Ministry of Foreign Affairs

Final Report: Impact Clusters Outcome Evaluation 2025

Commissioned by the Netherlands Enterprise Agency

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Impact Clusters Outcome Evaluation - 2025

Final Report

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Impact Clusters Outcome Evaluation - 2025

Final report

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Executive Summary

The Impact Clusters (IC) instrument was designed to support private sector development in partner countries by mobilising Dutch and local firms around shared sectoral opportunities, while simultaneously strengthening the long-term engagement of Dutch companies in emerging markets. An outcome evaluation of the IC programme was commissioned by RVO, primarily to learn under which circumstances and conditions Impact Clusters achieve sustainable outcomes. This evaluation, therefore, determines whether the intended effects as reflected in the theory of Change (ToC) have been realized and what have been the underlying factors that explain these effects (or lack thereof). The evaluation results are meant to enable the RVO Private Sector Development team, the Ministry of Foreign Affairs as well as implementing parties to draw practical and evidence-based lessons for the design and management of future funding iterations of the Impact clusters programme, and to improve the design and management of individual Impact clusters projects.

The evaluation covers all twenty completed IC projects implemented since 2016 across twelve countries and a diverse set of sectors, and examined outcomes for local firms, Dutch partners, supporting institutions and the wider sub-sectors in which these clusters operated. The evaluation was grounded in a realist, theory-based methodology going beyond the question whether ICs “worked” towards analysing how and why outcomes emerged under specific contextual conditions.

Using a Context–Mechanism–Outcome (CMO) framework, the evaluation reconstructed causal pathways for **five outcome domains:** *1) local consortium partners, 2) local beneficiary firms, 3) other local organisations, 4) Dutch partner companies, and 5) broader sub-sectoral effects***.** The evaluation used mixed-methods for data collection, combining document review, surveys among IC partners, interviews with RVO staff, PSD coaches, embassies and partners, web-scraping of Dutch firms, six in-depth country case studies, and a participatory validation and sense-making workshop with RVO and MFA.

Main findings per outcome domain.

Local consortium partners are the main beneficiaries of the IC model. In more than eighty percent of clusters, they retained control of core demonstration assets such as greenhouses, hatcheries, cold stores, feed mills or service hubs after the grant ended. In most cases these facilities remained in use, primarily generating benefits for the local IC partner firm, which means exposure to newly introduced technology / knowledge remained possible beyond project duration. In roughly two-thirds of ICs, these firms also upgraded their business practices through improved production control, biosecurity, quality management, data use and planning. About half of them used the IC to reposition themselves within their sector as credible reference firms, often becoming preferred interlocutors for governments, donors and buyers. In many clusters, IC firms ended up with better equipment, procedures and market visibility, which in around 50% of the cases translated in improved business performance (growth in turnover, employment, and in some cases access to finance).

Overall, it appears that the IC intervention logic largely works for the local IC partner company, whereby tangible outputs of the IC project continue to be used (= changed practices) to create a stronger market position with increased turnover and employment (= changed performance).

For **local beneficiary organisations outside the consortium**, the ICs functioned primarily as gateways to knowledge, contacts and exposure. In more than half of the clusters, beneficiaries adopted incremental improvements in production and management practices following training, field days and demonstrations, particularly where technologies were modular, affordable and compatible with existing systems. In eight to nine clusters, especially in horticulture, poultry and aquaculture, this plausibly translated into higher yields, better quality and improved incomes. In other clusters, however, technology misfit, high capital requirements or fragile business models

meant that exposure did not convert into tangible gains. In general, better-resourced farmers and SMEs benefited more while poorer producers remained constrained by lack of finance, high risk exposure and unstable prices.

This means that the IC intervention logic works for local beneficiary companies in almost half of the IC cases, mostly depending on the quality of the business case for them. In a small majority of cases, the IC projects led to low-cost/low-risk changes on business practices, but often reaching a smaller number of beneficiaries than originally intended.

Other local organisations that make up the institutional ecosystem around ICs proved harder to influence. Many clusters set out to involve universities, training centres, sector associations or government agencies in events and demonstrations. In reality, however, this engagement was less than intended and incidental. Only in a small number of clusters, notably in Benin, Zimbabwe, Rwanda and Vietnam, more regular and structural engagement of other local organisations could be observed.

As a result, the IC intervention logic for other local organisations only works in a minority of cases, mainly because intentions about engagement of other organisations are not clearly assigned to capable partners that would treat this as a priority of their IC project.

Dutch IC partner firms, meanwhile, experienced ICs less as direct sales vehicles and more as instruments for learning, positioning and risk management. In the majority of ICs, Dutch partners reported better understanding of market conditions, customer behaviour and regulatory constraints, and many used IC participation to build credibility in the market and with government. Substantial commercial expansion occurred only in a minority of clusters, typically where the IC included or reached at least one viable anchor client with a clear interest in sub-sector development. Where technologies and business models introduced by the IC proved premature or misaligned with local market readiness, Dutch firms still valued ICs for providing “negative learning” that prevented larger, riskier investments.

This means that the full IC intervention logic only works for a minority of Dutch IC partners that translate IC participation in durable engagement and business expansion. Nevertheless, a majority considers participation a success, as IC projects are primarily seen as practical learning opportunity to inform, rather than form, their expansion strategy.

In terms of **broader effects on the wider sub-sector**, there is little documented evidence about spill-over effects beyond direct beneficiaries, as nobody is explicitly mandated, resourced and held accountable for this. However, from interviews it appears that the most valued contribution of ICs lies in creating practical lasting access points for improved inputs, services and knowledge, such as seed suppliers, hatcheries, feed mills and demonstration farms. These access points are important for broader longer-term effects because they offer exposure facilities that last with an organically growing reach. However, broader sub-sector growth and constraints around finance, pricing and regulation were rarely altered by ICs themselves and remained primarily shaped by national policies and larger (often government-backed) PSD programmes.

Overall, this means the available evidence is insufficient to confirm the validity of the IC intervention logic in having broader effects on the subsector. Where change in subsector performance is visible, there are other more significant factors at play. Most promising signs of IC projects making a significant contribution towards stronger subsectors are the continued existence of access points for new technology and knowledge and upgrading the professional image / standards of the targeted subsector.

Overall conclusions about effects and explanatory factors for success.

The IC programme is an effective instrument that enables clusters of interrelated (Dutch and local) firms to jointly test the (commercial) feasibility and marketability of particular technologies, products and/or production methods that are new to emerging markets. This allows participating firms to gain valuable insights into local market conditions and build local networks and credibility that add value to their strategic decision-making about future market engagement.

IC projects address valid evidence-based market opportunities or bottlenecks with innovative solutions that in some cases prove to be the basis for commercial success and in others not, as can be expected from a de-risking instrument like the IC programme.

Most firms are satisfied with the experience gained and lessons learned from a relatively modest investment in IC participation, even without commercial success. As such, the ICs offer a valuable stepping stone to more substantial market engagement and investments. This ambition fits the nature of the IC projects, which are too limited in size, duration and geographical scope to make a significant contribution to subsector growth. Moreover, there is little evidence that demonstrates substantial spillover effects on the subsector, beyond the creation of new ideas and inspiration for operating at a more professional, modernized and larger commercial scale. This does not make the IC programme irrelevant or ineffective, as the IC occupies a distinctive niche in the Dutch PSD portfolio. It only makes that the IC ambitions need to be fitting the contribution they can realistically make, preferably in support of other (national) policies and programmes that support PSD.

Looking at the explanatory factors, we note that IC projects are generally designed in response to well researched market opportunities / deficiencies, which gives them relevance and potential for success. Actual success in the eyes of IC partners is influenced by external factors like: political and economic stability, emerging competition or competitive PSD interventions and alignment with government priorities. These factors may be beyond the control of the IC project, but we observe significant variety in projects anticipating, dealing with, or mitigating the impact of those contextual factors. This makes that in case of a clear evidence-based market opportunity / deficiency in a subsector that the government sees as priority in a relatively stable political and economic context, the most important (external) conditions for a successful IC project are met.

The success of an IC project is then primarily dependent on how success is defined and the IC's own ability to design, manage and implement a successful intervention. Given that IC partners define success different from the overall IC programme objectives, the underlying factors that determine success for IC partners are also different from those that determine broader success beyond the IC partners.

Success (or lack thereof) of IC projects for the IC partners themselves depends on:

- **IC partnership composition** bringing together credible and complementary partners, including (financially) strong / trusted local partner(s), who share the longer term vision of the project and are willing and able to share the risk and contribute to the completion of the project, also in case of unforeseen costs or complications.
- **IC partnership functioning** based on a joint strategy with clear and comprehensive division of responsibilities fitting each partners' qualities with a transparent and fair distribution of the subsidy, risks and benefits of the facilities being created under the project.
- **IC partnership management**, with a consortium lead that has the clear mandate and capacity to manage the partnership (work planning, task distribution, budgetary oversight), including monitoring and acting on concerns related partnership dynamics.
- **IC project design** based on a thorough and sufficiently detailed business plan considering market context (price development, competition, government policy and other PSD interventions) and the (financial) interests and capabilities of all IC partners.
- **IC project implementation that meets the expectations of project design** and keeps IC partners engaged and interested based on clear work plans that reflect the collective interest of the project partners.

Success in terms of having broader effects beyond the IC partners is determined by:

- **IC partnership composition** with partners that share a credible longer-term interest in broader sub-sector development, without creating power imbalances in the subsector (e.g.

by making the partnership overly dependent on one partner for connecting to beneficiary companies).

- **IC partnership functioning** with clear designation and accountability for responsibilities that go beyond the delivery of project outputs in terms of (physical) technology / knowledge transfer. This includes: networking with relevant authorities and knowledge institutes, dissemination / communication of project results, and M&E of broader effects.
- **IC project design** based on a thorough business plan with realistic cost/benefit projections for targeted beneficiary companies, considering market context (price development, investment needs / access to finance, government policy) and other factors that may prevent them from adopting newly introduced practices.
- **IC capacity building** relying on creating a demo-infrastructure that continues to operate beyond project duration offering accessible, lasting and / or repetitive opportunities for local beneficiary companies and other stakeholders to get exposed to the newly introduced technology / knowledge.
- **IC project implementation that meets expectations / promises** in terms of projected (investment and recurring) costs, benefits and time-frame for beneficiary companies, with the IC project making a deliberate effort to understand and reconcile their interests and concerns with those of the IC partners themselves.

Detailed lessons learned were extracted from the findings for each outcome area. A synthesis of these lessons is presented in the box below.

OVERARCHING LESSONS LEARNED:

Concerning the overall programme rationale / purpose of the IC programme.

- RVO and IC participants define success differently. The broader (spill-over) effects of the IC projects demonstrating a better functioning sub-sector represent the main goal for MFA / RVO. IC project partners primarily aspire to gain market knowledge, credibility and contacts that help their future business ambitions, in line with the nature and scale of IC projects. For them, IC is a de-risking instrument to inform their strategic decision making.
- Expecting the IC programme, being an unique instrument predominantly used by private sector partners, to address broader policy or curriculum issues, turns out to be overambitious, unless credible partners with more natural access to government or higher education institutes take active part in the IC with this specific purpose in mind.

Concerning the creation of successful partnerships.

- Credible complementary Dutch partners with financially strong and committed local 'anchor' partners that are willing and able to share costs and risks, under a seasoned consortium lead that keeps the IC together, have a strong chance to succeed.
- Clarity on decision-making processes related to ownership and use of physical facilities created by the IC project helps building trust and collaboration among IC partners.

Concerning the design of a successful project.

- Having a convincing and comprehensive business case with realistic cost/benefit projections that considers (evolving) factors like inflation, competition and government interest, for *both* IC partners and beneficiary companies, is a crucial precondition for success beyond the IC partners.
- However, just having a good business case, without deliberate attention for Access to Finance and risk appetite of local partners and beneficiaries, is not enough. ICs have a bigger chance of success when working through a strong local partner targeting beneficiaries that also have (access to) resources and can absorb some (financial) risks.

Concerning the realisation of effects beyond the IC project partners.

- Broader effects require deliberate engagement with other local organisations, which only happens when someone is assigned, capacitated and committed to make this happen.

- Broader effects (beyond direct beneficiaries) only become visible if someone is deliberately assigned, capacitated and held accountable for tracking those broader effects.
- IC projects can contribute to creating a more meaningful and professional image of the subsector, which makes (financing of) working in the sector more attractive.

Concerning the sustainability of results.

- Creating hardware-anchored facilities to demonstrate new technology / knowledge that remains and continues to be operated by a trusted local partner in a profitable manner is important for the sustenance and growing reach of demonstration efforts.
- Easy accessibility of exposure / demo efforts (i.e. within manageable distances and flexible in time) increase reach and continuation of demonstration effects.

Concerning the additionality of the IC programme

- IC projects offer evidence of new technologies / practices working well or less well, which local partners can use to provide practical inputs into broader PSD efforts at (national) policy processes, with the added advantage of improving their connections and reputation.
- IC projects are a unique and valued PSD instrument situated between diagnostics (pre-feasibility studies) and scale-up (policy influencing) instruments.

These conclusions and lessons learned led to the following recommendations related to;

Overall programme design and typology of interventions.

1. Adapt the Theory of Change to reflect different ambitions and change pathways.

The current IC Theory of Change assumes that firm-level upgrading will diffuse into wider sector transformation. Evidence suggests this is only partially true. Local anchor firms, smaller beneficiaries, Dutch partners and institutions each follow different change logics. A revised ToC should therefore specify distinct actor-specific pathways and expected contributions to spill-over, also reflecting what can be realistically expected from ICs in influencing the broader sub-sector eco-system. This would allow for more realistic planning, monitoring and course correction and also create a better fit with recent changes in the Dutch policy landscape.

2. Distinguish types of Impact Clusters to better manage expectations.

ICs in practice serve different purposes, including value chain development, elimination of bottlenecks, market exploration or expansion / diversification. Recognizing this diversity allows for a more realistic management of expectations. Introducing a limited set of IC typologies, each with tailored appraisal and success indicators, would allow RVO to manage the portfolio more strategically and reduce pressure on consortia to over-promise. Maintaining an 'other' category for extra-ordinary proposals with great potential would keep the IC programme flexible.

Partnership composition and functioning.

3. Optimise partnership composition and governance

IC effectiveness depends heavily on partnership quality, yet ownership, competitive dynamics, risk-sharing and decision rights are often weakly defined among IC partners, which has proven to lead to misunderstanding and tensions. In addition to earlier measures to strengthen partnership governance, we suggest to

a) consider complementarity of partners within the sub-sector

b) consider power imbalances, ensuring the inclusion of strong and trusted local partner(s) that have a longer-term vision, access to resources, relevant contacts and credibility and

c) ensure consortium leads assign a project manager with the mandate to manage overall partnership dynamics and performance, whilst ensuring adequate delegation of local coordination and networking.

Realization of broader effects.

4. Elaborate on the business case of beneficiaries in project design

The broader success of an IC is as dependent on the attractiveness of the business case for the targeted beneficiary companies as it is for the IC partners themselves. We, therefore, suggest that projects are required to pay more attention to the business case of beneficiaries, including realistic cost/benefit projections, access to finance and how habitual tendencies that complicate change will be dealt with.

5. Improve coherence with other PSD stakeholders.

Project intentions in terms of engagement with other PSD stakeholders are often not realized due to the absence of 'other knowledge / advocacy organisations' in most ICs, while IC partner companies consider policy influencing or curricula development beyond their commercial mandate. Nevertheless, this engagement is crucial to stimulate broader change, but needs to be realistic and feasible.

This can start by recognizing alignment / coherence with government priorities during project design and appraisal, not as precondition but to keep expectations reasonable (if not aligned) and/or articulate the ICs added value (if aligned). During implementation, engagement with government by commercial partners is best done when addressing operational matters, though local partners can be encouraged and enabled to remain open and responsive to requests for practical inputs in policy-processes, as this can strengthen their reputation in the sub-sector. Engagement with knowledge institutes can be similarly opportunity/demand-driven, unless a dedicated IC knowledge partner is included for this specific purpose.

Sustainability of IC project results.

.6. Require foresight and outreach strategies

ICs tend to focus on delivery during the project period rather than on what happens afterwards. Proposals and reporting should include explicit foresight on how results will be sustained, scaled or replicated, with particular attention for the continued use of hardware and maintaining easy access-points for exposure to new technology / knowledge. Moreover, project proposals can be appraised on the inclusion and clear designation of structured outreach efforts via channels that IC partner companies have easier access to like: business associations or vocational media.

Strengthened IC facilitation by RVO and embassies.

7. Equip PSD coaches for more active facilitation

In the understanding that future IC project proposals are expected to comply with the above recommendations, the evaluation sees a stronger role for RVO in project appraisal and the facilitation of project implementation led by PSD coaches with relevant inputs from embassies. More specifically, this means a closer examination of the business case of the IC partnership and the targeted beneficiaries, whereby an assessment of compliance with the criteria of the 5A model (affordability, awareness, availability, acceptability and advantage) in consultation with the embassy can help. In the same way, verifying alignment with national priorities can be initiated by the PSD coach and informed by the embassy. Finally, PSD coaches being accessible as external mediator when needed, adds further value to their facilitation of successful IC projects.

List of abbreviations

Abbreviation	Meaning
AI	Artificial Intelligence
BAS	RVO internal project database (Business Administration System)
BC	Business Case
CMO	Context–Mechanism–Outcome
Combi-tracks	Combined PSD funding tracks in the RVO toolkit
DDE	Directorate for Sustainable Economic Development (MFA)
FGD	Focus Group Discussion
G2G	Government-to-Government
IC	Impact Cluster(s)
K2K	Knowledge-to-Knowledge
KII	Key Informant Interview
KPI	Key Performance Indicator
MFA	Ministry of Foreign Affairs (Netherlands)
MEAL	Monitoring, Evaluation, Accountability and Learning
MENA	Middle East and Northern Africa
MTR	Mid Term Review
NABC	Netherlands Africa Business Council
NGO	Non Governmental Organisation
NL	Netherlands / Dutch
ODA	Official Development Aid
PMEL	Planning, Monitoring, Evaluation and Learning
PPP	Public–Private Partnership
PSD	Private Sector Development
RVO	Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland)
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprise
ToC	Theory of Change
TOR	Terms of Reference
ToT	Training of Trainers
YUGEP	Young in Greenhouse Enterprise Project
5A model	Affordability, Awareness, Availability, Acceptability, Advantage, used to assess beneficiary business viability
PSD Toolkit	RVO's broader set of private sector development instruments

1. Introduction – purpose and scope of the evaluation

This Impact Clusters (IC) outcome evaluation primarily serves a learning purpose to (further) enhance the successful application of the Impact Clusters Programme, a subsidy framework meant to stimulate private sector development in a large variety of countries and sectors. An increasingly important additional consideration is that the subsidy framework benefits both private sector development in programme countries and (the private sector in) the Netherlands.

To do so, the evaluation assesses the outcomes of the Impact Clusters program and verifies whether the underlying assumptions remain valid and have contributed to the observed results. The evaluation, furthermore, determines whether the intended effects as identified in the theory of Change (ToC) have been realized and what, if any, were unintended effects. The evaluation is meant to enable the RVO Private Sector Development team, the Ministry of Foreign Affairs as well as implementing parties to learn under which circumstances and conditions Impact Clusters do and do not achieve sustainable outcomes.

This evaluation provides practical and evidence-based lessons for the design and management of future funding iterations of the overall Impact clusters programme, and to improve the design and management of individual Impact clusters projects. This to help ensure more effective use of Official Development Aid (ODA) budgets for Private Sector Development.

The evaluation covers all 20 completed Impact Clusters projects, initiated from 2016 onwards in 12 programme countries by looking at the effects on its three main target groups: local companies, other local stakeholders (mostly knowledge institutes and NGOs) and Dutch companies and organisations taking part in the IC projects. In doing so, we distinguish effects on local companies and knowledge institutes / NGOs that were part of the project consortium from those that participated in and benefited from IC activities. Moreover, we look at broader / spill-over effects on the overall business climate in the targeted (sub-)sector, and companies / organizations beyond those directly involved.

The evaluation is carried out without significant deviations from the TOR (see annex 1). However, the actual involvement of *other local organisations* in the completed IC projects appeared to be limited, which made that relatively little data could be collected related to the effects on this stakeholder. A particular challenge in the data collection was the mobilization of informants among former IC partners and beneficiaries, as many of the people that were actively involved had moved on, especially related to older projects that had been completed several years ago.

This evaluation report first describes the facts and figures of the Impact Clusters programme being the subject of the evaluation, along with the evaluation's understanding of the programme's Theory of Change / Results chain (chapter 2). Subsequently, we summarize the methodological approach / research design (chapter 3), followed by the evaluation findings structured by criteria: effectiveness, sustainability and additionality (chapter 4). The final chapters present the evaluation's conclusions & lessons learned (chapter 5) and recommendations (chapter 6).

2. Description of the Impact Clusters programme

2.1 Background

The Impact Clusters programme is implemented by the Private Sector Development (PSD) team of the Netherlands Enterprise Agency (RVO) and is funded by the Ministry of Foreign Affairs through the PSD Toolkit Programme and the Combi Approach Toolkit Programme.

Impact Clusters was established in 2016 as part of the broader PSD Toolkit Programme. The aim was to involve more Dutch companies in the development of the private sector in developing countries. These countries often hold great potential as future markets, with opportunities for trade and investment. However, capacity building in the private sector is frequently hindered by a lack of knowledge or technologies, which are available internationally but not yet locally.

Impact Clusters complement broader Dutch private sector development programmes in developing countries. They bring together Dutch and local organisations with sector-specific knowledge, skills, and technology to strengthen local private sector development. Activities within Impact Clusters must contribute to strengthening the knowledge, skills, and technology of local enterprises, thereby improving their business cases, stimulating the creation of new local businesses, and ultimately generating direct and/or indirect sustainable jobs. Beneficiaries include local small and medium-sized enterprises (SMEs), including farmers, and, where possible, other relevant local organisations such as knowledge institutions within a (sub)sector in developing countries.[1]

By subsidising Impact Clusters, the programme aims to support private sector development, thereby contributing to structural income growth and job creation. In the long run, a better-functioning private sector is assumed to foster greater self-reliance in developing countries. Impact Clusters also are meant to create opportunities for Dutch investments and long-term business opportunities, which would contribute to economic growth for the Dutch private sector. The programme targets the broad development of underdeveloped local (sub)sectors.

2.2 Facts and figures of the Impact Clusters programme

Since 2016, Impact Cluster projects have been initiated or implemented in a wide range of countries. Eligible countries in 2016 included Algeria, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Colombia, Democratic Republic of Congo, Egypt, Ethiopia, Ghana, India, Indonesia, Iraq, Ivory Coast, Jordan, Kenya, Lebanon, Libya, Mali, Moldova, Morocco, Mozambique, Namibia, Niger, Nigeria, Ukraine, Palestinian Territories, Senegal, Somalia, Sudan, South Sudan, South Africa, Suriname, Chad, Tanzania, Tunisia, Uganda, Vietnam, and Zimbabwe.

Impact Clusters have a duration of two to four years. Beneficiaries include Dutch and local small and medium-sized enterprises (SMEs), including farmers, and, where possible, other relevant local organisations such as knowledge institutions within a (sub)sector in developing countries. An Impact Cluster consists of at least five partners (three since 2025), with a minimum of one local organisation and at least four enterprises. Business associations, knowledge institutions, and civil society organisations may also be included. The lead partner must be a Dutch organisation, or an organisation with a registered branch in the Netherlands. Enterprises that join an Impact Cluster must see long-term opportunities in the relevant sector and be willing to commit themselves for multiple years. During the pilot phase in which the 20 completed IC projects were developed, not all of these criteria were explicitly known. Therefore, not all IC projects comply with all requirements that are currently set.

[1] https://zoek.officielebekendmakingen.nl/stcrt-2023-15513.html

Enterprises that join an Impact Cluster see long-term opportunities in the relevant sector and are willing to commit themselves for multiple years. Eligible activities include knowledge transfer through training and education, demonstrating new technologies or local business cases, conducting studies to identify bottlenecks within the local sector or in existing technologies, and coordinating these activities in the consortium. A requirement is that the consortium partners co-invest up to 50% of the project costs.

Between 2016 and 2023, over 30 projects received tailor made grants and were implemented, of which 20 have been completed and are the focus of this evaluation.

