be an expert in evaluation design, M&E system design, data collection, qualitative and quantitative analytics and report writing.

Firdale Consulting has been hired as the independent M&E provider for the three year, R488.1 million Green Outcomes Fund Project (GOF) that began in January 2020. GOF seeks to stimulate innovation and investment in the green economy by providing outcomes-based matched concessionary capital to existing and emerging local investment funds to promote investments in green small, medium and micro enterprises (SMMEs) in South Africa to grow sustainably and create jobs.



## What is the Green Outcome Funder (GOF)?

GOF is a multi-stakeholder project primarily funded by the Jobs Fund (South African Treasury), with catalytic support from Rand Merchant Bank's FirstRand Foundation.





The project implementation partners managing the project are GreenCape (a non-profit and sector development agency driving the widespread adoption of economically viable green solutions) and Bertha Centre for Social Innovation and Entrepreneurship (a centre of excellence focused on innovative finance for government, NGOs, philanthropists and traditional financiers). The investment funds to GOF, called Catalytic Finance Partners (CFPs) are: Business Partners, Conservation International Ventures, Edge Growth Ventures and Mergence Investment Managers. The CFPs provide financial and in-kind support to South African green SMMEs to grow sustainably and create direct permanent jobs. For each permanent job created by the SMMEs (up to the target), the CFPs receive grant funding from GOF. It is, therefore, an outcomes-based concessional funding model.

GOF is built on two premises: financial constraints hamper green SMMEs' potential to grow and create jobs; and information uncertainty, weak pipeline and high-risk perceptions limit fund managers' appetite to invest in green SMMEs. GOF aims to address these issues by sharing the investment risk between private and public entities, and the process is intended to generate learnings on sustainable investment models for green SMMEs. The four CFPs have allocated just under R400 million of their own capital to invest in green SMMEs and the Jobs Fund will disburse up to R75 million in grant funding to the investment funds as the SMME job creation targets are met.

Firdale Consulting's role is two-fold: (a) support the project team with an M&E system to generate regular monitoring of the project's activities, and (b) conduct comprehensive evaluations of the project at baseline, midline and endline.



Firdale is ideally placed for this role, given our experience in conducting large-scale evaluations across multiple sectors. We will use our quantitative research expertise to measure the project's impact and our qualitative skills to identify the mechanisms driving that impact. Our experience in building M&E systems and designing, building and maintaining live data dashboards allows us to support the project's routine monitoring processes and reduce the burden of reporting on project partners.

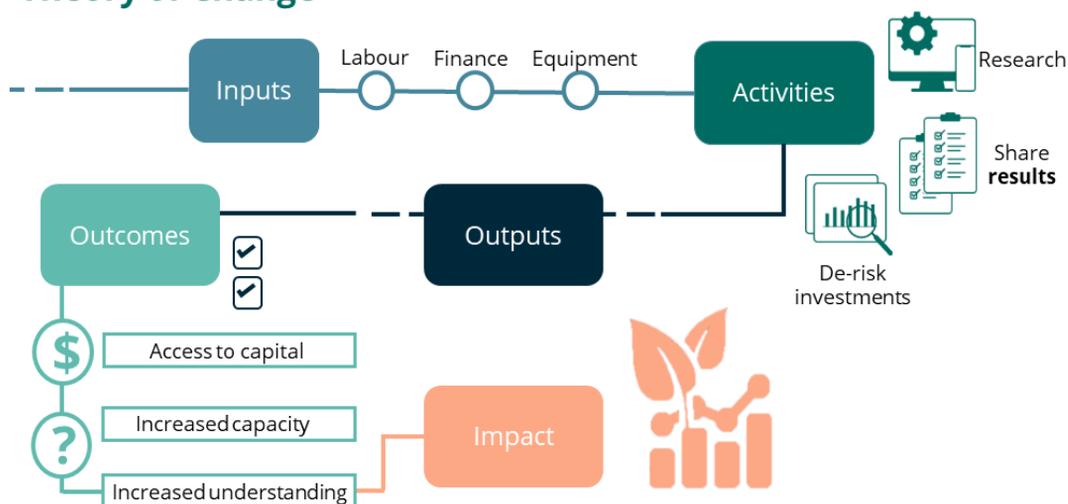


## Firdale’s approach to evaluating GOF

Multi-year projects piloting innovative ideas, such as GOF, require a comprehensive evaluation approach at baseline, midline and endline. The baseline evaluation measures the status quo at the start of the project at the investment funds and green SMMEs to provide a basis for comparison at midline and endline. It lays out the project goals and projected timelines, identifies potential weaknesses in the design, and puts forward recommendations to address these weaknesses.

The midline evaluation, 18 months into the project, measures progress to date, assesses the risks and suggests adjustments to the project’s design and implementation where required. The endline evaluation, conducted immediately after the 3-year implementation period, assesses overall project performance, investigates which activities and conditions drove project outcomes and considers the impact on the broader investment and green SMME communities.