Table 1: List of completed IC projects (September 2025)

Country	**Project**	**Sector**	**Start and End year**
Bangladesh	Potato Bangladesh	Agriculture / Agro-industries (potatoes)	2019 - 2023
Benin	Horti Benin	Agricultural development (horticulture and seeds)	2020 -2024
Ghana	Tailor-made Green houses	Agriculture development (horticulture and seeds)	2018 - 2023
	Better chicken for a better future	Livestock (poultry)	2021 - 2024
Indonesia	FoodTech Indonesia	Agriculture / Livestock (food tech)	2019 - 2023
	Plastics in Circles	Waste management (plastics)	2022 - 2024
Kenya	FeedTech Kenya	Agricultural development (feed tech)	2019 -2024
Myanmar	VEG Impact Myanmar	Agricultural development (horticulture and seeds)	2016 - 2020
	Myanmar Dairy Accelerator	Agricultural development (dairy)	2018 - 2022
Nigeria	Seeds 4 Change	Agricultural / SME development (horticulture and seeds)	2019 - 2023
Uganda	Poultry Tech Uganda	Livestock (poultry)	2021 - 2025
Uganda	Dairy Uganda	Agri development (dairy)	2019 - 2024
Uganda	Tourism Trails	Culture, recreation, tourism	2020 - 2024
Uganda	Kajjansi Urban development	Urban Development	2018 -2021
Rwanda	Fish Farming	Aquaculture / fishery development	2020 - 2024
Tanzania	FoodTech Africa	Aquaculture / fishery development	2018 -2021
Tanzania	Kukua na Kuku	Livestock (poultry)	2019 - 2022
Tanzania/Madagascar	New Sustainable spices	Agriculture development (spices)	2019 - 2024
Vietnam	Sustainable shrimp production	Aquaculture / fishery development	2018 - 2023
Zimbabwe	Horticulture centre of expertise	Agricultural development (horticulture and seeds)	2020 -2024

Since 2023, the Impact Clusters Subsidy Scheme has been formally published in the Government Gazette, officially launching the programme. Grant amounts range from a minimum of € 150.000 to a maximum of €680.000.

Table 2: annual grant ceiling and allocation, 2023 - 2025.

	Available budget / grant ceiling	Budget allocation
2023.[2]	€ 4 million	€ 2 million as part of combi-tracks € 2 million for regular IC projects
2024.[3]	€ 6.77 million	€ 4.26 million as part of combi-tracks. € 2.51 million for regular IC projects
2025[4]	€ 11.3 million	€ 6.2 million as part of combi-tracks € 5.1 million for regular IC projects.

2.3 Theory of Change and Results framework

The main goal of the IC programme, being one of the tools of the broader PSD Toolkit programme, is to contribute to Private Sector Development in developing countries, particularly through the involvement of Dutch companies. Recently the earning capacity of Dutch companies has been added to this. According to the TOR, the aim of the activities of the Impact Clusters is to contribute to the improvement of knowledge, skill or technology of local enterprises to overcome challenges / grasp opportunities in a particular (sub-)sector. As a result of this, business cases of local enterprises are improved, the start-up of new local enterprises is stimulated, and direct and/or indirect sustainable jobs are created in the long term. Beneficiaries include local SMEs, including farmers, and where possible other relevant local organisations, such as knowledge institutions within a (sub)sector in developing countries. Impact Clusters are often used as a building block among other interventions in a sector-wide approach.

A dedicated Theory of Change (ToC) for the IC programme has been developed (see TOR in annex 1) which puts the development of local private sector development towards decent work and economic growth at the centre. In doing so, the ToC distinguishes *ultimate outcomes* that reflect (sub-)sector wide change in jobs and (inclusive and sustainable) business performance, and *immediate outcomes* that reflect change in practices and performance at individual company level. The IC programme supports through studies, training, and showcasing technology in which Dutch and local companies, knowledge institutes and NGOs work together.

The ToC includes a parallel pathway of change towards an improved business climate (*ultimate outcome)* through stronger economic institutes (government, finance and knowledge = *immediate outcome*). It appears, however, that knowledge institutes and NGOs regularly are included as partners in Impact Clusters, while governmental and financial institutions are more perceived as targets groups to be influenced (as relevant) for improving the business climate.

Despite the fact that the ToC reflects expected change in business climate / performance in programme countries, the ToR expects the evaluation to have a broader perspective by also taking into account the effects on Dutch IC partner companies and organisations. In figure 1 below, we therefore present a results framework that illustrates the causalities that the evaluation examines in response to the evaluation questions in the ToR. More specifically, the

[2]Https://english.rvo.nl/sites/default/files/2023-08/Unofficial%20translation%20Government%20Gazette%20publication%20Impact%20Clusters.pdf
[3] Https://zoek.officielebekendmakingen.nl/stcrt-2024-36562.html
[4] Https://english.rvo.nl/subsidies-financing/impact-clusters-ic

evaluation focuses on four (outcome) areas of investigation (see also colour codes in figure 1), including:

1. Effects on local companies that were consortium member or directly benefitted from the IC activities, in terms of increased capacity, improved business practices and performance.

NB. Given its findings, the evaluation treats local IC Partner companies and local beneficiary companies as separate outcome domains.

2. Effects on other local organisations that were consortium member or directly benefitted from the IC activities, in terms of enabling and spurring the spread and application of new knowledge and technology.
3. Effects on Dutch companies / organisations within the partnership in terms of changed business practices, strengthened (sustainable) engagement in the local (sub-)sector and improved business performance.
4. Broader effects on the (sub)sector, i.e. beyond the IC partner and beneficiary organisations, in terms of (lasting) international collaboration, changed enabling environment and (positive and negative) spill-over effects.

This means that within each outcome area, we map and analyse changes within their context to understand the significance of the IC contribution and the circumstances under which this contribution is more or less successful. In doing so, we examine the influence of broader (political, economic, socio-cultural and technological) contextual factors and the complementarity / synergy effects of other related NL-funded PSD interventions in the country.

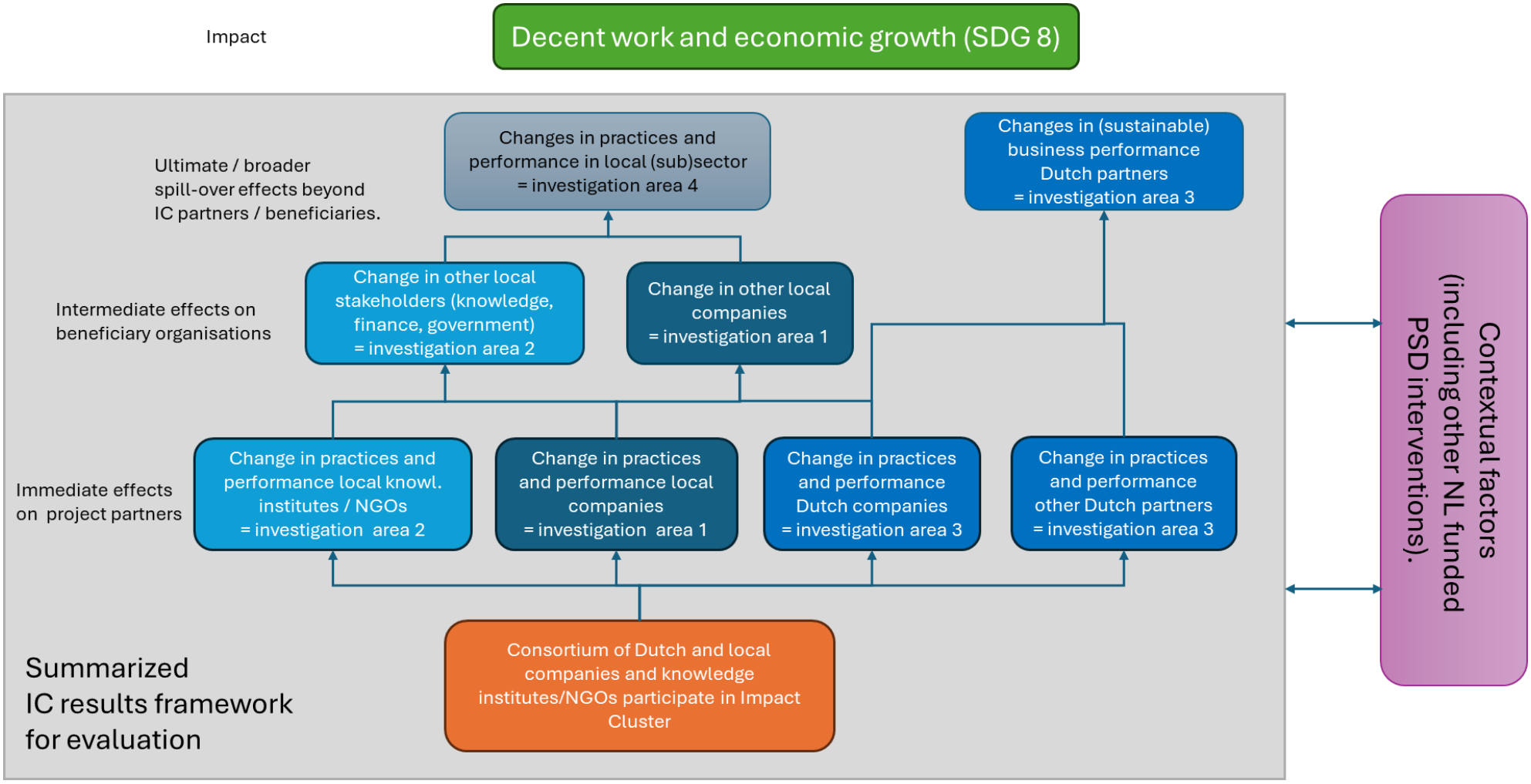

Figure 1: Summarized IC results framework reconstructed by evaluation.

3. Methodology and process

3.1 Methodological approach per evaluation criteria

The outcome evaluation assesses the **effectiveness**, **sustainability** and **additionality** of the Impact Clusters (IC) programme.

Under **IC effectiveness**, the evaluation maps out the effects of the ICs on local IC partner and beneficiary organisations, Dutch IC partners and broader within the targeted sub-sector. Moreover, the evaluation examines *the contextual circumstances and actual change mechanisms implemented through the IC projects* to understand the factors that explain these effects, or lack thereof.

We do this by applying the principles of Realist Evaluation, whereby we check the validity of so-called Context-Mechanism-Outcome (CMO) hypotheses related to the four outcome areas that were formulated during the inception phase (see annex 2). These hypotheses describe the expected circumstances under which the IC projects are expected to contribute to their intended outcomes. The evaluation then set out to collect data reflecting the actual situation in terms of '*what happened, under which circumstances, which led to what effects*'. These findings are then compared to validate the earlier CMO-hypotheses, identify unintended effects and alternative causal pathways to be considered in future ICs.

Under **IC sustainability** the evaluation looks at whether results of the projects, as identified through the effectiveness analysis, last and are likely to last beyond the lifetime of the IC project. Given we are dealing with ICs that were completed between several months or years ago, we look at different signs of sustainability, from sustainability planning (during the project) to continued activities after the projects. Based on this, added with direct perceptions from stakeholders, we can also identify the 'sustainability gap', i.e. what follow-up needs are unmet and could support the sustainability of results.

Under **IC additionality**, the evaluation examines the extent to which the programme delivers benefits that would have not materialised otherwise. In doing so, we consider project-level additionality of support (to what extent have the IC interventions resulted in effects that would not have materialised without the IC project), and system-level additionality (to what extent is the IC project aligned with / complementary to other interventions, in particular other RVO supported PSD instruments and programmes). Based on these additionality findings, we arrive at conclusions about the uniqueness / added-value of the IC programme within the wider international context of PSD-interventions.

During inception a detailed methodological approach was worked out, breaking down the main evaluation questions in sub-questions, information needs, and data collection methods and sources to be used. This detailed evaluation design, summarized in table 3 below, can be found in the shape of evaluation matrices per criteria in annex 3.

In table 3 below, we summarize the methodological approach for each of these three evaluation criteria, while details about management of methodological biases and operational risks are summarized in annex 5.

Table 3 Methods used

Criteria	Dimension of inquiry	Methods / Sources
Effectiveness	Output - outcome level causality	Document review (project documents, reports, quantitative data) Survey of consortia/members Webscraping (Dutch companies) Interviews (partners, coaches, experts)

Criteria	Dimension of inquiry	Methods / Sources
		Focus groups (beneficiaries, knowledge institutes) Outcome harvesting (unintended effects) Sector-level desk research
Sustainability	Sustainability of outcomes	Desk study related to the ICs and specific outputs (e.g. Centres of Excellence) Interviews with (IC consortia/members, other stakeholders) Survey of consortia/members Webscraping (Dutch companies) Synthesis of the above to reflect on model sustainability
Additionality	Project-level and system level additionality	Desk research of programmes/initiatives in NL and multilateral (e.g. EU) Interviews with programme stakeholders Survey of consortia/members Analysis of success factors

3.2 Data collection methods, sampling and analysis.

In line with its methodological design, the evaluation adopts a mixed-method data collection approach, including desk study, survey, key informant interviews (KIIs) and focus group discussion (FGDs). In doing so, we distinguish between general data collection covering the entire portfolio of 20 ICs, and case-specific data collection related to the selected cases (see table 4).

Table 4 Data collection methods

Related to the full portfolio	Related to selected cases
○ Desk study: overall subsidy framework, subsidy requests / decisions, final reports and end memo's PSD coaches, BAS database.	• Desk study: IC specific reports / decisions, sector-specific reports, performance data of local company partners.
○ Survey among all consortia members tailored to the nature of partner.	• KIIs with IC consortia members of the selected cases in NL and programme countries, PSD coaches, (local) embassy staff, and relevant external informants.
○ KIIs with RVO programme staff, PSD coaches, and 2-3 members of the 20 ICs, including coordinator.	• FGDs with local companies and other stakeholders / knowledge institutes benefitting from the programme.
○ Webscraping of website from the Dutch companies	

An overview of consulted documentation and informants can be found in annex 4. Survey and webscraping results can be found in annex 5 and 6.

To add depth to its findings, particularly related to broader IC effects on beneficiary organisations and beyond, the evaluation visited six IC project cases that were selected in consultation with RVO. Selection criteria included: regional and sector-diversity, inclusion of combi-countries, access to and expected cooperation of project partners, representativeness (avoiding outliers in terms of nature and results), whereby for practical reasons the focus was on countries with two or more completed IC projects. This led to the following selection;

Table 5: Selected IC cases

Country	Project name	Sector	Budget (euro)	Start	Finish
Indonesia	FoodTech Indonesia	Agriculture / Livestock	200,000	15/03/2019	08/06/2023
Indonesia	Plastics in Circles	Waste management	449,839	01/07/2022	12/09/2024
Ghana	Tailor-made Green houses	Agriculture development	403,465	23/07/2018	07/07/2023
Ghana	Better chicken for a better future	Livestock	449,738	01/08/2021	20/12/2024
Uganda	Poultry Tech Uganda	Livestock	424,989	02/12/2021	27/06/2025
Uganda	Dairy Uganda	Agri development	391,457	02/12/2019	17/6/2024

Each of the cases is examined by a team consisting of one of the core members and a national/regional consultant. This means that local project partners were visited and, where possible, interviews or focus group discussions with beneficiary organisations and other local organisations took place. The extent of this was fully dependent on the available contacts of local project partners, which varied per case ranging from minimal (e.g. Ghana Greenhouse project, illustrating that few organisations beyond the partnership were reached) to several focus group discussions (e.g. Dairy Uganda and Plastics in circles Indonesia.

Upon completion of the data collection and an initial processing of data, a *validation & sensemaking workshop* was organized with around relevant 12 RVO / MFA staff, including PSD coaches. During this half-day workshop participants were guided through a validation process to check recognition, completeness and clarity of findings, followed by a participatory analysis / sense-making process to extract key lessons from the validated findings. The results of this participatory analysis are used to enrich the thinking of the evaluation and inform the formulation of its conclusions and recommendations, which remains the responsibility of the external evaluation team.

3.3 Evaluation process and time schedule

The evaluation took place according to plan, with the inception phase completed mid-October 2025. Data collection, including survey, online meetings and country-visits to Ghana, Indonesia and Uganda took place between mid-October and early December. Survey responses were relatively limited, primarily due to staff having moved on and limited contact details within certain categories of respondents (other local organisations). Online meetings and country visits, however, could take place as planned, but with the number and diversity of informants varying per project depending on the contacts of the local project partners and level of involvement of the embassy. Data collected was processed and synthesised in preparation for the sense-making workshop that took place on 11 December 2025. This workshop marked the beginning of the reporting process.

4. Findings

4.1 Effectiveness

In this section, we first present the evaluation findings concerning the effects of IC projects on local IC partner companies and beneficiary organisations, other local organisations, Dutch IC partners and broader effects within the targeted sub-sector. Subsequently, we elaborate on the contextual and project-related factors that explain these effects. Together, this forms the basis for our conclusions related to the effectiveness of the IC programme, including the validity of the four CMO-hypotheses and the identification of alternative hypotheses for change.

4.1.1 Effects on local partner companies

The IC programme's vision positions local partners as pivotal actors. Based on IC documentation and interviews with relevant RVO and MFA staff, it becomes clear that they are expected to fulfil four interrelated roles in the consortium: context broker, asset owner/operator, gatekeeper for spillovers, and shared risk-bearing commercial partner. A first step towards IC effectiveness can, therefore, be found in the extent to which these roles are realized in practice (see table below).

Key finding: Across the portfolio, local partners consistently emerge as key beneficiaries of Impact Clusters, through continued access to hardware, integrated business practices, as well as better-established reputation.

Table 6: extent to which local partners play expected roles.

1. Context broker & (co-)coordinator	**2. Owner/operator of demo assets / hardware.**
Realised in part, in roughly half of the ICs. Local partners often handle day-to-day coordination and are key for access to authorities and farmers, but strategic coordination remains largely with Dutch leads/consultancies.	Most consistently and at least in part realised: in more than 80% of the ICs, a core asset (demo farm, cold store, greenhouse, hatchery, hub) ends up under local partner control and remains in use after the grant period, though with varying profitability.
3. Gateway for sector engagement & growth	**4. Local risk-sharer and -mitigator.**
Realised in a minority (≈⅓–½) of ICs with well-connected local partners such as FeedTech Kenya, HortiBenin, FoodTech Rwanda, ShrimpTechVietnam; in others, partners stay mainly firm-focused without much structured sector convening.	This role is broadly realised with regards to risk sharing, but it has its limitations in terms of mitigation: local partners do share commercial and reputational risk and give Dutch firms a credible foothold. However, local partners cannot mitigate the risk of an underperforming business case.

Responding to RVO's evaluation question on firm-level outcomes, this next section assesses to what extent Impact Clusters actually enable local partner companies and organisations to strengthen their business performance, capabilities and position in the value chain, moving beyond access to hardware and knowledge towards more durable improvements in profitability, resilience and influence. These observations are structured across three categories:

a) Change in business practices by applying new knowledge, skills and technology
b) Enhanced access to finance and markets
c) Improved performance

To ease the reading process, we upfront summarize these main effects and their explanatory factors, before providing a more detailed narrative with examples afterwards. The sections ends with a set of lessons learned that support the IC programme in future decision making processes.

Table 7: effects and explanatory factors local partner companies.

	Effects	Explanatory factor(s)
a. Change in Business Practices	The majority of the local partners continued operation of the hardware / infrastructure established through IC project.	• The hardware fits the context, responds to existing demand and the revenues of operating hardware outweigh the costs. • Hardware fits the business interest of the local partner, who has the means, motivation and contacts to keep hardware in operation.
	2/3rd of local partners improved / professionalized their business practices	• Experience-based evidence that the changed practices lead to better outputs and business performance.
b. Access to finance and markets	About half of the local partners improved positioning / reputation and better connections in the subsector	• Part of a credible international project with reputed and/or well-established international partners. • Project outputs allow local partner to act as pioneer, offering new / professionalized services, increasing its relevance to the broader subsector
	A minority (20 – 40%) improved access to finance.	• Increased credibility and a proven track record make local partners less of a risk and therefore more bankable. • Improved connections with financial institutions.
c. Improved performance	Over 50% of local partners improved business performance (growth in profitability, employment)	• Expanded operations gained through IC project helps to increase sales, grow labour force, and credibility (access to finance), particularly when projects relate to incremental rather than transformational change.
Overall observation: the IC intervention logic largely works for the local IC partner company; whereby tangible outputs of the IC project continue to be used (= changed practices) to create a stronger market position with increased turnover and employment (= changed performance).		

a) Change in business practices by applying new knowledge, skills and technology

Hardware. The majority of local partners (about three quarters of the portfolio of completed ICs) own or control the core demonstration assets (if applicable) after project end – including greenhouses, cold stores, hatcheries, feed mills and demo farms. For the quarter of completed ICs where this was not the case. This is because hardware did not materialize (planned or unplanned) or is no longer (actively used) (Myanmar Dairy Accelerator, Dairy Uganda, Kajjansi), or assets were more dispersed and farmer-owned (Seeds4Change, parts of NOSS). Local partners with ownership of the IC hardware often internalise the associated operating protocols, data and supplier relationships (see section below).

Business practices and skills. Across the portfolio, in around 2/3rd of the IC projects local partners do improve their business practices in tangible ways. They adopt more professional production methods (e.g. tighter process control, better input use, basic QHSE routines) in clusters such as HortiBenin, Potato Bangladesh and FoodTechRwanda. At the same time, the depth of improvement differs per local partner: for some partners the IC mainly systematises practices they already apply, while for others (e.g. NOSS spices with their move towards spice product for export – with key differences in production, processing and packaging requirements from local/regional sales) it marks a more significant in how they plan, monitor and manage their operations. There is reasonable evidence that these practice changes often translate into higher (quality and/or volume of) outputs and better utilisation of assets (for example in HortiBenin, FeedTech Kenya and ShrimpTechVietnam). See the section below on profitability for more insights into the link between improved business practices and business performance.

b) Enhanced access to finance and markets

Privileged position & reputation. Beyond hardware and skills, findings from half of the IC projects indicate that local partners also consolidate a privileged position in the knowledge and network architecture of the sector. The portfolio evidence provides multiple instances where IC participation turns a previously mid-sized firm into a recognised "pioneer" amongst their counterparts in the sector. About half of the key local partners repositioned themselves from mid-level operators to more "centralized firms" within the sector, with better information, stronger brands and denser Dutch–local networks. For example, Holland GreenTech Benin is now a reference point for horticulture technology and a visible interlocutor for government and donors; Gishanda is used as a showcase for modern aquaculture; core feed mills and service providers in FeedTech Kenya are at the centre of a continuing platform. In the other half of the clusters, there were either limited reputational effects (sector champion/platform role was not something they desired or were positioned for, like Sumber Rejo farm in FoodTechIndonesia) or unstable coalitions (Dairy Uganda). In these cases, most local partners still benefitted and are generally better known and better connected but do not clearly become sector "go-to" hubs.

These reputational gains helped build closer relationships with local and national governments – for example to ease the process of future permit requests, which was mentioned as a key experienced benefit by many local partners as well. This reputational effect is reinforced by international linkages: hosting Dutch delegations, being profiled in embassy communications, joining sector working groups (e.g. VSAT/MAN for VegImpact Myanmar). It is therefore a broader effect that is not just limited to the local partners. These effects linger after the Impact Clusters end, and many local partners remained important contacts in current PSD instruments and policy dialogues – mostly national but sometimes international as well.

Access to finance. The effect on access to finance is more selective. A minority (20 – 40%) of local partners clearly leverage their upgraded position and IC track record to attract investors or finance, but for most this remains an aspiration rather than a realised outcome. In some stronger cases, IC participation helped de-risk innovative models and crowd in private capital: several selected horticulture and aquaculture partners indicated that IC-backed business cases are now viewed as more "bankable" by (impact) investors (see textbox to the right). These interactions improve mutual understanding and sometimes lead to pilot dossiers, but rarely to sizeable, disbursed loan portfolios for farmers or SMEs within the project period. Across the portfolio, the dominant pattern is that ICs strengthen the *narrative and technical basis* for finance (better business plans, performance data, visibility), and in a few cases unlock

A2F success stories:

- FeedTech Kenya partners used the validated insect-based feed model and platform visibility to attract equity investors and structure the Nutreco–Unga joint venture;
- In HortiBenin and GIC Zimbabwe, ICs deliberately brought financial institutions (MFIs, development funds) into field days and business sessions, and explored collaborations with relevant actors like ZADT.

concrete investment at firm level, while broad-based access to local credit for farmers and smaller SMEs remains largely unchanged.

c) Improved business performance

Profitability. However, commercial returns resulting (partially) from the above observed benefits are heterogenous. In over 50% of ICs, signs are found of local partners having translated their IC participation into new contracts, easier access to investors and donors, and a first-mover role in emerging market segments (e.g. sustainable feed, protected horticulture, premium spices). In other clusters, major assets (e.g. a large greenhouse in Ghana, dairy facilities in Uganda, low-value plastics technology in Indonesia) do not translate into a broader viable commercial model due to high investment costs and/or context fit. In such cases, the local partners still gained and uses equipment, procedures, data and reputation for their own benefit but only a subset converts these upgrades into robust, scalable profitability that goes beyond their own venture.

Key lessons learned from effects on Local Partners

Out of the above findings, we have distilled a set of concrete learnings on optimizing the IC's effects on local partners for RVO.

- Across cases, ICs work best for local partners when hardware functions as a post-project workhorse: assets are context-fit, clearly owned and maintained by the partner, and linked to a small, concrete set of practice upgrades (SOPs, hygiene/QHSE, basic record-keeping) that improve utilisation and performance.
- ICs that achieve more durable effects for local firms tend to embed an access-to-finance pathway in the business case, using implementation to build a bankable track record (data, business case, investment story) and to connect firms to specific products such as capex loans, working-capital lines, asset/lease finance and risk-sharing with local banks.
- In practice, IC participation mainly delivers incremental modernisation rather than transformational shifts: firms continue in the same business but with more professional and larger-scale operations (better storage, climate-smart production, biosecurity, advisory services), and new activities usually extend existing roles instead of redefining them. Incremental change is a valuable step forward as well: it helps further accelerate the ongoing innovation dynamics in a sector in a very natural way. It speeds up and scales the process of adoption of improved business practices and innovations -big or small – that would otherwise have taken longer to reach the same number of actors in the sector. This additionality is not only about speed, but also about the type and quality of change (best practice upgrades, new roles in the ecosystem, design learning from high-risk pilots) that market forces alone would not easily produce.
- Benefits concentrate in partners that already have capital, management capacity, vision and networks, with these firms emerging as anchor players that gain assets, capabilities and reputation, while weaker partners either achieve modest incremental upgrading or require additional support to turn IC inputs into a viable model and broader outreach. This fits the general direction of the programme's ambitions (stronger local firms with better prospects), but the extent of benefit concentration and the uneven commercial success are more the result of how ICs played out in specific markets (the fit of the ICs 'business case' within the local market). This, in turn, can be influenced to a certain extent by the extent to which the proposed partner has the minimum capital base, leadership vision, and market/policy connections to translate IC inputs into a viable commercial model and wider sector reach.

4.1.2 Effects on local beneficiary companies

In RVO's Impact Cluster Programme's ToC, local beneficiary companies – farmers, cooperatives and non-consortium SMEs – are expected to benefit through improved access to technology, inputs and services that translate into better practices, higher productivity and income, and stronger, more resilient positions in their value chains. More broadly, ICs aim for these beneficiaries to experience spillover from the consortium's demonstration and networking activities, so that advantages do not remain confined to the core local partner firms.

Key finding: Across the portfolio, the main 'direct' effects that Impact Clusters have had on local beneficiary companies relate to access to new knowledge and contacts.

Although direct evidence is strongest for the six in-depth case studies, additional interviews with local consortium coordinators ("penvoerders") and key local partners indicate that, across the 20 completed ICs, ICs function primarily as gateways to knowledge and networks for farmers, cooperatives and SMEs outside the formal consortium. Please find below the main observed effects and their explanatory factors, which will be explained in detail in the following pages.

Table 8: effects and explanatory factors local beneficiary companies.

Effects	Explanatory factor(s)
In most IC cases, local beneficiaries benefitted from increased **access to knowledge** and **contacts**.	• Exposure through IC activities (demo events, field days, trainings) with outreach targets met in 60 – 70% of ICs. • Underperformance due to Covid, weak business cases, unstable IC partnerships.
Majority of IC cases report improved **business mindset** and low-cost/low risk **change in practices**.	• Low-cost / low-risk changes (e.g. better seeds, hygiene practices) are more easy and acceptable. Capital intensive change is scarce. • IC creates opportunity to be exposed and discuss new insights about production practices (peer-influencing). • Access to new ways of learning (e.g. whatsapp groups, AI) • Strongest among "close beneficiaries" that are better organized and having repeated exposure (e.g. lead / model farmers).
40 – 50% of IC cases report on plausible improvements in **business performance**.	• Newly introduced practices result in higher yields, reduced losses, or better quality. • Only when business case expectations are sound, attractive and affordable. • Relatively stable market prices and demand.
20 – 40% of IC cases report no improvement or even decline in **business performance**	• Projections related to costs and revenues for beneficiaries not in line with reality. • Investment requirements beyond means and / or not in line with expectations. • Alternative technologies or other business ventures appeared more attractive.
Overall observation: the IC intervention logic works in almost half of the IC cases, depending on business case and market dynamics. In a small majority of cases, the IC projects had relatively small effects on business practices, but not always at the expected scale.	

Contacts. On the contacts side, ICs systematically broaden who local beneficiaries can talk to. Demo events and field days link them directly to Dutch suppliers, local input dealers, buyers, public agencies and sometimes financial institutions (e.g. buyer field days and finance sessions in Potato Bangladesh; supermarket and exporter engagement in GIC Zimbabwe; impact tours with

Dutch firms in PoultryTech Uganda). This improves their understanding of quality, volume and compliance expectations and occasionally leads to concrete out-grower arrangements or trial contracts. However, the main limitation is not reach but depth and follow-through: these new contacts often remain thin and selective, and only rarely consolidate into long-term commercial or finance relationships for a broader group of local beneficiaries. Structural issues such as price volatility, risk perceptions of banks and limited collateral on the side of smallholders mean that IC-induced connections are necessary but not sufficient conditions for systemic improvements in market and finance access.

Access to knowledge. In addition to access to contacts, the ICs' open days, field days, Training of Trainers (ToT) trajectories and demo visits effectively expose local beneficiary companies to practical production and business skills, as well as more professional, commercial mindsets. This pattern is visible, for example, in HortiBenin (drip-irrigated demo plots and farmer field days), around Gishanda in Rwanda (aquaculture training, lake-side demos) and in GIC Zimbabwe (field days and online courses). Potato Bangladesh, as one of the earlier ICs, confirms and helps institutionalise this approach: its demo sites and demonstration days are seen by the 'penvoerder' as a proven and replicable way to generate spillover, attracting farmers, local stakeholders and government interest, and this format is deliberately copied into follow-on cluster designs.

Across the 20 ICs, outreach on trainings, field days and similar events largely materialises as intended, but with some notable shortfalls. In the final reports roughly 13 clusters meet or exceed their outreach targets, including HortiBenin, GIC Zimbabwe, Potato Bangladesh, FoodTechAfrica Rwanda, FoodTechAfrica Tanzania (TZ Aquaculture), FoodTechIndonesia, ShrimpTechVietnam, PoultryTech Uganda, Kukua na Kuku (Tanzania), NOSS, Seeds4Change/VegImpact Myanmar and Adventure Tourism Uganda, often despite Covid-related adaptations. By contrast, 5 ICs under-deliver or substantially redesign outreach, notably Tailor-made Greenhouses Ghana, Poultry Impact Cluster Ghana, Uganda Dairy, Myanmar Dairy Accelerator and Plastics in Circles, where Covid restrictions, fragile business cases, technology fit issues, coalition instability and implementation delays reduce the scale or intensity of training and demonstration activities. For the remaining clusters (a small number of earlier ICs), final reports do not present targets and realised outreach in a way that allows a robust quantitative comparison, so conclusions on target achievement for those are indicative rather than firm.

Key finding: As a result of access to contacts and knowledge, a significant share (> 50%) of IC projects report that local beneficiary companies improved their business mindset and business practices – but in different varieties of intensity and scale.

Change in business practices. Evidence of change in business practices mostly relates to relatively low-cost and low-risk adjustments. Across ICs – and comparable to local consortium partners – local beneficiary companies mainly benefit through incremental upgrading of day-to-day practices rather than wholesale shifts in their production model. Farmers and SMEs exposed to demos and training adopt more professional routines around input use, biosecurity, irrigation, harvesting and basic record-keeping. This is clearest where technologies are modular and low- to medium-cost, such as improved seeds in horticulture, basic biosecurity (restricting access to avoid diseases) in poultry, and low-cost pond management in aquaculture. By contrast, uptake of capital-intensive technology that requires more complex knowledge (e.g. higher-end waste sorting and recycling machinery, advanced storage solutions for milk and potatoes) are limited and often confined to core partners.

Change in business mindset. Across the cases, access to new knowledge does not only change what local beneficiary companies do, but also how they ***think*** about their activities. We have heard stories of poultry and aquaculture farmers exposed to IC trainings that start talking about minimum commercial scale, biosecurity, planned restocking and cash-flow as prerequisites for viability, rather than "keeping some birds/fish on the side." Horticulture and potato beneficiaries at demo sites in Benin, Zimbabwe and Bangladesh increasingly frame decisions in terms of return per m² or per crate, market segmentation and quality consistency, drawing directly on IC business cases. Interviews also show examples of more "continuous learner" behaviour: farmers and SME

staff follow IC partners and Dutch firms online, use WhatsApp groups to exchange tips and prices, and in a few instances experiment with digital advisory tools (such as online courses hosted by the training partner in the FoodTech Indonesia IC). The diversity in platforms and contexts does not allow us to draw conclusions on their effectiveness at this stage. This approach to continuous learning mostly concerns farmers and SMEs who engage repeatedly with IC activities; for more marginal actors it remains more at the level of useful tips than a full shift to seeing themselves as entrepreneurs.

A cross-cutting pattern is that practice and mindset change – as a result of exposure to knowledge and contacts- are typically concentrated among "close" and "stronger" beneficiaries: lead farmers, better-organised cooperatives, or SMEs that already buy from or sell to the local partner. IC designs seldom include robust mechanisms to reach more marginal producers or informal firms, and monitoring of diffusion outside of the direct beneficiaries is weak. In practice, the portfolio therefore shows pockets of substantial upgrading around IC sites, not a broad-based change in production norms across value chains. Strategically, this suggests that while ICs perform relatively well as practice and mindset upgraders for already connected farmers and SMEs, the current model underutilises extension systems, farmer organisations and finance actors that would be needed to turn these pockets into wider practice change and more structural improvements in market and finance access.

Key finding: Where practice change is meaningful and technology fit is reasonable, there are plausible improvements in business performance: higher yields per unit of land or feed, reduced losses, better product quality, and stronger links to off-takers.

Change in business performance. Patterns of improved business performance are found in 8–9 of the 20 ICs, notably in horticulture, poultry and aquaculture clusters such as HortiBenin, GIC Zimbabwe, Seeds4Change/VegImpact Myanmar, PoultryTech Uganda, Kukua na Kuku, FoodTechAfrica Tanzania, FoodTechAfrica Rwanda and ShrimpTechVietnam, where trained farmers or SMEs report better performance and, in some cases, higher incomes. By contrast, in about 5 ICs this effect is weak or not clearly observed (*see textbox to the right*). For the remaining ICs the available documentation and interviews is too limited or too indirect to draw a robust conclusion.

IC examples that did not yield the desired impact:

- In the IC's Tailor-made Greenhouses Ghana and Better Chicken Ghana the technology fit and business models for smallholders were problematic and many farmers remained dissatisfied;
- The Uganda Dairy IC had a fragile business case due to a significant mismatch between offer and local demand;
- In the Myanmar Dairy Accelerator, the planned infrastructure did not materialize as location partners withdrew due to various challenges
- PiCi 1 (Plastics in Circles)'s pilot has not been able to reach operational scale (yet) and has therefore not impacted any beneficiaries

Across ICs, two recurring constraints mean that often mostly better-off actors benefit in practice: 1) *unstable prices and demand that wipe out efficiency gains* and 2) *expensive technologies that require more investment than most farmers and SMEs can afford*. This is an issue that will be explored further in the coming section on external and internal contextual factors shaping IC success. In other words, ICs can improve the unit economics of a sub-set of farmers and SMEs, but they do not fundamentally change the underlying risk environment. For many beneficiaries, the programme delivers better technical options within a still-volatile commercial context.

Lessons learned from effects on local beneficiary companies.

- ICs reliably upgrade basic practices and business mindsets for a group of "close" and "strong" beneficiaries, not the wider sector. Demo events, field days and trainings expose farmers/SMEs to practical know-how and more commercial thinking, but meaningful change concentrates among better-organised, repeatedly exposed actors (lead/model farmers,

stronger SMEs). Beyond that focus group, effects taper off into "useful tips" rather than behavioural shifts.

- ICs on their own do not change the underlying risk environment (price volatility, bank risk appetite, collateral constraints). Meaningful improvements in market and finance access for beneficiary firms only emerge where there is a strong local anchor/platform firm, a credible off-take/service model, and explicitly embedded finance actors and products (e.g. small-ticket investment loans, value-chain finance, tailored SME credit).
- About 2/3rd of the ICs met their outreach targets, with the main challenges being: (i) the underlying business case was not attractive enough for farmers/SMEs, (ii) coalitions were unstable or local partners weak, and (iii) Covid restrictions and implementation delays repeatedly forced cancellations or downsizing of events. From an effectiveness and efficiency perspective, many ICs failed to structurally tap into relevant local organizations' networks of potential beneficiaries and instead opted to manage outreach themselves as an add-on to their usual business activities.

4.1.3 Effects on other local organisations

Key finding: across the portfolio of 20 IC projects, the effects on other local beneficiary organisations (beyond companies and farmers) are at most moderate and quite uneven.

Other local organisations include knowledge institute, NGOs or (local) government agencies that together form and determine the broader eco-system of a sub-sector.

Table 9: effects and explanatory factors other local organisations.

Effects	Explanatory factor(s)
For the large majority, effects on organizational practices have been moderate at most.	• Engagement intentions in project design often not put in practice, because not a priority of commercial partners and no clear designation of responsibilities. • Engagement with other organisations remained limited and nature and scale, and incidental (e.g. occasional exposure visits, internships) • Extension services / local authorities etc invited to join activities to add visibility / legitimacy to IC project but not to influence own mandate.
In minority of IC projects, influencing teaching practices and dissemination of newly introduced practices.	• More structural / repeated involvement as co-host of exposure event or recipient of tailored trainings.
In minority of IC projects, local organisations assuming a platform role.	• Deliberate collaboration and engagement efforts to involve local entities as R&D centre or training provider, placing them more strongly in a lasting platform position.
Overall observation: the IC intervention logic only works in minority of IC cases, mainly because intentions about engagement of other organisations are not treated as a priority of IC projects.	

Many ICs interact with local organisations such as vocational schools, universities, sector associations and public agencies, but this often remains episodic and instrumental (as hosts of events or channels for mobilising farmers) rather than leading to deeper organisational change or durable ecosystem functions. There are only a few ICs that have onboarded local organisations as formal IC consortium members. Please find below the main observed effects and their explanatory factors, which will be explained in detail in the following pages.

In a large subset of ICs, local organisations mainly provide venues, staff time or political support. Extension services, local government departments and chambers or associations are invited to field days, launch events and closing workshops, or to endorse the project in their territory. This generates a certain degree of legitimacy and visibility but rarely shifts mandates, budgets or routines. Their involvement tends to depend on individual champions and specific officers rather than on formalised agreements, which means that once the IC ends, the relationship risks dissolving. These ICs have contributed to "expanded exposure and networks" rather than strengthened institutional capability. Two ICs were implemented in alignment with RVO's K2K projects: VEG Impact Myanmar and VEG CAP; as well as Seeds 4 Change Nigeria and the Super Trainer K2K. In both ICs, this combination helped pull in other sector players – like universities, training centres and agencies – as significant partners that strengthened training, materials and technical discussions. Yet this cooperation largely stayed project-dependent and driven by a few champions, so while it strengthened networks around the ICs but did not turn those organisations into stable, long-term coordinators for the wider sector. In terms of G2G alignment, Plastics in Circles in Indonesia was pre-dated by a G2G project with business elements as well. Due to the diversity of the sector, geography and regional governments involved this did not yield specific benefits to the IC, although it did result in continuation of a good working relationship with the Embassy.

There are, however, a few more structural engagement models, most clearly in Benin and Zimbabwe. This approach (*see example in the text box to the right*) takes time and repeated support, but it positions these institutions to continue disseminating improved horticulture practices beyond the direct reach of the core local partner. A similar pattern is visible in GIC Zimbabwe, where universities, agricultural colleges, ZimTrade, ZFU, HDC and ZADT were engaged in training, market-linkage events and small pilots; they gain content, contacts and in some cases a clearer role as conveners or facilitators in the horticulture export agenda.

An example of what worked: In HortiBenin, agricultural/TVET schools (LTA Djougou, LAM Sékou) and several cooperatives and local NGOs have been woven into the IC as co-hosts of demo plots, co-organisers of Farmer Field Days and recipients of tailored training. Over multiple seasons, teachers and cooperative leaders were exposed to concrete tools (planning templates, logbooks, demo protocols) and began to internalise "farming as a business" concepts.

In aquaculture and shrimp clusters, a select number of public agencies and research bodies also show emerging platform roles. The Rwanda Agriculture Board collaborated with Gishanda on broodstock, lake restocking and training, which helps embed the IC's technical approach in national aquaculture policy and practice. In Vietnam, ShrimpVet functioned simultaneously as R&D centre, training provider and convening node around AMR and sustainable nursery practices, influencing how other local organisations think about "good shrimp farming". These are still relatively isolated examples, but they illustrate what is possible when a knowledge institute or public body is treated as a strategic partner rather than an occasional event participant.

Lessons learned from effects on other local organisations

- Pragmatic, deliberate engagement of local stakeholders pays off in terms of effective and structural outreach to local beneficiaries. Where ICs invest in concrete joint activities with specific institutes, NGOs or authorities (co-hosted demos, repeated trainings, small pilots), these actors start to play a more substantive role in shaping the IC's (future) impact. Upfront and clear division of responsibilities and concrete targets are key to shape these partnerships, which have the opportunity to significantly support the IC's impact even if formal partnership status is modest.
- Formal partnerships with knowledge institutes are difficult to secure. In several ICs, contacts with universities and TVETs remain shallow because personal entry points are limited and internal procedures (MoUs, legal checks, hierarchy) slow down or block formal engagement.

- Chambers of commerce, producer unions and other branch organisations rarely show up as core partners, which weakens the potential to anchor new practices and standards in sector-wide arrangements rather than in single firms or projects.

4.1.4 Effects on Dutch partners

The ToC expects Dutch partners to contribute with knowledge, solutions, products and technology and benefit from the IC activities in terms of strengthened engagement in the local market and improved business performance. This assumes a lowered entry risk in the emerging market and a capacity building engagement turning into commercial opportunities. The findings partly confirm the ToC hypotheses, but with some variety in terms of type and distribution of benefits to the Dutch companies.

Key finding: across the 20 projects, the most reported direct effect of IC participation for Dutch companies has been building relationships, learning, market positioning and risk-reduction, rather than significant increase in sales or turnover.

This learning effect of the ICs is seen both when the business model of the IC is successful and when the business model/sector is not (yet) commercially feasible.

Table 10: effects and explanatory factors Dutch IC partners.

Effects	Explanatory factor(s)
In over half of ICs, Dutch partners reported increased knowledge, credibility, visibility and contacts in targeted sector.	• Exposure to other actors through IC activities (pilots, training etc.) • Attractive business case fitting local economy. • Deliberate reflection and learning from success and failure in practice (i.e. beyond feasibility study).
Varied continued engagement of Dutch companies through own representatives or key anchor clients	• Dutch companies establish trusted contacts in the sector which they can rely on. • Prospective business case for Dutch companies. • Optimism about future opportunities.
In less than half cases (20 – 40%), Dutch partners reported increased scale / turnover / profits	• Expansion of operations is not the main goal; goal is rather to learn and enable informed decision making about expanding/entering the market. • Successful connection through strong local anchor firms (commercial partners) with whom there is an attractive joint business case well aligned with local market demand. • Quality of consortium composition and management with shared business case, clear complementarities and sound knowledge of local context.
Overall observation: the full IC intervention logic only works for a minority of Dutch IC partners that translate IC participation in durable engagement and business expansion. Nevertheless, a majority considers participation a success, as IC projects are primarily seen as practical learning opportunity to inform, rather than form, their expansion strategy.	

In all 20 IC projects, at least half of the Dutch partners confirm increased knowledge, engagement and visibility in the target sector, and a connection with local networks. IC activities such as demonstrations, pilot sites, trainings and joint sector engagement expose Dutch firms to the local context (e.g. market readiness, customer behaviour, institutional and political–economic dynamic). This results in more realistic expectations about scale, pricing, service intensity and risk.

In a part of ICs, this also translates into sustained engagement, such as the establishment of local representatives, distributor agreements or local offices. This is mostly the case in clusters operating in sectors with clear structural growth prospects and supportive policy signals, such as aquaculture, horticulture, seeds and animal feed (e.g. HortiBenin, Poultry Tech Uganda). In these ICs, Dutch firms move towards more sustainable, long-term market positions.

When the IC model is not fully aligned with the local sector due to market readiness, infrastructure or capacity restraints, Dutch partners still benefit from IC participation, but through negative learning. In these cases, Dutch firms still report learnings: knowing which products not to sell, which customer segments to avoid, and which risks are not manageable under current conditions. From a learning perspective, this “negative validation” is also valued as it prevents larger sunk costs and investments. Some of these risks might have been anticipated in pre-studies or during the initial phase of a project, but Dutch partner companies value the practical learning experience. In this capacity, ICs function as testing and learning instruments, which are valuable in high-risk sectors.

Continued engagement varies and is most visible when IC participation has resulted in:

at least one credible reference site or anchor client,
a locally viable business model, and
an internal commitment in the Dutch company.

In such cases, ICs are stepping stones into sustained commercial activity or complementary instruments (e.g. DHI projects, trade missions, private investments). For the more successful projects, respondents indicated that the relationships they built during the project laid the foundation for continued involvement in the project country. In some cases, respondents expressed optimism about the opportunities, mentioning long-term investments (local presence) despite short-term challenges.

As further elaborated in the Sustainability section (see section 4.2), not all Dutch partners stay active post-project. Exit from the country or sector or reduced engagement happens when the IC faces market readiness constraints, insufficient scale, governance problems with local partners, or excessive regulatory and logistical risks. These exits are not necessarily unintended outcomes: several firms explicitly mention the IC participation as a time-bound exploration phase, after which a go/no-go decision is made. From this perspective, non-continuation reflects informed strategic choice and not a project failure.

Strong effects on turnover and profits for Dutch partners are generally limited within the IC projects. Only in limited ICs (20 – 40%), Dutch firms report a substantial upscale of economic activities significantly during or immediately after the IC period. The commercial success is then often concentrated in one or two anchor firms per IC, typically those whose products or services are at the core of the business case and whose value proposition was well aligned with local demand and context (e.g. Holland GreenTech in HortiBenin reporting an increase from 200 to 5000 clients over the past 3 years). This finding does not undermine the programme logic, but it shows that for Dutch partners the IC should be understood and framed as a portfolio of learning, experimentation and positioning.

Dutch firms emphasise that participating in an IC increases their credibility in both local and Dutch ecosystems: being part of an RVO-supported cluster signals to embassies, ministries, local sector leaders, buyers and investors. This enables companies to participate in follow-on projects and missions, and it strengthens their positioning as solution providers in sector development. In some cases, the lead partner uses the IC to build a distinct role as connector or broker in subsector development, which improves its strategic position even if direct commercial success remains limited.

At the same time, Dutch partner benefits seem to depend heavily on the quality of consortium design and management. Several interviewees noted that successful ICs require a strong shared business case and vision, within which each Dutch partner has a clear and logically valuable role and an individual business rationale. Where this is absent, Dutch partners’ expectations diverge

and engagement becomes fragmented. Similarly, Dutch partners benefit from good existing knowledge of the local context, or from strong locally embedded intermediaries who compensate for this gap. In clusters where consortium management is strong, Dutch firms report better coordination and more durable local ties.

Additionality for Dutch firms is highest where ICs enable collective positioning and integrated offers that would be hard to build bilaterally. The cluster format encourages coordination between Dutch partners which can help overcome constraints through e.g. sharing of cost and risks of local sector engagement. Clusters like FoodTech Africa/Rwanda, FeedTech Kenya, VegImpact Myanmar and Seeds4Change show that the IC format helps Dutch partners present a "full package" (genetics + feed + equipment + advisory). Individual companies indicate that they would not have entered or invested at this depth on their own, particularly in riskier markets (East Africa aquaculture, Nigerian seeds, Myanmar vegetables). The cluster format is positive for the sustained effects on Dutch companies but seen mainly where the cluster business case is strong and fitting in the local context.

A pitfall for clusters presenting a full package, is misalignment with local market readiness that is too big to overcome within the context of the IC. In multiple cases (FoodTech Indonesia layer; Dairy Uganda; Better Chicken and Greenhouse Ghana), the Dutch business case was technically sound but premature for the local market practices (e.g. absence of basic record-keeping, low electricity reliability, limited willingness for improved genetics, incomplete value chain, unaffordable investment costs). In these cases, Dutch companies offer a solution that does not match the local capacity with too large of a margin to be overcome by the activities of the IC. This suggests that IC effectiveness for Dutch partners depends on sector potential, but relative to local capacity and practice and market readiness.

An example of this is the Dairy Uganda IC, where the cluster's package of products and services, including herd management software, feed & nutrition, dairy processing equipment did not fit with the business reality in the target region of Southwestern Uganda. This package of products and services did not fit in a regional sector where many farmers keep minimal to no basic (manual) records. Here, the misalignment was too big to overcome within the context of the IC. One of the intended training / demonstration farms has, outside of the IC context, developed a series of hardcopy record keeping books for farmers. This product is much more tailored to the context of the region and could help farmers make more informed decisions about their herd and business, which could then bridge the gap between the products and services offered by Dutch companies, but this step was not addressed and could not be fully overcome within the context of the IC.

ICs frequently reinforce existing commercial relationships. Across several ICs (Tailor-made Greenhouses Ghana; FoodTech Indonesia), IC participation intensified or formalised the pre-existing Dutch–local commercial ties rather than opening new markets. Dutch suppliers (e.g. seeds, feed, nutrition inputs) continued sales to known clients, with the IC providing structure and risk-sharing around pre-existing, early-stage business relationships.