### Theory of Change



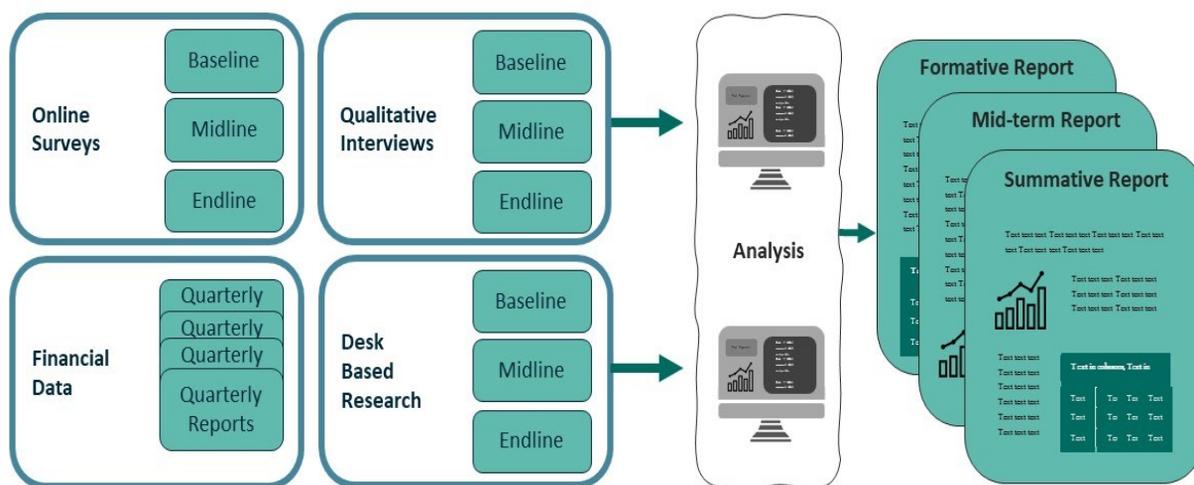
Our first task was developing a detailed Theory of Change (TOC) in a collaborative workshop with the project partners, GreenCape and Bertha Centre, to lay the evaluation groundwork. The TOC is essential to determine the focus of the evaluation and forms the basis of the evaluation questions. During the workshop we facilitated discussions by focusing first on Impact, then Outcomes, Outputs, Activities and finally Inputs. The client was provided with a colour-coded poster format TOC which forms the roadmap of the GOF project. GreenCape reflected that the new TOC “helped define stronger causal pathways where metrics needed to be integrated and assumptions needed to be tested over the piloting of this model”.



Based on the TOC, we formulated five broad evaluation questions to measure the efficiency, effectiveness, relevance, impact and sustainability of the project; and thereafter compiled a detailed indicator matrix. These indicators are SMART (Specific, Measurable, Affordable, Relevant and Time-Bound) and are linked to specific evaluation questions allowing us to measure whether the TOC is working as theorised.

A range of research techniques are being used during the evaluation. In addition to desk research, we are collecting and analysing quantitative and qualitative data from the investment funds and SMMEs periodically during the project. This includes surveys we have designed and uploaded to Google and Zoho, financial data, and qualitative data from semi-structured interviews conducted telephonically.

Currently, we have completed the baseline evaluation. The in-depth report we delivered articulated the problem statement, described the economic and social context, defined the TOC and indicators, identified the evaluation approach and evaluation questions, outlined the methodology for data collection and analysis and finally presented the results and recommendations. The contextual analysis was useful for GreenCape to “provide a good overview of the importance of SMMEs in the economy and their contributions towards job creation ... and a very good overview of other job creation initiatives”. They enjoyed that “learnings can be extracted and shared with various stakeholders involved in the GOF on how they go about creating jobs” and “the weaknesses and recommendations identified by Firdale have tangible insights that can be implemented.”





## **Firdale's role in supporting routine monitoring**

To enable the project partners to view and analyse incoming project data in real-time Firdale designed and built a live data dashboard using RShiny, an affordable and easy-to-use online platform for displaying data in an appealing and accessible way. The Firdale team is experienced in dashboard design and coding using RShiny. The dashboard automatically pulls reporting data from the surveys and financial reports, analyses the data, and generates graphs and statistics that can be viewed on the online dashboard. These can also be downloaded and used for reporting and presentations.

GreenCape commented that the dashboard is “great in providing consolidated and comparative data” and “helpful in presenting a quick, easy-to-understand overview to stakeholders.” This has made project management easier as “having actual targets versus projected targets displayed on each indicator helps assess performance for the quarter...and helps the GOF team identify and inform specific performance-related queries.” Firdale effectively translated complex data into easy-to-use visuals and GreenCape indicated that “the graphical representation of data allows for quick analysis, which can be helpful in decision making”.