ICs can test viability and expand business, but they cannot manufacture structural demand. In markets where structural demand is low, ICs do not create a completely new market for Dutch companies. Instead, value of IC participation lies in generating evidence about what does and does not work. In several ICs, this resulted in Dutch partners adapting their approach, sector orientation or deciding not to pursue further commercial engagement. From an IC programme perspective, this learning-based outcome is still valid, but it creates different expectations for ICs that do not build on pre-existing relationships than for ICs that build on existing business.

Lessons learned Dutch partners.

- An IC project is often used by Dutch partners as part of a bigger strategic process, not as the only factor that determines strategic decision making in entering or expanding a market. Gaining valuable insights and connections through IC participants is therefore a successful primary objective. Increased business engagement is, of course, desired but

not a success factor of IC participation alone based on IC alone. Nor does absence of commercial success mean IC failure.

- The strongest commercial effects for Dutch partners are visible if a serious foothold or anchor client is created. This can be the case when a business case is attractive, and expansion is a priority in the Dutch company strategy (trying something out versus a serious attempt).
- Dutch partners benefit most from IC participation when complementarities within the consortium translate into a coherent and market-ready full package of products and services. Complementarities matter as many markets are not able to absorb standalone Dutch technologies or services in isolation. However, the combined Dutch offer only works if the Dutch business case is aligned with market readiness (local business case, infrastructure and investment capacity or affordability). The implication for RVO is that appraisal of IC proposals should test whether the assumptions underlying the BC are realistic for the local context (via experts?).

4.1.5 Broader / spill-over effects

Broader sector-level effects are expected to emerge from sustained collaboration between Dutch and local actors, the spread of improved practices and technologies beyond the direct beneficiaries, and incremental improvements in the sector as a whole. ICs are expected to function as catalysts for wider (sub-)sector development with demonstration days, coordination between suppliers and trainings.

Key finding: signs of broader sub-sector development are visible but often other factors than the IC (e.g. government interest in sector, additional PSD projects) play the most significant role, while information about spillover effects beyond project beneficiaries is limited.

Given limited documented evidence, broader effects and their explanatory factors are largely based on interview and survey findings.

Table 11: broader effects and explanatory factors.

Effects	Explanatory factor(s)
Little (documented) evidence about spill-over effects beyond direct beneficiary companies.	• No clear designation of responsibility, nor deliberate system for pursuing / monitoring effects beyond reached beneficiaries. • No financing for tracking spin-off effects. • IC projects have little contact with beneficiaries beyond those reached by the project, making such effects close to invisible.
Majority of IC projects created or strengthened local access points for improved technology / services.	• Most IC projects created a physical space where new activities take place offering or demonstrating new services and knowledge.
Signs of wider uptake / system change limited	• Business case not convincing / attractive enough • Only relatively strong actors with more (access to) capital in more accessible regions are impacted. • Less strong actors will be limiting themselves to less capital intense / low-risk uptake options. • IC solutions that can be partially adopted through easy adaptation to local circumstances / customs will have stronger uptake.
In almost half of the IC cases (temporary) platforms are created	• Explicit part of project design, mostly for duration of the project.

that improve public-private engagement.	• In cases where IC has capacity to broker relations and convene public entities.
In minority of the IC cases, subsector growth and development visible	• Potential of subsector correctly assumed by IC project. • Most significant explanatory factors outside the IC project (e.g. larger scale government-led PSD initiatives). • Role IC project modest, mostly offering alternative modality or ideas for subsector development.
In minority of the IC cases, an enhanced profile of subsector with higher professional standards.	• International projects, with involvement of reputable international firms and bilateral development partners have strong visibility and add attractiveness / credibility to subsector for investors, aspiring entrepreneurs and job-seekers. • International attention attracts government interests and pushes professional image of subsector. NB. Insufficient to resolve structural constraints.
Overall observation: the available evidence is insufficient to confirm validity of the IC intervention logic in having broader effects on the subsector. Where real change in subsector performance is visible, there are other more significant factors at play. Most promising signs towards stronger subsectors to which the IC projects made a significant contribution are the continued existence of access points for new technology and knowledge and upgrading the professional image / standards of the targeted subsector.	

ICs report high numbers of trained farmers, extension agents and SME representatives, and a regular rhythm of field days and workshops but there is limited evidence on spillover beyond this target group. The available evidence indicates substantial effort on outreach and capacity building during IC implementation and *suggests* that spillover to local beneficiary companies beyond direct those that directly engage with the project is present but only partially documented and mainly captured in terms of exposure and access rather than measured performance change.

Across the visited ICs, interviewees and reports describe a consistent pattern where farmers and non-consortium firms gain access to new practices and contacts through demo sites, farmer field days and ToT cascades, but follow-up on actual adoption and business outcomes is not captured structurally. For example, in Indonesia interviews around FoodTechIndonesia (Farm Manager Sumber Rejo, local Livestock association and relevant university experts) indicated that local farmers visited demonstration houses and some adopted elements of improved housing or management. Likewise, farmers around the PoultryTech Uganda demonstration farms, indicated and showed adoption of improved biosecurity measures and business practices. But insights and evidence into the scale and depth of this diffusion remain anecdotal.

Based on our interviews, we can conclude that none of the ICs systematically track how far practices diffuse beyond those directly trained; whether new norms (e.g. antibiotic use, biosafety, proper withdrawal periods, improved labour or environmental practices) become embedded in cooperative rules or buyer requirements; or whether public extension services or vocational institutes actually institutionalise IC content.

A key reason for this is the fact that longer term impact measurement, spin-off activities and follow-up investments among non-partner actors are not financed and therefore not well documented. There are also no direct spillover strategies. As such, informants could not provide enough information to allow the evaluation to draw conclusions on structural spillover beyond the beneficiaries that directly participated in IC activities. Where more strategic platforms exist (e.g. national feed platforms, spices associations), some signs of spillover effects could be found, but this is the exception rather than the rule.

A recurrent positive effect is the creation or strengthening of local access points for improved technology and services. In 14 out of 16 agrifood ICs[5], input dealers, hatcheries, training farms and service hubs supported by ICs offer surrounding local businesses and farms higher-quality inputs (seed, feed, DOCs, fingerlings), bundled advisory and after-sales support, and, in some cases, access to storage, processing or cold chain.

From a systems perspective, this is crucial: many ICs help populate previously thin markets with at least one credible access point. However, the evidence suggests that the existence of access points is not sufficient for wider uptake and system-level change. In practice, **benefits and uptake of practices and technologies introduced in IC activities concentrate around actors with more capital and the more accessible regions**. In subsectors with lower capacity, effects of demonstrations seem to remain at the level of exposure (e.g. at demo farm or field expo). For example, in Southwestern Uganda, dairy farmers were introduced to the Dutch partner's products and services through field expos and demo farms, but uptake remains confined to small number of larger farms with pre-existing knowledge and financial capacity. Among the wider farmer population, new products and services were not adopted due to limited access to finance and technical knowledge.

If solutions allow partial adoption that can be adapted to local capacity and practice (biosecurity practices, ventilation improvements, feed regimes, basic bookkeeping), broader uptake, *mainstreaming* use beyond direct beneficiaries is more evident. These solutions can be adapted to local capacity and fit into existing (production) systems, which lowers barriers to entry. Solutions that are an all-or-nothing solution/technology, tend to restrict adoption to the direct beneficiaries (high-tech feeding systems, herd management software). Across different countries and sectors, the ability of solutions to be adapted to local practice, market readiness, cost and infrastructure constraints is an important condition for translating exposure to the solution into broader uptake.

Successful adaptation usually involves adjustment of technology, service model, and business case to local conditions and capacity. Adaptation to local context involves learning and experimentation, and training about a new product or practice does not guarantee uptake. Training is effective when it supports this broader adaptation process. Where adaptation is mainly framed as training end-users to use an existing product better, this does not consider the suitability of this product/practice to the local context. Products or services are better adapted to local context when they are modular or scalable. This is for example when investments can be phased, or practices can be adopted with low-cost alternatives, users can start small and upgrade later, and when failure to adopt/adapt one component does not affect the whole system or package. Prior pilots or commercial experience in comparable contexts are useful to consider (e.g. downsizing equipment, simplifying maintenance).

Broader effects include improved public-private engagement and visibility; but ICs don't resolve financing, or market constraints. In roughly 8–10 clusters, ICs act as de facto coordination platforms, as they convene companies, knowledge institutes, and NGOs around shared problems. In a subset of cases, this extends into improved contacts at local or national government level. These coordination effects are most visible where the IC is explicitly designed as a platform rather than a narrowly technical pilot. The durability of these collaboration effects is mixed. Where the cluster creates semi-permanent learning infrastructure (demo centres, structured training-of-trainers systems or recurring sector events) collaboration can outlast the project. Where convening is project-driven and not institutionalised, networks often weaken after funding ends. This points to the key distinction that broader effects are more sustainable when the IC leaves behind structures (platforms, centres, routines) rather than only events.

[5] Almost all agrifood ICs are explicitly organised around improved inputs and advisory; only plastics and tourism clusters clearly fall outside this pattern.

At the same time, **successful clusters enhance the profile of the subsector**, which is important to the local public sector. By showcasing upgraded production practices, compliance with international standards and collaboration with Dutch firms, these ICs increase the visibility and credibility of the national or local sector. These effects are most evident in export-oriented or "showcase" value chains (e.g. agrifood, tourism) and less in domestically oriented sectors (Kajjansi urban development). This increased public-private engagement and visibility does not seem to resolve structural constraints in access to finance and market.

Signs of growth are visible in various targeted subsectors, but respondents attribute these to parallel government action, or other (larger / more comprehensive) PSD programmes (sometimes following similar intervention logic at larger scale, e.g. SNV TIDE in Uganda and YUGEP[6] in Ghana).

Figure 2: IC project versus government-backed project.

In those cases, the ICs temporarily ease or offer alternative approaches to navigate sector barriers but do not change them. As such, IC projects may play a role in accelerating or influence the direction of change. This underscores that ICs are most effective when embedded in a broader sector approach. Moreover, IC projects respondents additionally refer to increased output, improved standards and increased professionalisation of the subsector (thinking more commercially) caused by increased knowledge and awareness among beneficiary companies that organically spreads. ICs thus function as sectoral sense-making devices, even when they are not the primary growth driver.

Lessons learned Broader effects.

- Impact Cluster projects, by design and scale, are generally too small and time-bound to generate substantial or structural change at subsector level on their own. ICs can introduce new technologies, practices and forms of collaboration, but their duration, geographic and sectoral reach shows that they are unlikely to cause sector-wide outcomes. At the same time, when accompanied by larger scale developments in the sector (donor-funded programmes, government policies, etc.) ICs can provide additional insights into what is and is not viable, and test business models and new technologies. ICs contribute less as drivers of subsector transformation and more as catalysts or testing instruments.
- Spillover effects of Impact Clusters tend to remain largely invisible when no actor has a clear mandate or incentive to monitor them. systematic tracking of what happens beyond the direct consortium partners and immediate beneficiaries is usually absent. As a result,

[6] Youth in Greenhouse Enterprise Project, financed through state-owned EXIM bank operating similar demo / testing-sites in 5 regions.

diffusion of practices, secondary adoption by non-participants, and changes in sector norms or collaboration patterns are often assumed rather than evidenced.

- The most tangible or durable broader effect observed across the 20 ICs, is the creation or strengthening of local access points for technologies and services. Where these access points continue to operate after project completion, they provide the sector with ongoing exposure to the ICs products and services. An important note here, is that uptake of these products and services is still dependent on a convincing, locally fitting business case, capacity, knowledge and access to finance. This means that uptake is limited to the low-cost or low-risk practices. This is similar for broader effects and for the effect on direct beneficiaries. So the creation of locally embedded, preferably geographically dispersed, access points is crucial and increases the likelihood that effects extend beyond a small group of early adopters.
- An international IC projects that involve credible international firms, and are visibly supported by embassies and reputable local actors, contribute to the image and perceived legitimacy of a sector. This is a positive signal to government actors, possible investors, and businesses in the sector and reinforces the position of the subsector (for policy engagement, investing, employment or business).

4.2 Sustainability

In this section, we present the evaluation findings concerning the sustainability of the IC projects. This section analyses to what extent the identified results under the effectiveness analysis are **durable** (i.e., continue beyond the lifetime of an IC project). Moreover, we aim to identify '**sustainability gaps**', i.e. what follow-up needs are unmet and could support the sustainability of results. Together, these aspects provide the basis for our conclusions on the sustainability of the IC programme.

The extent to which IC project produce long-lasting effects differs substantially, due to the large heterogeneity, in terms of the content, geographical context as well as the time since the project has been completed (ranging from months to multiple years), of the IC projects. This holds true for the different projects and also between and within the different stakeholder groups. Out of the six case studies, five IC clusters show signs of continued use of project outputs. This ranges from the use of the facilities (e.g., Greenhouse Ghana) to incidental contact for maintenance or repairs. For the other (non-case study) projects, the evidence for sustainability is scarce, especially at the level of the local partners or beneficiaries. However, the mixed results also persist here: for 8 IC projects, there is clear evidence of sustained activities for one or more participants; for 3 projects, there is limited evidence; and 3 other projects did not continue beyond the project lifetime.

There is strong evidence that the majority of ICs built as "package deals" of complementary firms in the same subsector (notably Fish, Potatoes, Onions) generate more durable post-project activity than single-solution pilots. The complementarity of the different products that are part of the "packages" creates an interdependency between different firms and aligns their incentives. In the fish clusters, for example, the FoodTechAfrica / Rwanda configuration around Gishanda bundles hatchery genetics, feed, farm design, engineering and training from different Dutch companies. In this case, the consortium members continue working together commercially and mobilised substantial follow-on investment after the grant. Similarly, HortiBenin combines input suppliers, storage expertise and a finance partner into an onion/post-harvest package that remains on offer beyond IC funding. The aligned incentives and the "package deal" makes the continued use, joint marketing and follow-up investment likely..

RVO's working definition of sustainability for Dutch companies means continued Dutch business presence. **Most IC projects show lasting commercial activities of Dutch companies** (Figure 3). At the same time, some Dutch companies indicated in the interviews and in the survey that their activities in the focus countries continued, but that it was unrelated to their participation in the IC project (e.g., due to their presence in the focus country prior to the IC-activities). There are

also Dutch companies that are not active in the country anymore, due to the political situation, slow administration and financial constraints. The firms that are still active keep selling inputs, providing services or using the IC reference for follow-on (public and private) deals (e.g. East-West Seed and Evers after VegImpact Myanmar; Dutch aquaculture suppliers in Tanzania and Rwanda; Dutch storage and seed companies in Bangladesh). Survey respondents indicate that the relationships / networks they built during the project played the most important role for their current activities in the project countries. Firms with less commercial success, sustained benefits include learning effects and professional networks in the target country (e.g., Myanmar Dairy Accelerator).

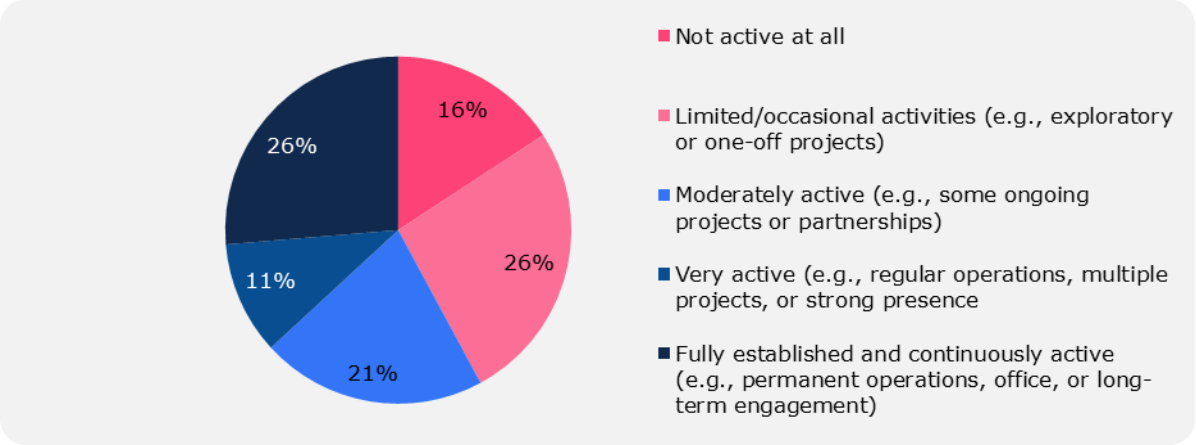

Figure 3 To what extent is your company (still) active in the Impact Cluster-country? (n=19)

A strong indicator of whether an IC is still active is whether the project has attracted follow-up funding or has been embedded in a wider project. For instance, FeedTech Kenya attracted Gates Foundation funding for additional activities and regional spin-offs; FoodTech Africa and Gishanda leveraged additional instruments during the project's lifetime to continue activities or increase outreach (DHI, Nuffic, PSD tools); Larive's aquaculture and feed clusters attracted public and private capital for investments; VegImpact and Potato Bangladesh fed directly into new ICs (e.g. Onion IC) and sourcing contracts. In these cases, the IC functions less as a standalone project and more as a *launch platform* within a longer pipeline. The sustainability of impact is highest when a successful IC project can continue their activities through follow-up funding, whether from private of public sources. For this, it is important that it has shown This continuity allows the IC-project result to be further developed and scaled after the end of the IC-project. Aside from these successful cases, there is evidence of follow-up funding: in the survey half of the Dutch respondents indicate having mobilised follow-up funding (ranging from very substantial to limited).

Six Dutch companies that completed the survey indicate that some projects have achieved self-sustainability and structural impact (**Fout! Verwijzingsbron niet gevonden.**4). At the same time, six projects that were dependent on external (donor) support after the end of the project indicated that external circumstances such as, financial constraints, and dependence on donor funding were significant barriers for the continuation of their activities.

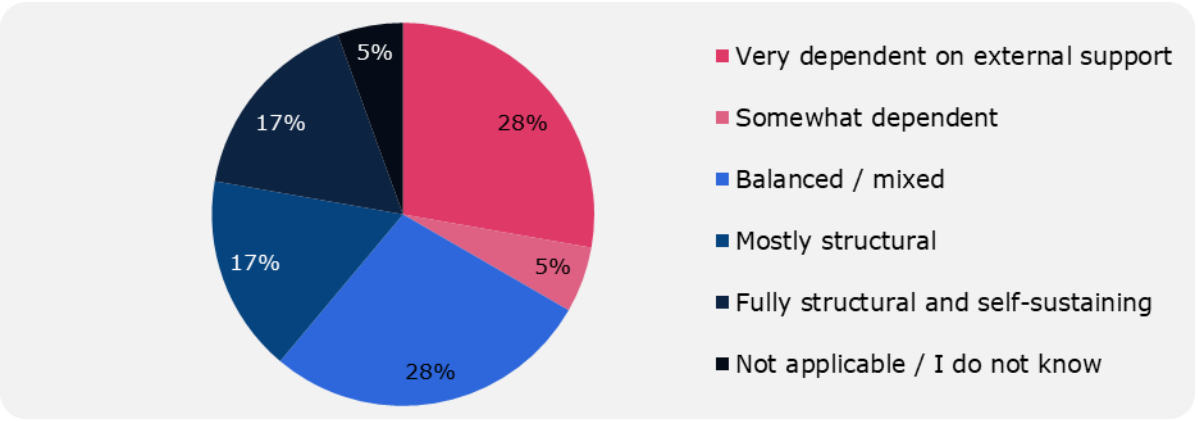

Figure 4 To what extent do you think the effects of the project are structural (self-sustaining) rather than dependent on continued external support?

Behavioural change among local beneficiaries occurs but is fragile and localised: Many ICs demonstrate short-term improvements in practices and performance among targeted farmers, traders or SMEs (e.g. higher yields and income in VegImpact and Potato Bangladesh, better fish farming practices in FoodTech Africa and Rwanda, improved waste sorting in Ambon, etc.). Yet, there is limited evidence on the long-term continuation of this behavioural change, constrained by volatile prices, input cost inflation, limited access to working capital, and lack of scale pathways; in several chains (potatoes in Bangladesh, poultry in Ghana, waste picking in Ambon) income gains remain local, contested, or vulnerable to market and policy shocks.

Sustainability of *development* impact often lags sustainability of *Dutch business:* the Dutch commercial benefits (ongoing sales, market presence, reputation) often outlast or exceed the depth of sustained pro-poor or inclusive outcomes among local SMEs and farmers. This does not mean the ICs do not deliver development value, but it in its current shape the IC instrument is seen as prioritizing the commercial interests and the creation of market footholds of (Dutch) partners over development impact.

The webscraping exercise provides an independent indication of evidence of the networks that have been created. Cross-references on websites of project participants to their partners can be seen as evidence of sustainability, as the visibility of inter-organisational links suggests stronger relationships between the project partners that subsequently increase the likelihood of continued joint activities. For 58% of the IC projects, cross-references to project partners were found. On average 3 unique cross-references in terms of names or weblink were found for 14 out of the 17 successfully webscraped IC project. 5 projects had 5 or 6 unique cross-references. This suggests a high network density (i.e., strong relations among the project partners). For additional information on the webscraping, please see Annex o.

Several factors influence the **durability of effects** beyond the project lifetime;

- **Hardware-anchored "flagships" are a durable form of IC impact**: IC projects with physical facilities or assets show the most durable and visible effects. To sustain these effects, it is important that a local partner has taken up ownership, operates with a viable business model with assets fitting the local context. According to the cluster coordinators, locally-owned and operated physical demo-sites can become a viable business and serve as a community-hub. While such project outputs represent the most tangible effects of an IC project, they are also the most difficult to achieve. Examples of projects where hardware was successfully installed and where operations and investments continued beyond the project, due to the lack of ownership challenges and short development timelines, include

the independent hatchery in Tanzania, the "Gishanda" fish farm in Rwanda, the Greenhouse and Chicken feeding mills in Ghana, and the upgraded cold store in Bangladesh.

- **Skin-in-the-game of a strong local "anchor" partner increases sustainability:** an essential factor that underpins the sustainability of IC projects is a committed local partner assuming the *shared risk-bearing commercial partner*-role (4.1.1). Local partners tend to continue to their operations if they see that the activities are commercially interesting via investments in time, staff and facilities beyond the project's timeline. Examples where this occurred include HortiBenin, FoodTech Rwanda and Tanzania.
- **Exogenous shocks can be major disruptors of durability:** while other determinants of sustainability focus more on internal factors, external political and macro shocks, such as COVID-19, Ebola and the anti-LGBT laws or a military coup, have strongly influenced the sustainability of some projects. In the case of the Uganda Adventure Tourism-cluster tourism was negatively affected, and in the case of VegImpact, the military coup in Myanmar restricted the cluster to operate. Both clusters operated strongly before the exogenous shocks.
- **The development and use of longer-term sustainability plans / (ownership) strategies that go beyond the duration of the IC project** (sustainability by design) **differ among IC project**: Some cluster coordinators (Larive) indicated that the sustainability of the project was ingrained into the design of the Impact Cluster. For instance, Fish Farming Rwanda intended to establish an integrated demonstration fish farm and training centre that at the end of the project would be operated as a professional business with local ownership. The Gishanda Fish Farm was able to become a professional company. Sustainability by design is however not a widespread phenomenon among ICs. If there are plans to have sustainability by design, it is important to understand the (future) ownership to understand how feasible the plans are.

In terms of **unmet / remaining needs to support the sustainability of results**, respondents referred to the following:

- **The IC instrument design both enables and constrains sustainability depending on the individual projects and sustainability can be enhanced by targeted adjustments:** According to several cluster coordinators and PSD coaches, structural features of the IC instrument push ICs either towards relatively "light" software projects (training, networking) with limited hard legacy, or towards under-financed hardware projects where local and Dutch partners cross-subsidize to keep a facility alive. Both patterns can still yield sustainable impact. Central to this is a strong commercial local ownership logic to carry them. This aspect should be highlighted as part of assessing the business case.
- **Access to finance remains one of the most important preconditions to create lasting impact – access to finance is lacking both from the project continuation-perspective and from local beneficiary-perspective:** some ICs were able to attract follow-up funding to continue the activities – although they proved their business case, they were not yet ready to fully depend on market dynamics. However, other ICs indicated that they were not successful in attracting additional funding or that it took a long time to attract follow-up funding from the Dutch government, which decreased the momentum created through the IC. As for the local beneficiaries, access to finance also is an important matter. Introduced technologies or inputs should be affordable for local beneficiaries. For instance, in the Uganda Dairy project, local beneficiaries could not acquire the Dutch solutions, due to a lack of access to finance. In other clusters, such as Potato Bangladesh and GIC Zimbabwe, finance sessions with banks and funds (e.g. ZADT) raised awareness but rarely led to actual loan uptake at scale. Across the portfolio, this points to a pattern that concrete, financial products were not always available for farmers and SMEs. We did not observe any active integrated offer of suitable products in these contexts, which could typically include small-ticket investment loans with grace periods, input or working-capital credit tied to seasonal cycles, asset-finance/lease

products for equipment, and simple value-chain finance schemes where off-takers or hubs pre-finance inputs against future delivery.

- **Institutionalisation via platforms and sector working groups helps, but depth varies and structural support for those platforms is difficult to achieve:** Examples include the FeedTech Kenya platform and working groups, aquaculture working groups and academies in Tanzania, tourism networks in Uganda, horticulture linkages with training institutes in Benin, and VSAT/MAN and GAP/food-safety standards under VegImpact. Succes factors include bringing together both public and private local, regional and Dutch partners. While institutionalisation is a clear sign of the durability of the outcomes, their funding is uncertain (e.g., not embedded in government budgets or as part of a business model), which results in the risk that their long-lasting sustainability decreases over time (e.g., different priorities of stakeholders).

4.3 Additionality

In this section, we present the evaluation findings concerning the additionality of the IC instrument. The section examines the extent to which the programme delivers benefits that would have not materialised otherwise. In doing so, we distinguish project-level additionality of support (to what extent have the IC interventions resulted in effects that would not have materialised without the IC project), and system-level additionality (to what extent is the IC project aligned with / complementary to other interventions, in particular other RVO supported PSD instruments and programmes). These aspects subsequently feed into wider conclusions about the added-value of the IC programme.

Additionality to other PSD interventions in the same sector

- **Catalyst role within broader sector packages rather than stand-alone driver**: the IC instrument often provides physical demonstration sites. These tangible assets are subsequently used for K2K, G2G and embassy initiatives funded by combi-tracks and wider PSD Toolkit trajectories (e.g. Aquaculture working groups in Tanzania, follow-on donor investments around FoodTechRwanda, seed-sector work around Seeds4Change). This gives them a distinctive catalytic role compared to other PSD interventions in the same sector, which tend to focus on policy, capacity or finance rather than on joint commercial pilots. Other PSD projects or instruments (e.g., Value-chain support, ACMA / Safeveg in Benin, YuGEP in Ghana) work on similar themes, but ICs bring direct co-investment with Dutch firms and more applied, business-oriented demonstrations.
- **IC fills in the gap between diagnostics and scale-up instruments**: the IC instrument finds the middle ground between on the one hand 'light' interventions, such as economic missions, market studies and K2K-exchanges, and, on the one hand, larger PSD instruments, such as PPPs / investment facilities. The instrument funds concrete, multi-actor demonstrations and early market-development activities throughout a variety of countries and sectors. Other instruments instead operate with either a broader or a more narrowly defined scope. This bridging role is explicitly mentioned in the PSD Toolkit evaluation and in RVO/MFA interviews, which describe ICs as follow-up vehicles to earlier PSD Toolkit activities and as foundations for Combitracks and PPPs. Cluster coordinators and participants also indicate in interviews that the IC instrument, when implemented successfully, is unique in this matter.
- **High additionality in under-served or high-risk niches within a sector and/or regions**: Value-chain segments or sectors that are commercially marginal or donor-neglected (e.g. marine plastics in Ambon, Aquaculture in frontier markets) offer a favourable starting point for a successful introduction of technologies or business models. Cases such as Insects for Feed Nigeria, VEGImpact Myanmar and Hortibenin demonstrate this high additionality. Local and Dutch partners repeatedly state that they would not have undertaken these capital-intensive pilots without IC co-funding.

- **Incremental additionality for local partners:** For local beneficiaries, the main added value compared to other PSD support is often incremental: upgraded equipment, procedures, best practices, visibility and networks, rather than new business activities or supply chains.
- **Overlap and coordination gaps with other (non-NL) PSD-actors temper additionality:** The PSD Toolkit evaluation and PSD coach interviews note that external coherence with other (non-Dutch) PSD programmes is variable; some clusters operate alongside other donor projects with limited coordination, which reduces marginal additionality at system level even if the IC fills a useful niche for its partners.

Additionality to other PSD modalities

- **Unique cluster-based, trade-and-development positioning instrument:** The most unique aspect of the Impact Cluster approach is that a single solution, consisting of inputs from various Dutch firms, knowledge institutes and NGOs, helps local private sector development and Dutch firms, individually and collectively, to gain a foothold locally. This approach is unique. The PSD Apps/Toolkit evaluation concludes that the IC module "*scores well on additionality*" and is "*unique in that it addresses specific PSD bottlenecks and can catalyse local PSD development in a particular sub-sector/value chain*". Most other PSD tools either target individual firms (DHI, investment funds) or pure development outcomes (NGO/ODA grants). RVO frames ICs as a subsidy for clusters that want to demonstrate new technologies and business models in developing markets.
- **Additionality for medium-sized firms especially.** The added value of the IC instrument is most present for mid-sized Dutch companies that have ambitions to internationalize, but perceive the risks as too high. MFA/RVO interviews indicate that larger multinationals expand their operations internationally regardless and use the IC instrument to accelerate these activities. The IC instrument limits the financial and non-financial risks for the mid-sized firms. The cluster fosters momentum that can open opportunities that they would not get by themselves. Several interviewees highlight the cluster-approach a unique benefit of the IC instrument.
- **IC instrument additionality as high-risk, pre-feasibility / de-risking finance**: for some ICs, the IC funding goes into early-stage, capital-intensive pilots and business-models (PiCi, several Advance-led clusters). The IC instrument provides funding that deleverages the risks. Neither commercial finance nor standard RVO instruments would cover such innovative cluster approaches. The Dutch partners explicitly use the results and learnings as high-risk pre-studies or "de-risked test beds". The 'winner takes all' perspective from entrepreneurship literature[7] also applies here. If successful, the IC can be followed by larger PPPs, donor investments, or commercial rollouts. However, at the same time, the riskier project remain risky at its core, and thus have a relatively higher chance of becoming unsuccessful
- **The size of the IC instrument**: is relatively small compared to the larger PPPs or grant programmes in terms of scale and duration Whereas these larger PPPs or grant programmes have ambitious targets for increased investments and trade, participating Dutch firms indicate the IC programme as an opportunity to try something out, rather than expecting significant returns in their business performance.
- **The business focus of the IC instrument:** compared to NGO-type grants, the IC instrument integrates more business discipline. Through the 50% co-financing requirement and need for a credible business case, ICs generally impose more commercial discipline than classic ODA grants that primarily pursue non-commercial development impact. ICs add value when they de-risk *business-anchored* sector interventions, not when they substitute for pure development projects.

[7] See e.g. Crawford et al. 2015 Power law distributions in entrepreneurship: Implications for theory and research. Journal of Business Venturing 30(5), pp. 696-713.

- **The IC programme offers a valuable addition to the PSD Toolkit of NL embassies** as it offers a unique hybrid of an ODA and Trade promotion instrument with direct engagement of the private sector. At the same time, reconciling commercial interests with broader development interests is generally not a priority of commercial firms, hence does not happen without dedicating deliberate attention for a business case for local partners / efforts to disseminate knowledge and expertise.

5. Conclusions & lessons learned

5.1 Overall conclusion.

The IC programme is an effective instrument that enables clusters of interrelated (Dutch and local) firms to jointly test the (commercial) feasibility and marketability of particular technologies, products and/or production methods that are new to emerging markets. IC projects are primarily effective in strengthening the capacity and market position of the local IC partner company. Other participating firms gain valuable knowledge and understanding about local market conditions and build local networks to inform their strategic decision-making about future market engagement. IC projects pursue and address valid evidence-based market opportunities or bottlenecks with innovative solutions that in some cases prove to be the basis for commercial success and in others not, as can be expected from a de-risking instrument like the IC programme.

Most firms are satisfied with the experience gained and lessons learned from a relatively modest investment in IC participation, even without commercial success. As such, the IC programme offers a valuable stepping stone to more substantial market engagement and investments, or an informed decision not to do so. This ambition fits the nature of the IC projects, which are too limited in size, duration and geographical scope to make a significant contribution to broader subsector growth. This is confirmed by the absence of substantial evidence that demonstrates substantial spillover effects on the subsector, beyond the creation of new ideas and inspiration for operating in a more professional, modernized and larger commercial scale both in the Netherlands and in programme countries. This does not make the IC programme irrelevant or ineffective, but makes that the IC ambitions at the outset need to be fitting the contribution they can realistically make in support of other national / locally owned policies and programmes that support PSD at a much larger scale.

IC projects are generally designed in response to well-researched market opportunities / deficiencies, which gives them relevance and potential for success. Actual success of ICs in the eyes of IC partners is influenced by external factors like: political and economic stability, emerging competition or competitive PSD interventions and alignment with government priorities. These factors may be beyond the control of the IC project, but we observe significant variety in projects anticipating, dealing with, or mitigating the impact of those contextual factors.

This leaves the evaluation with the conclusion that in case of a clear and evidence-based market opportunity / deficiency in a subsector that the government sees as priority in a relatively stable macroeconomic and supportive legislative context, the most important (external) conditions for a successful IC project are met. The success of an IC project is then primarily dependent on the IC partnership's own ability to design, manage and implement an effective intervention, provided a project does not fall victim to relatively rare external shocks like political coups or a pandemic.

This brings us to the main (internal) factors that determine **success (or lack thereof) of IC projects for the IC partners themselves**, which include:

- **IC partnership composition** that brings together partners that are credible and complementary in the subsector and not just the project (e.g. seed producers agreeing to work on different crops in the project but competing on the market). Moreover, the inclusion of a (financially) strong / trusted local partner(s), who shares the longer term vision of the project and is willing and able to share the risk and contribute financially to help ensure the completion of project activities, also in case of some unforeseen costs or complications.
- **IC partnership functioning** based on a joint strategy with clear and comprehensive division of responsibilities fitting each partners' qualities with a transparent and fair distribution of the subsidy, risks and benefits of the facilities being created under the project.

- **IC partnership management**, with a consortium lead that has the clear mandate and capacity to manage the partnership (work planning, task distribution, budgetary oversight), including monitoring and acting on concerns related partnership dynamics.
- **IC project design** based on a thorough and sufficiently detailed business plan considering market context (price development, competition, government policy and other PSD interventions) and the (financial) interests and capabilities of all IC partners.
- **IC project implementation that meets the expectations of project design** and keeps IC partners engaged and interested based on clear work plans that reflect the collective interest of the project partners.

The IC programme, however, has a broader ambition beyond project completion, with the goal to have broader effects on (potential) beneficiary companies, other local stakeholders and the subsector as a whole. **Success in terms of having the desired effects beyond the direct IC partners is determined by:**

- **IC partnership composition** with partners that share a credible longer-term interest in, and capacity to contribute to, broader sub-sector development, without creating power imbalances in the subsector (e.g. by making the partnership overly dependent on one partner for connecting to beneficiary companies).
- **IC partnership functioning** with a clear designation of responsibilities to cover activities that go beyond the (physical) transfer of a new technology and capacity for demonstration purposes. Such tasks include: networking with relevant authorities and knowledge institutes, dissemination / communication of project results, and M&E of broader effects.
- **IC project design** based on a thorough and sufficiently detailed business plan for targeted beneficiary companies, considering market context (price development, investment needs / access to finance, government policy) and other (more personal) factors that may feed resistance against the adoption of the newly introduced practices.
- **IC capacity building** relying on creating an infrastructure (e.g. demo-site) and approach that continues to operate beyond project duration offering accessible, lasting and / or repetitive opportunities for targeted beneficiary companies and other local stakeholders to get exposed to the newly introduced technology / production practices.
- **IC project implementation that meets expectations / promises** in terms of projected (investment and recurring) costs, benefits and time-frame for beneficiary companies, with the IC project making a deliberate effort to understand and addressing their interests and concerns.

In addition to these more overarching conclusions, below we present specific conclusions in response to the evaluation questions structured by evaluation criteria (effectiveness, sustainability and additionality).

5.2 Conclusions per evaluation criteria.

5.2.1 Effectiveness

Concerning effectiveness, we start with an assessment of the level of 'success' of IC projects in realizing their intended effects on the various targeted groups and the subsector as whole.

In the figures below, the evaluation summarizes its assessment of the level of success of the 20 completed IC projects in realizing their intended effects.

Project	Local partner companies	Local beneficiary companies	Other local organisations	Dutch partner organisations	Broader effects.
Greenhouse project			N/A		
Better chicken project			N/A		
FoodTech Indonesia					
Plastics in Circles PiCi 1					
Plastics in Circles PiCi 3					
Poultry Tech Uganda			N/A		
Dairy Uganda	N/A		N/A		

Project	Local partner companies	Local beneficiary companies	Other local organisations	Dutch partner organisations	Broader effects.
Potato Bangladesh			N/A		
Horti Benin					N/A
FeedTech Kenya			N/A		N/A
VEG Impact Myanmar					
Myanmar Dairy Accelerator					
Seeds 4 Change	N/A		N/A		
Tourism Trails			N/A		
Kajjansi Urban development			N/A		
FoodTech Rwanda			N/A		
FoodTech Africa			N/A		
Kukua na Kuku			N/A		N/A
New Sustainable spices	N/A		N/A		N/A
Sustainable shrimp production					
Horticulture centre of expertise			N/A		

Good	Reasonable	Moderate	Weak
Definition = target group is enthusiastic about project results and confirms substantial changed practices and performance.	Definition = target group is reasonably positive, confirms some change in practice and performance, though not meeting expectations.	Definition = target group is neutral, can relate to some take-aways in terms of knowledge and awareness but not much change in practice and performance.	Definition = target group is disappointed (or not reached), does not confirm to have gained or learned much from the project.

Figure 5: overview of rating of success case and non-case projects.

Box 2: methodological observation.

It appears that the overall rating of success of case projects is less positive than the non-case projects. This is most likely caused by the difference in data collection. Case projects have been subjected to a more intense and diverse data collection effort that included personal observations and meetings with independent informants. This allows for a more rigorous assessment than the non-case projects, whereby the data collection primarily relied on document study and online interviews with IC partners that may have been less critical.

Based on our findings and this overall assessment, we conclude the following;

- **Local IC partner companies are the main beneficiaries among the various targeted groups.**

The IC projects have been relatively successful in providing local IC partners with access to hardware, knowledge and connections that they would otherwise not have. This created opportunities to change the scale and nature of their operations, which in many cases led to a substantial improvement of their business performance in terms of turnover, profitability and

employment. An additional effect, going beyond the programme's ToC, concerns a markedly improvement of their market position as central / pioneering player in the subsector, which strengthens their reputation among (potential) business partners and government.

This 'success' does not come for free, and requires the local partner to make significant effort and investments to successfully play its anticipated roles of:

- **Context broker,** which is easiest if the local partner is a meso-level actor with its own network, and explicitly given a local coordination tasks with the IC embedded in wider PSD/combi track activities.
- **Owner and operator** of established hardware / assets, assuming this fits the local market and cost structure, co-investment is real, and O&M responsibilities are clear;
- **Gateway to sector engagement and growth**, facilitated by local partner already acting as hub (aggregator, service provider) with incentives to grow a wider ecosystem (not just focused on own bottom-line), and the IC design explicitly budgets for events, platforms and policy dialogue.
- **Risk-sharer and mitigator**, requiring local partner(s) to have real skin in the game, with credibility targeting a real niche market/

The effects on their business performance appear strongest among local partners that demonstrate a strategic vision beyond the project, have access to capital and have a central well-established position within the subsector allowing them to build on existing connections with other firms and local authorities.

- **Effects on local beneficiary companies are mixed.**

In this outcome area there are clear cases of success, but also of failure. Effects in terms of accessing and recognizing new knowledge and contacts leading to an increasingly professionalized and commercial mindset are the most common among beneficiary companies. This effect is primarily caused by the extensive exposure efforts undertaken by the IC projects through demo-events, model farms and training exercises, although not always at the scale intended due to Covid or internal factors (IC cooperation issues or weak business cases.

Effects on practices is often limited to relatively low-cost/low-risk changes, and mostly related to professionalisation / commercialisation / upgrading of existing activities rather introducing new ventures. This illustrates that the exposure efforts of IC projects are often not enough for targeted beneficiaries to fully embrace the newly introduced technology / practices, but pick and choose elements that they deem fitting and feasible. This is caused by difficulties in meeting investment requirements and the benefits of a new 'business case' not being convincingly clear to take away their doubts about investing in unfamiliar and costly practices.

Effects on business performance range from positive to negative with examples of beneficiaries generating higher yields and growing their business where a sound business case is convincingly demonstrated in response to a clear market demand. At the same time, cases were encountered where targeted beneficiaries had reduced or stopped operations, mostly by initial expectations in terms of investment costs, access to finance and / or revenues not becoming reality.

- **Effects on other local organisations remains marginal and incidental.**

Despite the fact that engagement with other local organisations (government, knowledge institutes, NGOs) as multipliers and promoters is often part of the project design, in reality this appears absent or limited with only a few projects demonstrating more structural engagement. As a result, the effect on these other local organisations is limited and less than intended. This is caused by external engagement not clearly being designated to an IC partner that is well-positioned. mandated and capable to do so. Instead, this engagement is often implicitly left to the local IC partners, who are not resourced, empowered nor held accountable to do so, making this a secondary priority.

- **Effects on Dutch IC partners varies between and within projects.**

Effects of IC participation on Dutch partner companies are less obvious in terms of commercial success but substantial in terms of strategic learning, visibility/legitimacy and expansion of connections and with that, risk reduction in future endeavours, especially where Dutch partners operate with a clear joint vision and approach. For Dutch companies active in a strong ICs with complementary (local) partners and a business case that aligns closely with the sector reality, this also translates into commercial success.

In most cases, however, there appears to be a significant gap between what is expected during project design and what can be achieved in reality, with local market readiness, financial capacity, physical distances as limiting factors. Nevertheless, in those cases the main benefit of IC participation lies in trying out and learning with reduced risk, whereby ICs function more as practical high-risk feasibility and learning instruments than market-entry/creation facilities. This role is not visible in performance metrics, but valued by companies, nonetheless.

- **Progress in subsector development visible, but IC a modest contributing factor.**

ICs do generate broader effects, but these remain uneven across sectors and context dependent. Broader effects include increased exposure to improved practices and technologies through the creation of local access points that continue operating beyond project duration. In this way, ICs contribute to a changing, often more professional / commercial mindset in the subsector. In cases where subsector growth is apparent, ICs are often not the main driver, as there are other more significant contributing factors, while there is little to no documented evidence of IC spillover effects proving otherwise. Nevertheless, ICs have proven to have the potential of temporarily strengthening public–private engagement that enhances the visibility and economic prominence of subsectors, when dedicated efforts to this end are made and consortium leadership has the capacity to broker relationships and the power to convene.

Box 3: Validity of CMO Hypotheses.

Following these conclusions, the earlier CMO-hypotheses have been revisited to arrive at an **alternative / adapted version of these hypotheses** that underscore the programme's ToC.

The **CMO hypothesis for local companies** – *being introduced to new knowledge / technologies related to an apparent market opportunity / deficiency leads to the adoption of new business practices and improved business performance* - is largely true for the local IC partner company but to a lesser extent for the local beneficiary companies. This is partly caused by the (incorrect) assumption that an appropriate (technological) solution is offered in response to a market opportunity / deficiency with sufficient attention for the (financial) ability and willingness of beneficiary companies to invest in and embrace newly introduced technologies and business practices.

Alternative / adapted CMO hypothesis for local companies:

C - in case of a specific evidence-based market opportunity / deficiency in a sub-sector that is a government priority and having a relatively stable business climate,

M - an innovative response from credible and complementary Dutch companies introduced through trusted, visionary and financially strong local partners based on a solid business case for beneficiary companies that also considers access to finance and (emerging) competing initiatives,

O – capacitates and enables local companies to engage in more profitable / sustainable business practices.

The **CMO hypothesis for other local stakeholders** – *being subjected to capacity building efforts makes them to spur the spread and application of newly introduced knowledge and technology in response to a particular market opportunity / deficiency* - has not been proven given that in the reality of most projects there has been little to no engagement with other stakeholders and NGOs to strengthen their capacity to spur the spread and application of the newly introduced knowledge and technologies.

No alternative hypothesis is offered, given that the existing hypothesis has not been sufficiently practiced in the completed IC projects.

The **CMO hypothesis for Dutch partners** - *being incentivized to respond in partnership to an apparent market opportunity / deficiency to increased business engagement in a new / emerging market* - is only partially true. For the majority of Dutch IC partners engagement in an IC project has been satisfactory as it increased their knowledge and understanding of the local market conditions and expanded their contacts. Increased and sustained business engagement following their IC participation is only confirmed by a minority of the Dutch IC partners. This, however, reflects an ambition that often goes beyond the IC project that IC partners perceive and treat more as an experiment to help shape or inform new market strategies than being the core of such a strategy.

Alternative / adapted CMO hypothesis for Dutch IC partners:

C - in case of a specific evidence-based market opportunity / deficiency in one of the IC programme countries for which (a group of) Dutch firms can offer a promising value proposition

M - an innovative response from a group of credible complementary Dutch companies introduced through trusted, like-minded and financially strong local partners based on a solid contextualised collective business case for themselves and the broader sub-sector that considers (emerging) competitive initiatives,

0 – generates valuable experience-based insights in local context and market conditions, and enhances networks and reputation, which facilitates improved strategic decision-making about scale, nature and shape of future market engagement.

The validity of the **CMO hypothesis related to broader / spillover effects** – *enabling a partnership of private companies to address an apparent market opportunity / deficiency in a particular subsector stimulates increased durable engagement and the overall performance of that targeted subsector* – is highly context dependent and varies across cases. Validating this CMO hypothesis is complicated by the absence of documented evidence about spillover effects beyond the actors directly involved / reached. Nevertheless, its validity appears strongest when lasting access points for new knowledge and technology are sustained, enabling a continued organic spread of knowledge that influences the mindset of actors beyond those directly involved in the IC project.

More ambitious changes, in terms of sub-sector performance, are visible but often triggered by other, often government-backed, factors with the IC project as a relatively modest contributing factor to broader change by offering supportive evidence or lessons about what works more or less well. Finally, ICs do have the potential of temporarily strengthening public–private engagement that enhances the visibility and economic prominence of a subsector, even if limited to a particular targeted region.

Alternative / adapted CMO hypothesis for spillover effects:

C - in case of a specific evidence-based market opportunity / deficiency in a sub-sector that government treats as a priority having a relatively stable and predictable business climate,

M – the creation of lasting practical access points / platforms for local companies to get exposed, trained and (financially) enabled in adopting an innovative, competitive, affordable context-appropriate technological solution by a credible cluster of Dutch and local partner companies with a broader joint vision beyond their own commercial gains

0 – contributes to a commercially more attractive sub-sector with a growing number of increasingly professional entrepreneurs connected to Dutch business partners that pursue a continuous improvement in their production practices.

5.2.2 Sustainability

The extent to which Impact Cluster-projects continued beyond the lifetime of an IC project differs substantially, due to the large heterogeneity of the IC projects. In some cases, the entire cluster is still active – within the same context, or in other countries (in other IC-projects), whereas in other cases, only few Dutch or local participants continued their activities. Five out of the six case study projects showed durable effects – ranging from the use of developed facilities to strong relations between participants. For the other completed IC projects, eight show clear signs of continued activities, for three projects there is limited evidence and three other projects did not continue.

5.2.3 Additionality

The Impact Clusters-programme offers a unique approach towards private sector development. The uniqueness of the IC instrument lies in cluster-approach which pursues broader interests than if the participants would operate individually. The IC instrument furthermore plays a catalytic role for other private sector development instruments. Its demonstration sites are often used by these other instruments, both as follow-up vehicles for diagnostics and foundations for scale-up PSD instruments. The instrument delivers the highest additionality when it is well-aligned vis-à-vis other interventions: under-served or high-risk niches within a sector. The instrument adds the most value when it is used as a de-risking, pre-feasibility instrument embedded in broader sector strategies, focused on under-served niches and medium-sized firms, and clearly differentiated from NGO-type grants and large PPPs. At the same time, the main added value for local beneficiaries is often incremental: upgraded equipment, procedures, best practices, visibility and networks, rather new business activities or supply chains.

5.3 Overarching lessons learned

From the evaluation findings and conclusions, we extract the following lessons learned.

Concerning the overall programme rationale / purpose of the IC programme.

- RVO and IC participants define success differently. The broader (spill-over) effects of the IC projects demonstrating a better functioning sub-sector represent the main goal and justification for MFA / RVO financing. IC project partners, on the other hand, primarily aspire to gain market knowledge, credibility and contacts that help their future business ambitions, which is more in line with the nature and scale of IC projects. For them, IC is a de-risking instrument to inform their strategic decision making.
- Expecting the IC programme, being a unique instrument predominantly used by private sector partners, to address broader policy or curriculum issues, turns out to be overambitious, unless credible partners with more natural access to government or higher education institutes take active part in the IC with this purpose in mind.

Concerning the creation of successful partnerships.

- Credible complementary Dutch partners with financially strong and committed local ‘anchor’ partners that are willing and able to share costs and risks, under a seasoned consortium lead that is committed and able to keep the IC together, have a strong chance to succeed.
- Clarity on decision-making processes related to ownership and use of physical facilities created by the IC project helps building trust and collaboration among IC partners.

Concerning the design of a successful project.

- Having a convincing and comprehensive business case with realistic cost/benefit projections that considers (evolving) factors like inflation, competition and government interest, for both IC partners and beneficiary companies, is a crucial precondition for sensible outreach activities with a reasonable chance of having impact on targeted beneficiaries.

- However, just having a good business case story is not enough, without deliberate attention for Access to Finance and risk appetite of local partners and beneficiaries. This makes that an IC has a bigger chance of success when working through a strong local partner targeting beneficiaries that have (access to) resources and can absorb some (financial) risks.

Concerning the realisation of effects beyond the IC project partners.

- Broader effects require deliberate broader engagement with other local organisations, which only happens when someone is assigned and capacitated to make this happen.
- Broader effects (beyond direct beneficiaries) only become visible if someone is deliberately assigned, capacitated and held accountable for tracking those broader effects.
- IC projects can contribute to creating a more meaningful and professional image of the subsector, which makes (financing of) working in the sector more attractive.

Concerning the sustainability of results.

- Creating hardware-anchored facilities to demonstrate a new technology that remain and can continue to be operated by a trusted local partner in a profitable manner is important for the sustenance of demonstration efforts.
- Easy accessibility of exposure / demo efforts (i.e. within manageable distances and flexible in time) increase reach and continuation of demonstration effects.

Concerning the additionality of the IC programme

- IC projects offer practical evidence of what new technologies / practices work well and less well, and can provide practical real-life inputs to broader PSD efforts at (national) policy level, but cannot be expected to take a lead role in policy influencing efforts.
- IC projects are a unique and valued PSD instrument situated between diagnostics (pre-feasibility studies) and scale-up (policy influencing) instruments.

6. Recommendations.

The above findings, conclusions and lessons learned fed into a set of seven recommendations related to overall programme design (1 and 2), partnership composition and functioning (3), the realisation of broader effects (4 and 5), sustainability (6), and strengthened IC facilitation (7). The linkage from lessons learned to recommendations is illustrated in the figure below.

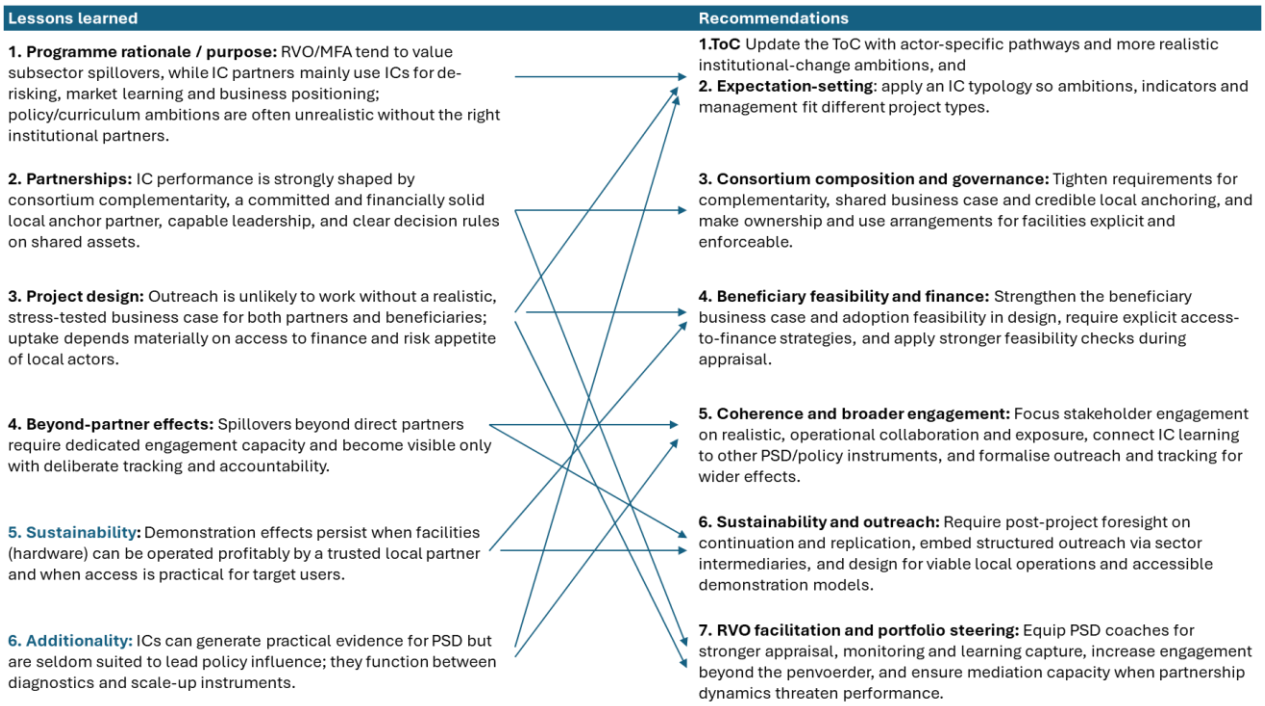

Figure 6: linkage lessons learned to recommendations.

6.1 Adapt ToC to recognize diversity of actors and changing policy context.

The IC programme targets different (complementary) actors that are expected to play different roles, define success differently and are likely to be impacted in different ways. A more explicit recognition of this diversity by including different actor-based change pathways / hypotheses in an updated ToC reflects this reality more accurately,. As part of this, the ToC would also reflect more realistic ambitions related to 'other local organisations', recognizing that ICs can at most provide practical inputs to policy making and curriculum development processes but not be expected to initiate or lead such processes.

This will make the ToC more useful as management tool to design, track and communicate progress per targeted actor and allow for a better illustration of expectations related to the collective effects of an IC at the broader subsector level.

This makes the ToC also more fitting to recent changes in the Dutch policy landscape by creating space for the inclusion and ambitions of Dutch firms reflecting their expectations from the IC programme as a valuable instrument for testing / prototyping new market engagement ideas to gain experience, knowledge and understanding of emerging markets.

6.2 Distinguish IC projects to better manage expectations and results.

The IC portfolio contains different types of projects with different ambition levels and complexities. Recognizing these differences allows for more realistic expectations per project and with that more targeted management of progress.

A first distinction that appears relevant concerns *introduction / exploration* versus *diversification / expansion*. The former concerns projects with Dutch partners that are new to the market with the goal of better understanding the local market players and conditions to inform strategic decision making without immediately expecting improved business performance. The latter concerns projects with Dutch partners that are already familiar with / present in the market. Such projects may want to introduce something new to modernize or simplify operations in the value chain in which they operate with ambitions that go beyond familiarization and include improved business performance and, as relevant, influencing local authorities.

Another distinction of relevance concerns *Value Chain Development* versus *Bottleneck elimination*. In the former case, the project aims to establish / strengthen a particular value / supply chain, whereby the IC partners and beneficiaries often have different interdependent (supplier / buyer) positions in the value chain. Fairness within and sustainability of the value chain then become key considerations for project success. This is less the case when projects set out to eliminate a particular bottleneck that is expected to facilitate subsector performance as a whole with a lesser risk of creating power imbalances within the market or competitive dynamics within the IC.

6.3 Optimise composition and functioning of IC consortia.

The IC programme is unique in subsidizing clusters instead of individual organisations. This serves the purpose of pursuing broader than just individual objectives, but also complicates project design and implementation. Clearly, an IC project is as strong as the consortium carrying out the project, and misunderstandings, lack of clarity and competitive dynamics easily lead to tensions among IC partners that directly affect IC performance. This underlines the importance of a careful composition and management of the IC consortia. In the past years, already several measures were taken to improve partnership governance arrangements, including the requirements of *penvoerders* sharing a longer-term interest and the inclusion of local partners.

Nevertheless, we see further scope for optimising the composition and functioning of IC partnerships by ensuring that in supporting project design and in appraisal attention is paid to:

- complementarity of partners that is not limited to the IC project but also to the collective business case in the targeted subsector to avoid that longer-term competitive sentiments constrain project implementation.
- a strong shared business case and vision, within which each Dutch partner has a clear and logically valuable role as well as an individual business rationale, improves cooperation in the IC. Where this is absent, Dutch partners' expectations may diverge, causing fragmentation or competitiveness within the cluster.
- the inclusion of strong and trusted local partner(s) that have good existing knowledge of the local sector, the vision, access to resources, and credibility among other market players and local authorities to play a central / pioneering role in the targeted sub-sector and will be incentivized by broader sub-sector growth.

N.B. in particular in projects that pursue Value Chain development, multiple local partners might be needed to avoid supporting the creation of a (regional) monopoly.

- a consortium lead who ensures the presence of a capable project manager, who is able and explicitly tasked with the responsibility to manage overall partnership performance by accounting for progress towards broader effects, monitoring partnership dynamics and power imbalances (including conflict resolution). This overall project manager also needs to ensure adequate delegation of local project coordination and building connections with potential beneficiary companies and other local stakeholders (local authorities, knowledge / training institutes, business associations, ...),

6.4 Strengthen beneficiary perspective in project design.

Project proposals are thoroughly designed in compliance with a range of appraisal criteria, including a clear justification of the market opportunity / deficiency being addressed and a cost-benefit analysis of the response (business case) being proposed by the IC. Moreover, each IC project is expected to contribute to broader sub-sector development whereby beneficiary companies are assumed to embrace the 'solution' being offered. In all cases, this requires time and at least some investments from a target group with limited financial strength and access to finance (in many cases smallholder farmers or micro/small enterprises).

This means that the broader success of an IC is as dependent on the attractiveness of the business case for the targeted beneficiary companies as it is for the IC partners themselves. We suggest, therefore, that in project design more attention is paid to the business case of beneficiaries by being clear and realistic about expected (investment and recurrent) costs and projected benefits. In addition, **access to finance** deserves explicit consideration in project design by incorporating deliberate efforts to facilitate this.

Finally, it is worthwhile noting that decisions requiring investments and financial risks are not only based on the rational argument of an attractive business case. Embracing new practices may require breaking long-standing habits and traditional practices that feed natural resistance to change. This dimension is to be considered more seriously in the promotion / dissemination efforts that are part of project proposals.

6.5 Pursue coherence through realistic engagement with other organisations.

The IC programme targets 'other local organisations' and refers to an improved business climate through stronger knowledge, finance and governmental institutes as optional accompanying pathways towards decent work and economic growth as the impact of the IC programme. These references are often included in project proposals, but only few ICs include those 'other actors' as partners. Moreover, intentions in terms of engagement with other PSD stakeholders are often not realized due to the more commercial priorities of IC partners, who see influencing policy or curricula beyond their primary mandate of running a successful business. At the same time, the evaluation sees various cases where other local organisations (mostly government) play a significant role in sub-sector growth, with IC interventions playing a modest supporting role.

This underlines the importance of alignment with governmental priorities in private sector development if broader subsector development is aspired. This needs to be checked during project design to allow for better management of realistic expectations where alignment is absent, and to articulate the project's added value where alignment is present.

At the same time, IC projects may want to be more realistic about their efforts and results of engaging with other local stakeholders. Concerning government this means focusing on engagement with local authorities at more operational level, e.g. to ensure necessary permits or getting access to and promote the project among local beneficiaries. A contribution to policy influencing is then best organized by local partners connecting to and sharing experiences / lessons with other PSD interventions that operate more at policy level, which strengthens their reputation in the market. Concerning knowledge institutes, more realistic engagement relates to stimulating exposure by being open to study-visits or internships, and less to influencing curricula that are often more formally / institutionally regulated, unless IC knowledge partners are included for this particular purpose.

6.6 Require foresight thinking and outreach strategies for sustainability.

IC projects are not stand-alone interventions and approved in the expectation that they will have effects that last beyond project duration and go beyond project partners. At the same time project design and reporting focus primarily on what happens during, and is delivered by, the

project itself. Deliberate foresight thinking reflecting what the consortium expects or aspires to see happening beyond the project in terms of follow-up, upscaling or replication, therefore, deserves stronger attention and elaboration in project design and reporting.

More specifically, this means paying particular attention to the 'hardware' that remains and the likeliness that this will be kept in operation, and the creation of sustainable 'access-points' for new knowledge that remain easily accessible in terms of location and timing. Another element in this is the inclusion of broader outreach strategies , whereby the IC project includes the use of relevant entities like: business associations, chambers of commerce, local government agencies and/or vocational press, for the wider dissemination of project efforts and results.

6.7 Equip IC staff / PSD coaches towards stronger IC facilitation.

In the understanding that future IC projects are to comply with the above recommendations, relevant RVO staff would need to be mandated and equipped to support and monitor this. This means that the evaluation sees a stronger role for RVO, and in particular PSD coaches, in project appraisal and the facilitation project implementation. More specifically, this involves:

- A closer examination of the business case of the IC partnership in terms of anticipating expected macroeconomic and competitive developments. This means a more systematic review of the business case for beneficiary organisations in consultation with the embassy during project appraisal. This could for instance be helped by using the 5A model (see box below) for inclusive private sector development.

Box 4: 5A model for inclusive (private sector) development.

Affordability
target groups are (financially) capable of buying the product/service or applying a practice that is presented by the PPP. It is not too expensive relative to income or payment conditions/financing opportunities match with income dynamics.

Awareness
target groups are aware of the product, service or practice, and its attributes. They know of its existence and understand its attributes and functionalities.

Availability
target groups have actual access to the product, service or practice, it is available for them to buy. They do not have to travel long distances to buy it.

Acceptability
target groups have no objections to adopting/using the product, service or practice. There is sufficient connection with perceptions, customs & behaviours.

Advantage
the (perceived) benefit you will get from this product, service or practice. Target groups understand how using the product, service or practice, will improve their business.

- Checking alignment with national private sector development priorities, as needed with the help of the embassy or (locally based) experts.
- Being mandated, capacitated and available to ICs to act as (demand-driven) external mediator in case of serious concerns / tensions among IC partners that pose threats to IC performance. *As this role may require specialized mediation skills, an alternative option would be to train selected IC programme staff or PSD coaches in this role.*

Annex 1: Terms of Reference.

Terms of Reference

Impact Clusters
Outcome Evaluation 2025

Table of Content

1. Introduction

This tender is part of the Framework Contract for the performance of evaluations of International Development programs of the Netherlands Enterprise Agency (RVO.nl, hereafter RVO). RVO supports private and public organizations with funding, connecting international business partners, knowledge-sharing, and sharing information about (trade) regulations. This support is mainly focused on international business in emerging markets and developing countries and is primarily commissioned by the Dutch Ministry of Foreign Affairs. RVO has signed framework contracts with 4 contractors to undertake evaluations for international development programs and projects. This ToR provides specific details for an evaluation study of Impact Clusters; see more information in the Staatscourant and the RVO website. All parties included in the framework are invited to respond to this tender if they meet the criteria that are mentioned in this document.

1.1. Impact Clusters

The Impact Clusters program is implemented by the Private Sector Development (PSD) team of RVO and is funded by the Ministry of Foreign Affairs through both the broader PSD Toolkit program and Combi Approach Program[1].

In 2016 Impact Clusters was developed as one of the tools of the broader PSD Toolkit Program. The goal was to involve more Dutch companies in the development of the private sector in developing countries. Developing countries may be perceived as promising longer-term markets for businesses, affording lasting opportunities for trade and investment. The assumption was that the private sector in developing countries sometimes lack the right knowledge, know-how and technology to be more productive than possible. Knowledge, know-how and technology that are available elsewhere in the world can help improve private sector capacity in developing countries. The assumption was also that Impact Clusters would lead to extra (Dutch) investments and long-term business, which would contribute to economic growth as well as income growth for the (Dutch) private sector. And that it would lead to more, better and lasting impact in the long term towards a better functioning private sector, bolstering these countries' self-reliance. Capacity building in a sector or subsector often requires a sector-wide approach in order to create a system change. Combining the knowledge present in different businesses, trade associations, knowledge institutions and civil society organisations can boost capacity building in the local private sector.

In most developing countries, Dutch missions run programs in support of local private sector development. Impact Clusters are most often a building block among other interventions, projects and programmes in a sector wide strategic approach. To enhance the effects of these programs, clusters of businesses ('Impact Clusters') can play an auxiliary role through a comprehensive range of activities that bring knowledge, know-how and technology to the local private sector. The aim of the activities of the Impact Clusters must be to contribute to the improvement of knowledge, skill or technology of local enterprises, as a result of which business cases of local enterprises are improved, the start-up of new local enterprises is stimulated and direct and/or indirect sustainable jobs are created in the long term. Beneficiaries include local SMEs, including farmers, and where possible other relevant local organizations, such as knowledge institutions within a (sub)sector in developing countries.

From 2016 until 2023 over 30 projects were started. These projects received tailor made grants. Companies in the Impact Clusters see long-term opportunities in these currently (still) underdeveloped (sub)sectors, and are therefore willing to make a long-term commitment to further develop the local sector by using their technology, knowledge and/or skills. A precondition to receive grants is for the partners to invest themselves in

[1] Some of the Impact Clusters were implemented in the so called “Combi countries” where a combined approach of trade, investments, and development cooperation is promoted.

the project activities for up to 50% of the costs. Since 2023 a formal Impact Clusters Subsidy Scheme was published in the Government Gazette and the program was officially launched.

1.2. Evaluation Background

The purpose of the study is to evaluate the outcomes of the finalised Impact Cluster projects (20) since the start of the program in 2016 for learning and improvement and to a lesser extent accountability purposes.

A Mid-Term Review (MTR) of the broader PSD Toolkit program was conducted in 2022, which also included Impact Clusters, but only as part of a broader assessment. Three Impact Cluster projects were evaluated then (deep dives in Nigeria, Uganda and Vietnam), but at that time only three projects had officially been finalised. Therefore we are not certain that in the long run the projects have had the positive intended effect on the target groups. Furthermore there was not much attention for the spillover effects of the Impact Cluster projects. See for more information the evaluation report in Annex 4.

By 2025 the portfolio of finalised projects has increased to twenty. By focusing solely on this instrument this evaluation should provide more in-depth insights. Additionally, now that three years have passed, we can better assess the longer-term results as more projects have been finalised. This evaluation is to assess the outcomes of the Impact Clusters program specifically and verify whether the underlying assumptions remain valid and have contributed to the observed results. The PSD Toolkit end term evaluation is planned to take place in 2026. This Impact Clusters Outcome Evaluation will therefore also serve as input for the comprehensive program evaluation planned for next year.

2. Evaluation Objectives, scope and research questions

2.1 Evaluation objectives

The main goal of the study is to assess the outcomes of the Impact Clusters program and verify whether the underlying assumptions remain valid and have contributed to the observed results. The evaluation will determine whether the intended effects as identified in the theory of Change (ToC) have been realized and what, if any, were unintended effects.

The evaluation will enable the Private Sector Development team, the Ministry of Foreign Affairs as well as implementing parties to learn under which circumstances and conditions Impact Clusters achieves sustainable outcomes, and under which circumstances and conditions it does not. This helps to improve the design and management of Impact Clusters projects. The results will also help to further develop/improve the program for coming openings and therefore ensure more effective use of Official Development Aid (ODA) budgets for Private Sector Development.

2.2 Scope of study

Research population

The evaluation focuses on 20 completed Impact Clusters projects (finalized between 2020 and February 2025). These projects were implemented in Bangladesh (1), **Benin (1), Ghana (2), Indonesia (2), Kenya (1), Tanzania (3), Myanmar (2), Nigeria (1), Rwanda (1), Uganda (4), Vietnam (1) and Zimbabwe (1)** across different sectors (Horticulture and Seeds (5), Poultry (3), Aquaculture (3), FoodTech (1) and FeedTech (1), Circular Plastics (1), Spices (1), Dairy (2), Urban Development (1), Potatoes (1) and Tourism (1)) between 2016 and 2025. For an elaborated overview see Annex 3.

Besides the target groups that are either partners and/or beneficiaries of these finalized projects as described below, RVO is interested to get an idea of how the outcomes have

been -or potentially can be- scaled to non-directly targeted companies and stakeholders in the (sub)sectors or value chains these projects aim to develop (spill-over effects).

Target groups

The study focuses on the outcomes for the following target groups:

1. **Local companies**[2]

Differentiate between:
- local companies who were part of the project consortium[3] (sometimes referred to as local project partners) and
- local companies that were direct beneficiaries of the Impact Cluster activities (e.g. participated in trainings and demonstrations). Make a distinction between people (end users of the new knowledge/technologies/approaches) trained and trainers trained and a distinction between men and women.

NB: in some cases local companies that are consortium partners can also be the beneficiaries.
NB2: In several projects the target groups are (small holder) farmers. Differentiate evaluation results between SME's and farmers where necessary for a better interpretation.

According to the Theory of Change it is anticipated that the local companies will have improved knowledge and technology, improved business case, improved sustainable production, creation of (better) jobs as a result of the Impact Cluster project.

2. **Other local stakeholders**

Other local stakeholders are mostly knowledge institutes or non-profit organisations.
Differentiate between:
- local stakeholders who were part of the project consortium (local project partners) and
- local stakeholders that were direct beneficiaries of the Impact Cluster activities (e.g. received training for trainers, curriculum development, demonstration partners)

NB: In some cases local stakeholders can both be partners in the consortium as well as beneficiaries. For example when trainers of these knowledge institutions are trained by the other consortium partners.
NB2: In the early years of Impact Clusters there was often no formal local project partner. However, in some cases there was a local external partner with an important role in project implementation.

According to the Theory of Change it is anticipated that local stakeholders/institutes (e.g. government, knowledge institutes and finance institutes) form the enabling environment of the private sector, spurring the spread and application of new knowledge and technology. As a result of the Impact Cluster project these institutions will be better equipped to play this enabling role.

2 A local company is considered 'local' if it a private legal entity in the country where the Impact Clusters activities have been carried out.

3 Organisations are considered as project partners when they receive Impact Clusters subsidy for their project activities.

3. Dutch[4] companies that were partners in the Impact Cluster projects

According to the Theory of Change, it is anticipated that Dutch companies:
- Contribute to Impact Clusters activities by means of the introduction of (new) products, services, knowledge & technologies;
- Benefit from Impact Cluster activities through increased production, export, investments, import in the target country, as a result of the activities in the Impact Cluster project;
– Will be (more) active in the project country also after project completion.

Evaluation focus

With reference to the OECD/DAC evaluation criteria, as 'outcome evaluation' this evaluation focuses on the effectiveness and sustainability of the results of the Impact Clusters program. Furthermore, the evaluation will also look into the program's additionality. The evaluation questions (see section 2.3) provide insight into the operationalization of these criteria. The relevance, coherence and efficiency evaluation criteria are out of scope of this evaluation. Although relevance is implicitly embedded in the effectiveness questions.

2.3 Research/Evaluation questions

The evaluation questions are based on the Theory of Change (see Annex 2) These are guiding questions for the evaluation team to further operationalise. For RVO it is important to not only get answers to the questions, but to get an understanding of the reasons behind the results: what were the success factors and the pitfalls that led to the results.

Effectiveness

Local companies

NB: Differentiate between local companies who were part of the project consortium (local project partner), direct beneficiary of the Impact Cluster activities (e.g. participated in trainings and demonstrations)

1. To what extent have local companies applied and adopted the new **knowledge, skills and invested in new inputs and technologies** that were transferred and demonstrated during the Impact Clusters activities?
2. To what extent have local companies enhanced their **access to finance and access to markets** as a result of the Impact Clusters activities?
3. To what extent have local companies improved their **(sustainable) business practices** (e.g. improved working conditions, sustainable use of resources) as a result of the Impact Clusters activities?
4. To what extent have local companies improved their **business performance** (e.g. production, sales, investment, employment, export) as a result of the Impact Clusters activities?
5. What, if any, were **unintended positive and negative effects** of Impact Clusters projects on local companies (e.g. market distortion, risks and blind spots)?

Other local stakeholders (mainly knowledge institutes)

NB: Differentiate between local stakeholders who were part of the Impact Cluster (local project partner), direct beneficiary of the Impact Cluster activities (e.g. received train the trainers, curriculum development, demonstration partner). And differentiate per category, e.g. separately report on effects for knowledge institutes.

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4 In some projects other foreign (not Dutch; not local) companies participated in Impact Clusters consortia, but since their number is very low, they are not a separate target group in this evaluation.

1. To what extent and under which circumstances have other local stakeholders sustainably included new knowledge and technologies (e.g. in curricula)?
2. To what extent and under which circumstances have they strengthened their role in the development of the (sub)sector (e.g. more/better practically trained students)?

Dutch companies and other Dutch project partners

NB: Make a distinction between Dutch companies and other types of Dutch partners e.g. knowledge institutes and non-profit organisations.

1. To what extent have Dutch partners strengthened their (sustainable) **engagement** in the sector/ country as a result of the Impact Clusters activities?
   - 1a. To what extent are these partners still active in the country after project completion, if not why not?
   - 1b. To what extent have these partners upscaled their economic activities beyond the project and what where the success factors?
2. To what extent have Dutch partners improved their **(sustainable) business performance** (e.g. sales, profit, investment, employment, import, export) in the sector/ country as a result of the Impact Clusters activities?

Broader effects

1. To what extent have the **collaboration between local and Dutch companies** in the sector/ country improved as a result of the Impact Clusters activities?
2. To what extent and under which circumstances has the **business enabling environment** in the sector/ country improved as a result of the Impact Clusters activities?
3. To what extent have the Impact Clusters activities generated positive or negative **(spillover) effects** in the sector/country and among other actors in the sector/ country (e.g. role models to spread knowledge and technology adoption to others that were not directly targeted)?

Sustainability

- To what extent are these effects **durable**? (For example, to what extent are Centres of Excellences, if created as result of the Impact Cluster activities, still operational?)
- What are the needs for **follow-up** (that RVO could facilitate) expressed by consortium partners, beneficiaries and other relevant stakeholders that would increase positive and sustainable impact after the projects have ended?

Additionality

- To what extent have the Impact Clusters activities been additional to **activities implemented by others** aimed at private sector development in the same sector?
- To what extent and under which circumstances has the **Impact Clusters approach (cluster & subsidy)** been of added value compared to other possible support modalities and compared to an individual approach?

3. Methodology

The specific methodology used for this evaluation should be developed by the tenderer, ensuring alignment with the research questions. However, a mixed-method approach – encompassing primary quantitative and qualitative data collection - is required. The evaluator is requested to propose the specific application of each method in an evaluation matrix. For each research question, the matrix should at minimum outline the required information, data sources, data collection method and the target group from which data will be collected.

3.1 Survey

To gain wider insights into the main effects of Impact Clusters a survey among cluster partners must be conducted. RVO can support with the distribution of the survey amongst cluster partners. RVO will support the distribution of the survey and the initial contact with the cluster partners and embassies for the case study interviews.

It is important to note that establishing contact with cluster partners and achieving a sufficient response rate may present challenges. The evaluator is therefore expected to include a proposal on how to address these challenges as part of their methodology.

3.2 Case studies

To achieve a deeper understanding of the results, the evaluator should conduct at least 6 in-depth case studies in at least 3 different countries. For each case study, the evaluator will speak to IC partners in the clusters of finalized IC projects, as well as to end beneficiaries (the people that received trainings and visited demonstration sites) and other stakeholders of these projects in the countries. This includes the PSD coaches, economic and agricultural advisors at the Netherlands Embassies and occasionally project partners outside the cluster e.g. local partners and local knowledge institutes were not always formal (subsidy receiving) partners. We encourage the evaluator to propose alternative ways of engaging with in-country stakeholders. For example: to work with local consultants for the case studies.

The selection criteria for the sampling of these in-depth examinations should be a collaborative effort involving the steering committee, to ensure the projects selected are diverse in terms of location, political context, PSD priorities and sector. At least one deep dive should take place in a combi country and at least one deep dive should be selected in a (sub)sector where an Impact Cluster was a building block in a broader set of interventions.

3.3 Data availability

For this evaluation, the following sources of data will be made available for the evaluating team to use:

- Subsidy request by consortium including project plan and budget overview
- Project advise plan by PSD coach
- Subsidy decision
- Annual reports from consortia
- Final reports from consortia
- End memo's by PSD coaches (Assessment and reflections)
- Overview of quantitative indicators registered in BAS
- Contact details of project partners (note: contact details of direct beneficiaries of the project activities are not available yet).

See Annex 3 for an overview of available data.

4. Evaluation team

The proposed evaluation team has to be able to address the evaluation questions in a methodologically sound and timely manner, in accordance with the foreseen planning. This responsibility includes ensuring proper conduct of the evaluation process, adhering to evaluation standards including producing deliverables that meet expected quality standards and agreed timelines.[5] The contractor should have demonstrated access to a network of experienced evaluators with knowledge of the local context of countries where

5 IOB 'Evaluation policy and guidelines for evaluations'

Impact Cluster projects have been implemented. The team should have extensive experience in conducting similar outcome evaluations with a mixed-methods approach and with private sector development in the context of Impact Clusters.

5. Process design and Deliverables

5.1 Process design

The final project planning will be coordinated in consultation, depending on the specific design of the evaluation and the preferences of the evaluator. A steering committee has already been established and can actively participate in decision-making throughout the process.

We propose the following process steps:

- Bi-weekly check-ins with the project lead and representatives from the steering committee.
- Consultation moments with the full steering committee at key milestones, including:
  - a kick-off meeting;
  - a go/no-go decision once the research questions and methodology have been finalized;
  - feedback on a first draft of the report.
- The final deadline for the delivery of this evaluation is set for 1 February 2026.

5.2 Deliverables

The project deliverables may be adjusted based on the final scope of the assignment. We propose to deliver at a minimum the following outputs:

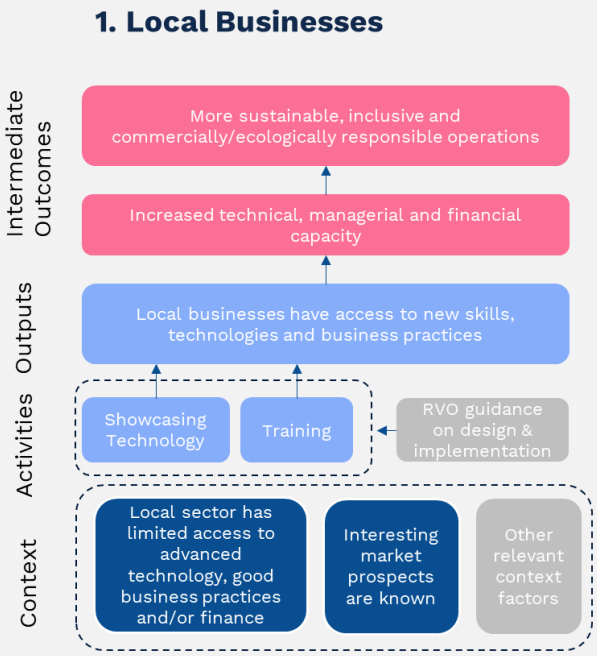
- An evaluation report of max. 50 pages based on the research questions. The report must include recommendations for improving the program's effectiveness, sustainability and additionality.
- The key findings per case study for communication purposes.
- A communication proposal for learning purposes.
- A workshop for RVO and MFA staff in which the key evaluation findings and recommendations are presented.

The evaluation report will be published in the name of the contractor as an independent evaluation. After approval of the final report by the Steering Committee, the report may be published by RVO. The report and all underlying data collected as part of the evaluation will be owned by RVO. Anonymized datasets can be made publicly available (on request) after publication of the report.

The deliverables (reports) must meet the requirements of DigiToegankelijk (See Annex 1) and are written in Word.

Annex 2: Original CMO Hypotheses.

Local Businesses



CMO Hypothesis

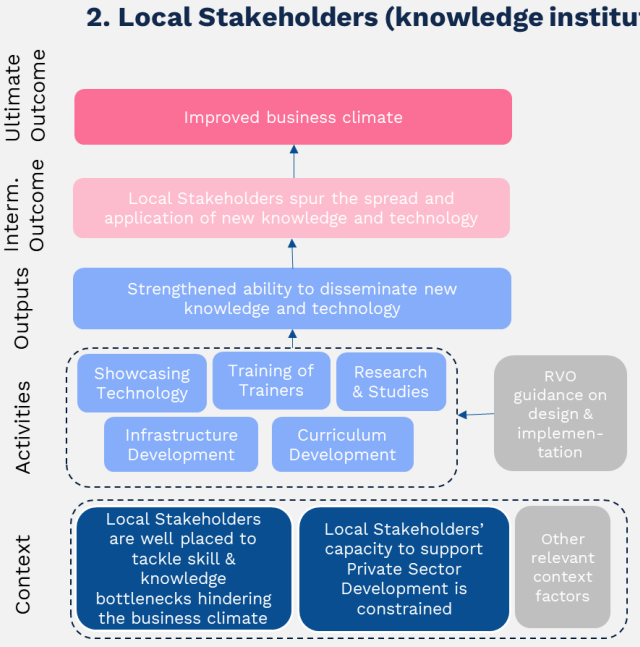
1. Who + What context? If local companies in developing countries see market opportunities in sectors where access to advanced technology, business practices and / or finance is limited,

2. Applied approach? are introduced to new technologies and business practices through demonstration, training, and knowledge transfer

3. Expected outcome? this helps increase their technical, managerial, and financial capacity, leading to more sustainable, inclusive, and commercially/ecologically responsible operations.

4. Logic? because these interventions provide practical resources and opportunities that enable companies to adopt improved practices and enhance their business performance.

Other Local Stakeholders



CMO Hypothesis

1. Who + What context? If knowledge institutes and NGOs face capacity constraints in responding 'as expected'* to local business needs in a particular (sub-)sector

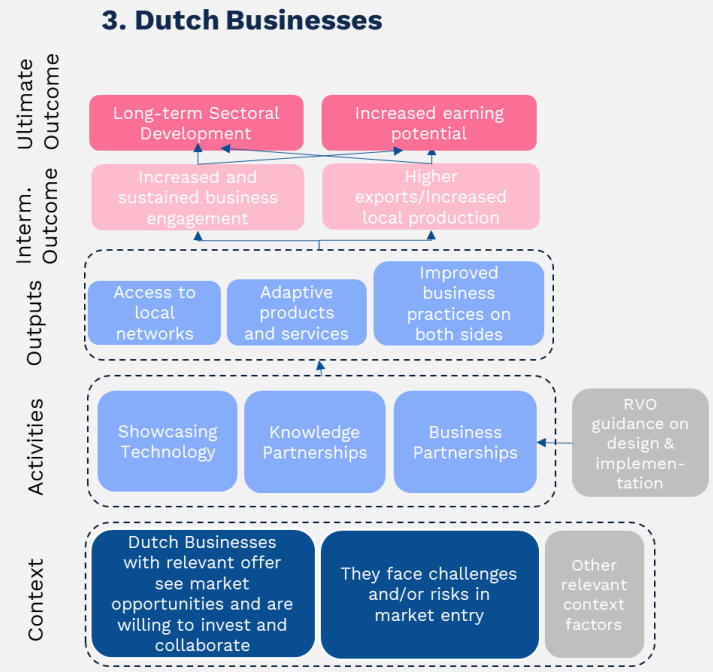
2. Applied approach? receive targeted training, curriculum development, and demonstration partnerships,

3. Expected outcome? then this will strengthen their ability to spur the spread and application of new knowledge and technology and play a more effective enabling role in the sector,

4. Logic? because these interventions build institutional capacity and foster the spread and application of innovations, resulting in broader sectoral uptake and improved support for private sector growth.

** 'as expected' is assessed by comparing mandate with expectations of local businesses.*

Dutch IC partners



CMO Hypothesis

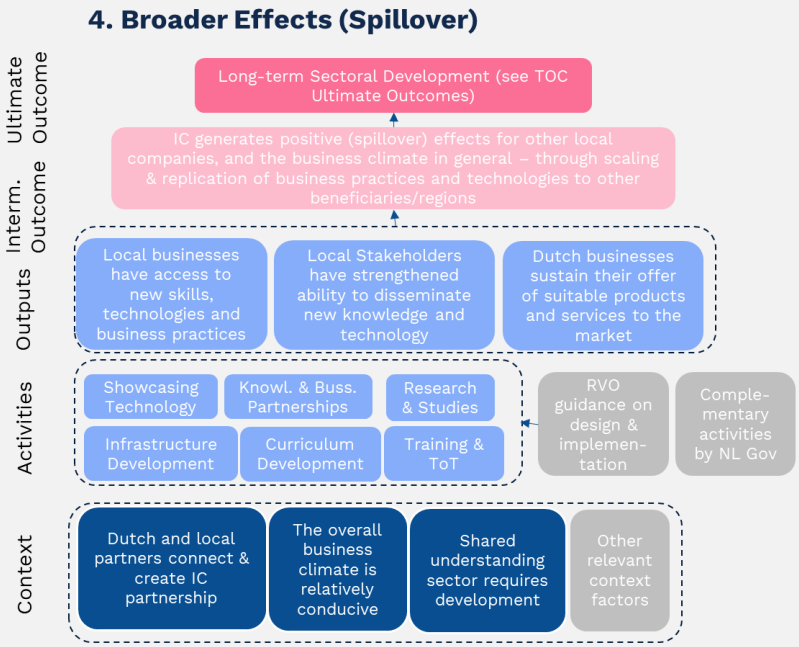
1. Who + What context? If Dutch businesses who see long-term market opportunities but face challenges in market entry and sustained engagement,

2. Applied approach? are incentivized and engage / invest in the introduction of new knowledge and technology to develop a particular (sub-)sector

3. Expected outcome? then this will result in increased and sustained business engagement, higher exports, and long-term sectoral impact,

4. Logic? because participation in Impact Clusters—through joint demonstration and knowledge-sharing activities—facilitates access to local networks, adaptation of products and services, and ongoing involvement in the target country's sectoral development

Broader Effects



CMO Hypothesis

1. Who + What context? If partners in the Netherland and IC programme countries recognize potential for joint (sub-)sector development and share interest to develop their joint business and/or activities in the sector

2. Applied approach? Take part in a cooperative programme that co-finances and facilitates the introduction of new skills, technologies and business practices,

3. Expected outcome? then this will increase durable engagement / cooperation and the overall performance of the (sub-)sector,

4. Logic? because exposure to the Impact Clusters project inspires and supports other companies to invest in better business practices and innovative technologies.

Annex 3: Evaluation matrices.

Evaluation matrix Effectiveness

Evaluation questions	Sub-questions	Information needs (indicators / signs of progress)	Data collection methods and sources
Effectiveness: *Local companies (consortium partners and beneficiaries)*			
To what extent have local companies applied and adopted the new **knowledge, skills and invested in new inputs and technologies** that were transferred and demonstrated during the Impact Clusters activities? To what extent have local companies enhanced their **access to finance and access to markets** as a result of the Impact Clusters activities? To what extent have local companies improved their **(sustainable) business practices** as a result of the Impact Clusters activities? To what extent have local companies improved their **business performance** as a result of the Impact Clusters activities?	<u>On context:</u> To what extent are assumed contextual factors (local market prospects /demand requiring new knowledge / technology, sector-specific bottlenecks that can be overcome with new knowledge / technology) in place and correct? What other contextual (political, economic, socio-cultural, technological) factors have helped or hindered the success of the IC for local companies? <u>On Mechanism:</u> In what ways have the new knowledge / technology been introduced? To what extent have IC interventions taken place as intended? What / how many companies, beyond the project partners, have been reached by the IC interventions beyond the project partners? <u>On Outcomes:</u> What has been the effect on business practices and performance of local project partners? What has been the effect on business practices and performance beyond local project partners? What are the main (internal and external) factors that explain these effects (or lack thereof)? To what extent are these factors context-specific (i.e. not applicable in other contexts)?	<u>Portfolio-wide:</u> • Clarity of market opportunities and challenges that the IC is expected to address. • Prevalence of unforeseen contextual factors that affected the IC. • Planned vs actual IC interventions and reach • Outcome signs, disaggregated by local participating and benefiting companies, related to: • New knowledge and skills being used • Improved use of inclusive financial services (e.g. volume and diversity of financial sources) • Improved social and sustainable business practices (e.g. improved working conditions, sustainable use of resources). • Improved business performance (e.g. production, sales, investment, employment, export). - Other (unforeseen) effects. <u>Case-specific:</u> ○ Number of local companies reached, beyond project partners ○ Effects on practices and performance of local companies beyond project partners. ○ Other unforeseen effects on local companies beyond project partners. ○ Most significant factors that explain (differences in) effects on local companies within and beyond project partners.	<u>General / portfolio wide:</u> • Desk study (reports of consortia, end memo's PSD coaches, relevant quantitative indicators in BAS). • Survey among participating local businesses. • Interviews with informed spokesperson(s) of each consortium behind completed IC. And representative of key local partner within each consortium – either in joint or separate interviews. <u>Case specific:</u> • Desk study of annual reports participating and selected beneficiary companies. • FGDs with local beneficiary companies. • KIIs with private sector partners in NL and selected programme countries, PSD coaches in selected programme countries, local representatives / coordinators consortia and external experts / trainers.

What, if any, were **unintended positive and negative effects** of Impact Clusters projects on local companies (e.g. scaling or replication of technologies to other markets and regions, market distortion, risks and blind spots)?	Were there any other unintended effects (positive or negative) on local companies?	Outcome harvest of unexpected signs that are not part of the existing Theory of Change.	• Survey among participating local business. • KIIs with PSD coaches • Case studies.

Evaluation question	**Sub-questions**	**Information needs (indicators / signs of progress)**	**Data collection methods and sources**
Effectiveness: Other local stakeholders (mainly knowledge institutes and NGOs)			
To what extent and under which circumstances have other local stakeholders sustainably included **new knowledge and technologies** (e.g. in curricula)? To what extent and under which circumstances have they strengthened their role in the development of the (sub)sector (e.g. more/better practically trained students)?	<u>On context:</u> To what extent are assumed contextual factors (expectations from and capacity constraints faced by local knowledge institutes in responding to local business needs within the sub-sector) in place and correct? What other contextual (political, economic, socio-cultural, technological) factors have helped or hindered the contribution of other local stakeholders in making the IC a success? <u>On Mechanism:</u> What was expected of the other local stakeholders that took part in the IC? To what extent have these contributions taken place as intended? What / how other local stakeholders, beyond the project partners, have been reached by the IC interventions beyond the project partners? <u>On Outcomes:</u> What has been the effect on the practices and performance of other local project partners in spurring the spread and application of new knowledge? What has been the effect on these practices and performance of other local stakeholders beyond local project partners? What are the main (internal and external) factors that explain these effects (or lack thereof)? To what extent are these factors context-specific (i.e. not applicable in other contexts)?	<u>Portfolio wide:</u> • Clarity and justification of intended involvement of other local stakeholders in IC in light of local context and needs. • Prevalence of other contextual factors influencing the contribution of other local stakeholders. • Planned versus actual involvement of other local stakeholders to IC? • Planned versus actual interventions to capacitate other local stakeholders (including research and the establishment of demo facilities). • Outcome signs, disaggregated by local participating and beneficiary stakeholders related to: - Changes in practices to spur the spread and application of newly introduced knowledge / technology (including continued use of research results and demo facilities). - Noticeable shifts in competencies new graduates entering labour market. <u>Case specific:</u> ○ Number and type of other local organisation reached by / taking part in IC interventions beyond project partners ○ Effects on practices and performance of other local stakeholders in spurring the spread and application of new	<u>General / portfolio wide:</u> • Desk study (reports of consortia, end memo's PSD coaches, relevant quantitative indicators in BAS) • Survey among other local stakeholders that are part of the IC consortium. • Interviews with informed spokesperson of each consortium behind the 20 completed IC <u>Case specific:</u> - KIIs with local consortia members (both companies and other stakeholders). - FGDs with local beneficiary knowledge institutes.

		knowledge and technology and/or support (sub-)sector development. ○ Other unforeseen effects on other local stakeholders beyond project partners. ○ Most significant factors that explain (differences in) effects on other local stakeholders within and beyond project partners.	- KIIs with PSD coaches and external sector experts / trainers.

Evaluation question	**Sub-questions**	**Information needs (indicators / signs of progress)**	**Data collection methods and sources**
Effectiveness: Dutch companies and other Dutch project partners			
To what extent have Dutch partners strengthened their (sustainable) **engagement** in the sector/ country as a result of the Impact Clusters activities? To what extent are these partners still active in the country after project completion, if not why? To what extent have these partners upscaled their economic activities beyond the project and what were the success factors? To what extent have Dutch partners improved their **(sustainable) business performance** in the sector/ country as a result of the Impact Clusters activities?	<u>On context:</u> To what extent are assumed contextual factors (clarity sector-specific market opportunities / challenges in which Dutch companies / organisations have interest, have a fitting proposition, while facing risks / challenges in market entry) in place and correct? What other contextual (political, economic, socio-cultural, technological) factors have helped or hindered the success of the IC for participating Dutch companies / organisations? <u>On Mechanism:</u> What was the expected contribution / involvement of Dutch companies / organisations in introducing new knowledge / technology? To what extent have IC interventions taken place as intended? Did the cluster approach have any added value for the Dutch businesses? <u>On Outcomes:</u> What has been the (short and longer term) effect on business practices and performance of the Dutch companies / organisations taking part in the IC? What has been the effect in terms of (sustainable) engagement of the Dutch companies /	<u>Portfolio-wide:</u> • Awareness of market opportunities and challenges in the eyes of the Dutch IC partners. • Prevalence of other unforeseen contextual factors that affected the IC. • Planned vs actual contributions / involvement of Dutch partners in IC interventions. • Outcome signs related to: - Increased (lasting) engagement in the targeted sub-sector. - Increased business performance (local turnover, export, import, and employment figures) - Improved social and sustainable business practices (e.g. improved working conditions, sustainable use of resources). - Other (unforeseen) effects. <u>Case-specific:</u> ○ Outcome signs related to changes in local business performance Dutch partners (local registrations, investments, sales, staff, etc.) ○ Other unforeseen local effects related to Dutch partners.	<u>Portfolio-wide:</u> ○ Desk study (reports of consortia, end memo's PSD coaches, relevant quantitative indicators in BAS) ○ Survey among Dutch companies involved in the 20 ICs. ○ KIIs with PSD coaches ○ Webscraping websites Dutch companies. <u>Case-specific:</u> ○ KIIs with Dutch companies involved in the selected cases. ○ KIIs with local representatives of Dutch companies

	organisations in the targeted sub-sector? What are the main (internal and external) factors that explain these effects (or lack thereof)? To what extent are these factors context-specific (i.e. not applicable in other contexts)?	○ Most significant factors that explain the (absence of) effects on Dutch partners.	involved in selected cases.

Evaluation question	Sub-questions	Information needs (indicators / signs of progress)	Data collection methods and sources
Effectiveness: Broader effects			
To what extent have the **collaboration between local and Dutch companies** in the sector/ country improved as a result of the Impact Clusters activities? To what extent and under which circumstances have the **business enabling environment** in the sector/ country improved as a result of the Impact Clusters activities? To what extent have the Impact Clusters activities generated positive or negative **(spillover) effects** in the sector/country and among other actors in the sector/ country (e.g. role models to spread knowledge and technology adoption to others that were not directly targeted)?	<u>On Context:</u> To what extent are assumed contextual factors (joint recognition of (causes for) an under-developed (sub-)sector, willingness and belief that challenges can be overcome, overall business climate conducive for longer term cooperation) in place and correct? What other contextual (political, economic, socio-cultural, technological) factors have helped or hindered the cooperation within the IC project. <u>On Mechanism:</u> How was the IC expected to perform as joint cooperative framework? What were the broader sector-wide effects (beyond the IC partnership) foreseen by the IC and how were these intended to be realized? To what extent did the cooperation within IC framework work out as intended? To what extent did the IC pursue its aspired broader effects as intended? <u>On Outcome:</u> What has changed in the collaboration between the Dutch and local companies as a result of their IC activities? What signs / evidence is there that demonstrates the durability of those changes? What have been the (positive or negative) spill-over effects / changes in the enabling environment / business climate in the (sub-)sector? What are the main (internal and external) factors that explain these effects (or lack thereof)?	<u>Programme-wide:</u> • (Trends in) interest in IC co-financing (and type of applications). • Quality and diversity of IC applications. • Trends in success of IC. • Prevalence of other unforeseen contextual factors that affected IC applications. • Planned vs actual IC efforts to pursue broader effects. • Perceptions about the quality of cooperation within the IC and with RVO / PSD coaches in pursuing broader effects. • Outcome signs related to: - Increased and lasting cooperation between IC partners (e.g. MoUs, Joint Ventures) <u>Case-specific</u> • Outcome signs related to - change in norms & standards related to more inclusive, sustainable and/or commercially viable business practices (e.g. % young / female entrepreneurs, decent work standards) - broader change (positive and negative) in the (enabling) business (e.g. legislation, access to finance, knowledge and technology) - change in performance of (sub-)sector (e.g. profitability, export / import figures, employment, ...)	<u>Programme-wide:</u> • Desk study (IC annual plans and reports, IC applications, end memo's PSD coaches) • Survey among IC partners involved in the 20 ICs. • Interviews with informed spokesperson of each consortium behind the 20 completed IC • KIIs with RVO programme staff and PSD coaches. <u>Case-specific:</u> • Desk study related to (sub-)sector-specific developments (e.g. from relevant business associations), as available. • FGDs with local beneficiary companies and other local stakeholders. • KIIs with local representatives / coordinator IC partners. • KIIs with informed (external) stakeholders (e.g. relevant business associations, academics, embassies)

	To what extent are these factors context-specific (i.e. not applicable in other contexts)?	• Most significant factors that explain the (absence of) broader effects	

Evaluation matrix Sustainability

Evaluation question	Sub-questions	Information needs (indicators / signs of progress)	Data collection methods and sources
Sustainability			
To what extent are these effects durable? (For example, to what extent are Centres of Excellences, if created as result of the Impact Cluster activities, still operational?)	To what extent do IC develop and use longer-term sustainability plans / strategies that go beyond the duration of the IC project? To what extent have effects (as observed in the effectiveness assessment) been structural changes or require continuous support? What resources are committed to continue / sustain (part of) the IC results / activities? How do local and international stakeholders regard the future sustainability of both the IC partnership and its results?	• % of completed IC cases that can demonstrate the use and effects of a sustainability plan • % of completed IC cases that demonstrate structural / institutionalized effects. • % of completed IC cases that can demonstrate having committed resources for continuation. • Type and number of resources committed for continuation. • % of respondents provided substantiated arguments that illustrate the (likely) sustainability of their partnership / results.	• Desk study related to the ICs and specific outputs (e.g. Centres of Excellence) • Interviews with informed spokesperson(s) of each consortium behind the 20 completed IC • Interviews with PSD coaches. • Survey among IC consortia members
What are the needs for follow-up (that RVO could facilitate) expressed by consortium partners, beneficiaries and other relevant stakeholders that would increase positive and sustainable impact after the projects have ended?	To what extent and what do IC members and/or other local stakeholders express as continued support needs? What adaptations in PSD programme management and support emerge when analysing the durability of IC results and partnerships?	• Types and resource requirements of future support needs. • Signs of adaptations needed in IC or other PSD programme management to support durability of results / partnerships.	• Interviews with informed spokesperson of each consortium behind the 20 completed IC • Interviews with PSD coaches and RVO programme staff • Survey among IC consortia members • Synthesis of effectiveness findings on signs of durability.

Evaluation matrix Additionality

Evaluation question	Sub-questions	Information needs (indicators / signs of progress)	Data collection methods and sources
Additionality			
To what extent have the Impact Clusters activities been additional to activities implemented by others aimed at private sector development in the same sector? To what extent and under which circumstances have the Impact Clusters approach (cluster & subsidy) been of added value compared to other possible support modalities and compared to an individual approach?	What are other NL-funded PSD interventions in support of the same (sub-)sector? What other development partners have been active in support of the same (sub-)sector and in what way / using what modalities? In what way does the IC overlap or complement these other interventions and what is the specific added value of the IC programme? Could the IC have been funded through other means? How do the various IC stakeholders (consortia, embassy, PSD coaches, RVO programme staff) see and argue the added value of the IC approach? How do other development partners see and argue the added value of the IC approach?	• Evidence of overlaps / potential alternatives with other support programmes or funding sources • Evidence of synergies with other support programmes • Evidence of explicit alignment/collaboration with other initiatives • Substantiated perceptions of IC stakeholders of added value of IC cluster approach (compared to alternative approaches like individual grants). • Substantiated perceptions of other development partners of the IC approach.	• Desk research of other PSD programmes / initiatives in support of the same (sub-)sector. • Survey among IC consortia members. • KIIs with other IC stakeholders (embassy, PSD coaches, RVO staff) • KIIs with other development partners in selected case countries

Annex 4: list of consulted documentation, websites and informants.

Consulted documentation;

- Policy Framework – Impact Clusters, final versions, 18 August 2016 and 18 July 2018
- DDE Decision framework / policy regulations Impact Clusters 2022, internal document.
- Application forms completed Impact cluster projects
- Advisory documents PSD coaches for project appraisal
- Final reports from consortia related to completed impact cluster projects
- End memo's by PSD coaches (assessments and reflections).
- RVO proposal for sharpening policy regulations Impact Clusters 2025, version 29-1-2025
- Minutes / take-aways from lesson learnt workshop with IC partners, November 2024, internal documents.
- 2022 End-term evaluation PSD Apps and MTR PSD Toolkit, MDF and SEO Amsterdam Economics, December 2022

Consulted websites:

- https://zoek.officielebekendmakingen.nl/stcrt-2023-15513.html
- https://english.rvo.nl/sites/default/files/2023-08/Unofficial%20translation%20Government%20Gazette%20publication%20Impact%20Clusters.pdf
- https://zoek.officielebekendmakingen.nl/stcrt-2024-36562.html
- https://english.rvo.nl/subsidies-financing/impact-clusters-ic
- https://projects.rvo.nl/search?search_api_fulltext=impact+cluster
- https://www.agriimpactgroup.com/projects/youth-greenhouse-enterprise-project-yugep
- https://www.agriimpactgroup.com/projects/happy-program
- https://hollandgreentech.com/

General informants:

Organisation	Designation	Focus
Ministry of Foreign Affairs, Directoraat Duurzame Economische ontwikkeling (DDE)	• Commissioner PSD toolkit • Commissioner Combi approach / PSD toolkit • Embassy of the Netherlands in Kampala, Uganda	Overall programme management Country / project-specific experiences and observations
RVO	• Team manager PSD • PMEL advisor PSD toolkit • Coordinator Impact Clusters • Coordinator Combi-tracks	Overall programme management
RVO	• PSD coaches Indonesia, Ghana, Kenia, Nigeria and Uganda • Former PSD coach / agricultural counsellor Uganda	Country / project-specific experiences and observations.

Project-specific informants case projects.

IC Project	Organisation	Designation / role in IC project
Tailor-made Green houses, Ghana	Delphy B.V. Agri-impact Group / fresh logistics Rijk Zwaan B.V.	Deputy Director Group CEO Plant manager Marketing manager Engineer Spec. Marketing Organics / Foreign Development projects.
Better chicken for a better future, Ghana	Solidaridad Ghana Hendrix Genetics Agri-depot Bekwai farmers association Local beneficiaries Ministry of Food & Agriculture	Coordinator Inclusivity & P2P PMEL officers Sales Manager East Africa CEO / managing director Manager Hatchery Several board members 12 poultry farmers Director of Agri-development, Bekwai district office.
FoodTech, Indonesia	Sumber Rejo Farm (Demonstration Layer Farm) Universitas Gadjah Mada (UGM) – Faculty of Animal Science Local beneficiaries (farmers) Indonesian Association of Layer Farmers Sumber Rejo Farm (TRAINING PARTICIPANTS)	Owner Production Supervisor Technical Officer Professor 9 Poultry farmers Head of the association Farm manager and Feed & Pullet manager
Plastics in Circles, Indonesia	PT. Million Limbah Ambon (MLA) Green Moluccas Waste pickers City Government of Ambon (Dinas Lingkungan Hidup (DLH) Kota Ambon)	Local partner Other local stakeholder (CSO) Local beneficiaries Collection Point Managers City representatives
Poultry Tech, Uganda	Larive Consulting Asigma Capital Advisory Services Asiima Agriconcern Biwooma farm	Lead partner Local partner Local partner Demo farm

	Local farmers	3 beneficiaries/trainees
Dairy Uganda, Uganda	Bles Dairies Uniform Agri Gaza Dairy farm Mutanoga farm RDI (Ruberwa Dairy Investments) Obuteka farm	Lead partner (2 interviews due to management changes) Dutch partner Potential beneficiary Expo host & potential beneficiary Potential beneficiary Potential beneficiary

Project-specific informants non-case projects.

IC Project	**Organisation**	**Designation / role in IC project**
Potato Bangladesh	Advance Consulting	Director
Horti Benin	Holland Green Tech Benin	Directrice Régionale Afrique de l'Ouest.
FeedTech Kenya	Larive Consulting	Director
VEG Impact Myanmar	Advance Consulting	Director
Myanmar Dairy Accelerator	*Penvoerder non responsive* (Solidaridad Network Asia)	N/A
Seeds 4 Change, Nigeria	EastWestSeed NABC	Regional Business Head ROW Deputy Managing Director / former project coordinator.
Tourism Trails, Uganda	EyeOpenerWorks Bergwandelen.com	Lead partner Consortium partner
Kajjansi Urban development, Uganda	TwentyOne	Lead partner nonresponsive
Fish Farming, Rwanda	Larive Consulting	Director
FoodTech Africa, Tanzania	Larive Consulting	Director
Kukua na Kuku, Tanzania	NABC Aeres	Deputy Managing Director / former project coordinator. Project participant
New Sustainable spices, Tanzania/Madagascar	NABC	Deputy Managing Director / former project coordinator.
Sustainable shrimp production, Vietnam	Larive Consulting	Director
Horticulture centre of expertise, Zimbabwe	Holland Green Tech	Lead partner nonresponsive

Annex 5: Risk management

The robustness of the evaluation findings depends on the extent to which methodological **biases** and operational **risks** are successfully mitigated / managed. Below, we illustrate the main biases / risks that were anticipated and how these were mitigated.

Methodological biases and mitigation measures

Methodological biases	**Mitigation measures**
Research bias = about independence of findings from evaluator / researcher. Bias caused by: Background (culture, ethnicity, education), Gender, Personality and Experience of evaluator	Mitigated by 1) use of clear tools, guidelines and templates to ensure uniform data collection and processing, and 2) four-eye principle, whereby diverse team members work in pairs and jointly interpret data or whereby the work of one team member is overseen and by another (senior) team member
Response bias = about reliability of responses from informants / sources. Bias caused by: Selective recall Perceptions of (political) correct/ desirable responses Background and interests of the respondent	Mitigated by: 1) triangulation of sources / informants, so findings related to the various evaluation questions are never based on only one (type of) source, 2) interview technique using neutral descriptive questions substantiated by evidence or examples, 3) more than one interview per cluster (with different types of stakeholders), and 4)validation of findings during participatory sense-making events.
Selection / sampling / resource bias = about representativeness of findings. Bias caused by: Practical considerations: availability / accessibility of sources Budget / time dictating sample Selection dependent on client staff who may steer towards biased informants.	Mitigated by 1) setting clear criteria for selection of diverse an independent information sources and 2) purposive sampling, where possible, based on preset and agreed selection criteria / characteristics a random sample is drawn. In practice, the evaluation often depended on IC partners for the identification of external informants, hence selection bias could not be fully avoided. Nevertheless, the evaluation is confident about the reliability of its findings, given that selection bias was further mitigated by triangulation of findings from other data sources.

Operational risk management

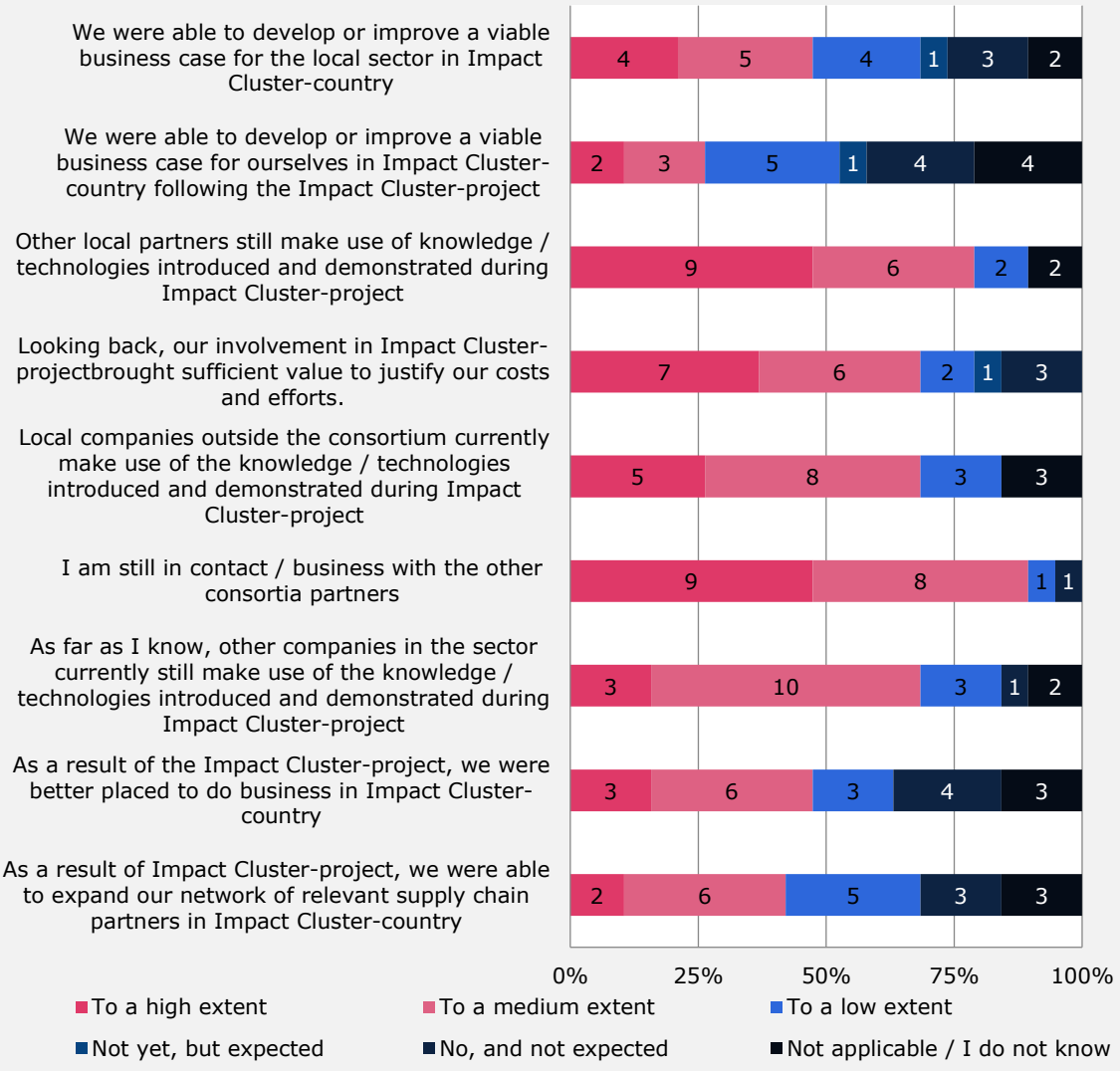
Risk	**Chance**	**Possible consequences**	**Mitigation**
Later start of the assignment	Small	In extreme cases, this can result in a delay in the final delivery.	In consultation with the client discuss possibilities to thicken the planning.
Accessibility / responsiveness of informants.	Medium	Incomplete findings.	Timely planning and personal communication.
Failure to receive available data on time	Small	Delay	Clear communication on data needs from contract signature date, close follow-up.
Data quality of RVO	Medium	Less granular/robust information on portfolio	Additional desk research from public information, more survey questions.

Risk	Chance	Possible consequences	Mitigation
Loss of team member	Medium	HR shortages in the team.	Replacing the team member involved.
Insufficient response survey	Medium	Less granular/robust information on portfolio	Careful preparation, a short attractive survey and if necessary, a snowball-method using social media to reach stakeholders.

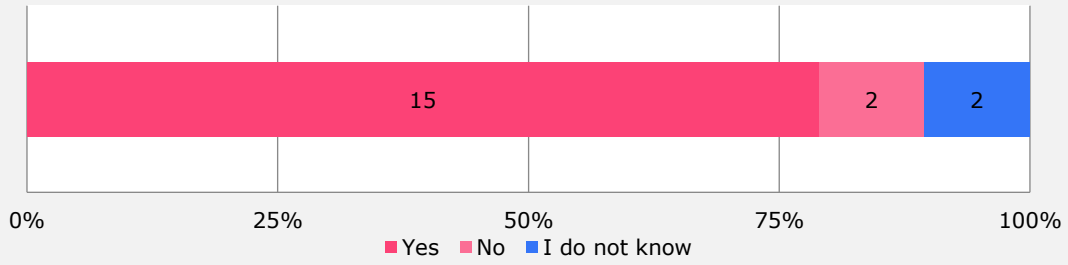
Annex 6: Survey results

A.1 Survey Dutch companies

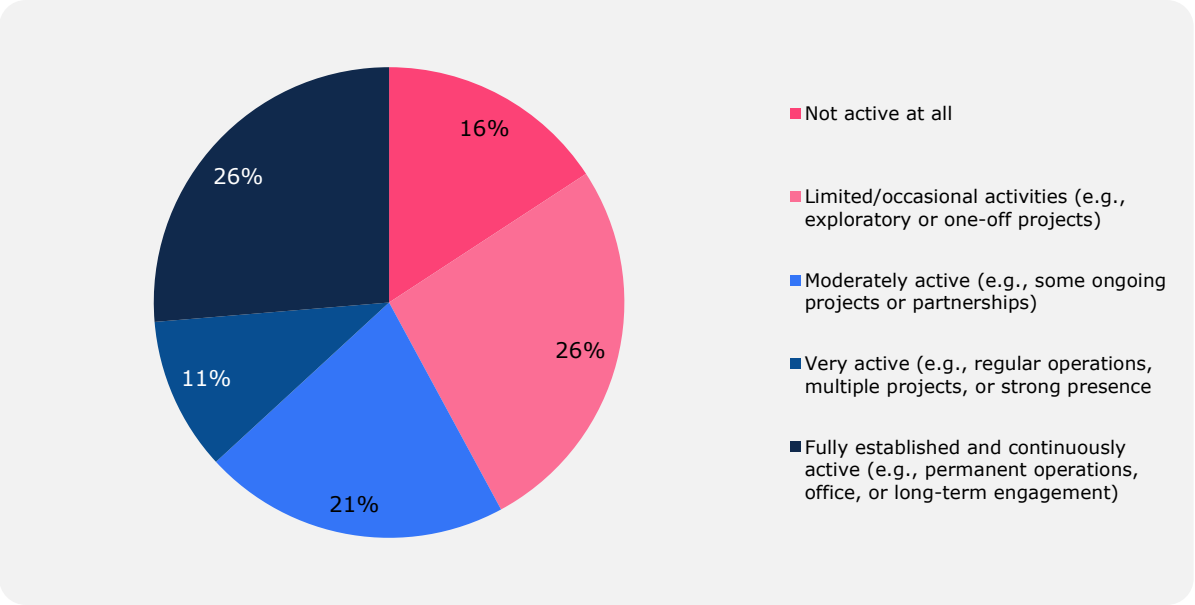
Q1: To what extent do you agree with the following statements (n=19):



Q2: Before the Impact Cluster-project, was your company active in Impact Cluster-country? (n=19)



Q3: To what extent is your company (still) active in the Impact Cluster-country? (n=19)



Q4: Can you please elaborate?

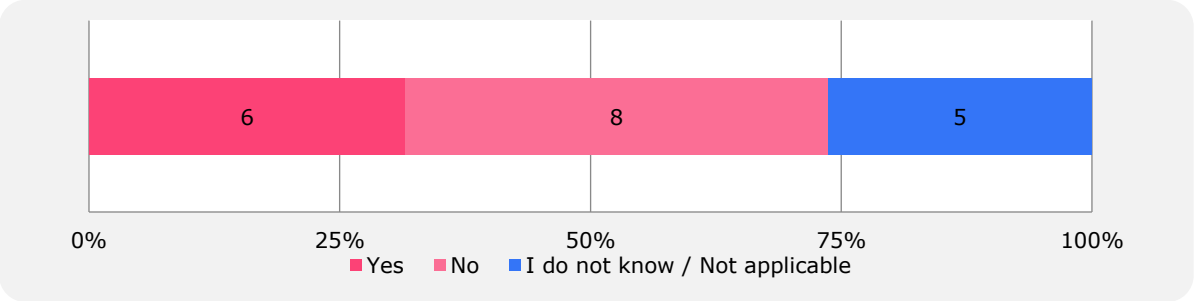
Respondents mention a variety of reasons:

For the more successful projects, respondents indicated that the relationships / networks they built during the project laid the foundation for their current involvement in the project country. In some cases, respondents expressed optimism about the opportunities, mentioning long-term investments (local presence) despite short-term challenges. Finally, knowledge institutes indicate that they continue to engage with their counterparts in partner countries.

Other respondents highlight challenges (e.g., political situation, slow administration and financial constraints), which lead them to decrease their activities in the partner countries.

Finally, in some cases, participations mention that the IC project was not successful for them, resulting in no activities in the IC-country.

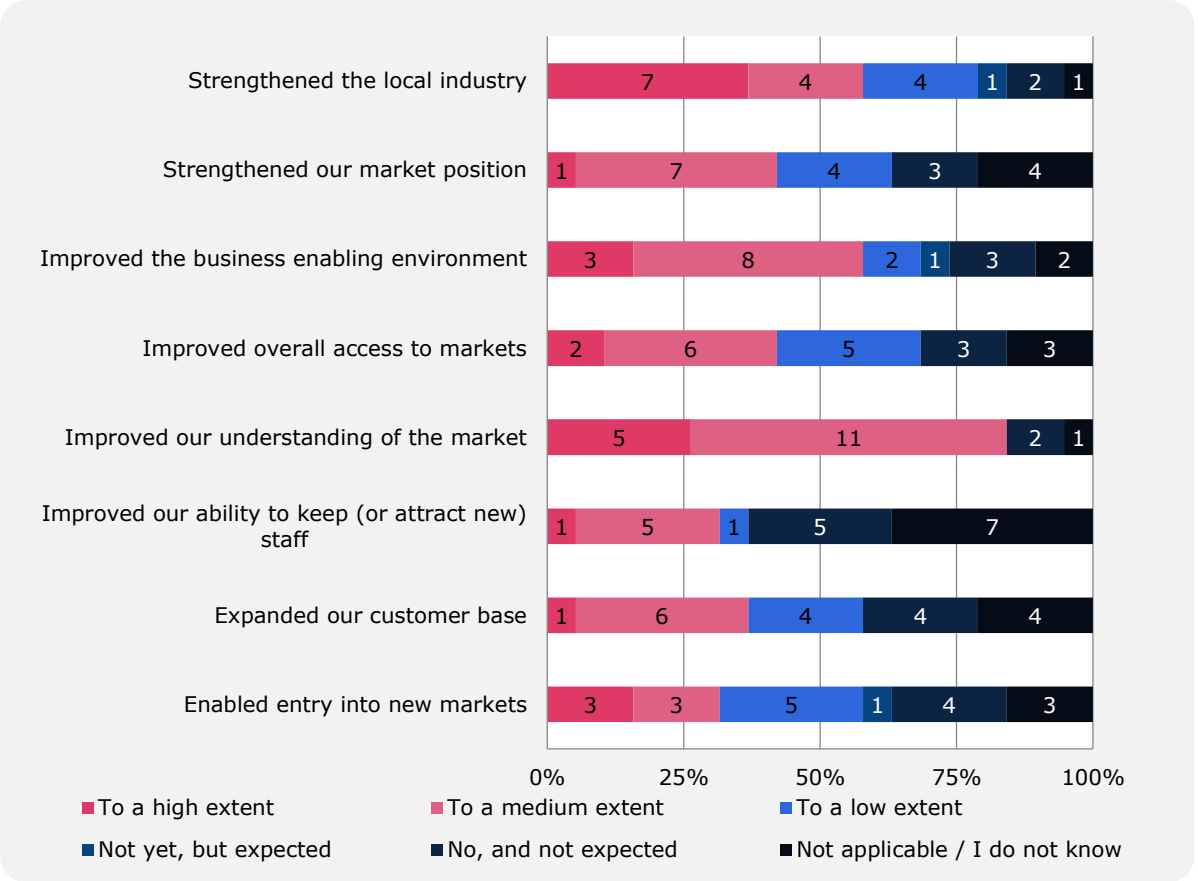
Q5: Did you upscale your economic activities in Impact Cluster-country after the Impact Cluster-project? (n=19)



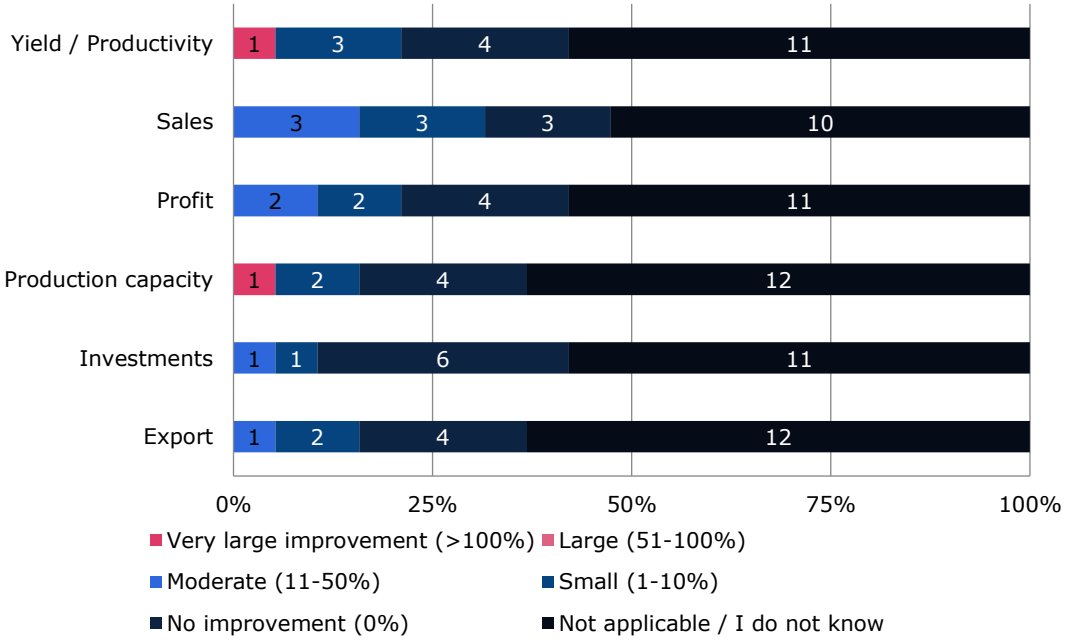
Q6: Can you please elaborate?

In some cases, activities have continued with Dutch and local stakeholders building on the results of the IC project. In other cases, the observed growth was not related to the IC project. In addition, the implementation of a number of projects has been (temporarily) halted or delayed due to COVID-19, while some projects have ultimately proved unsuccessful.

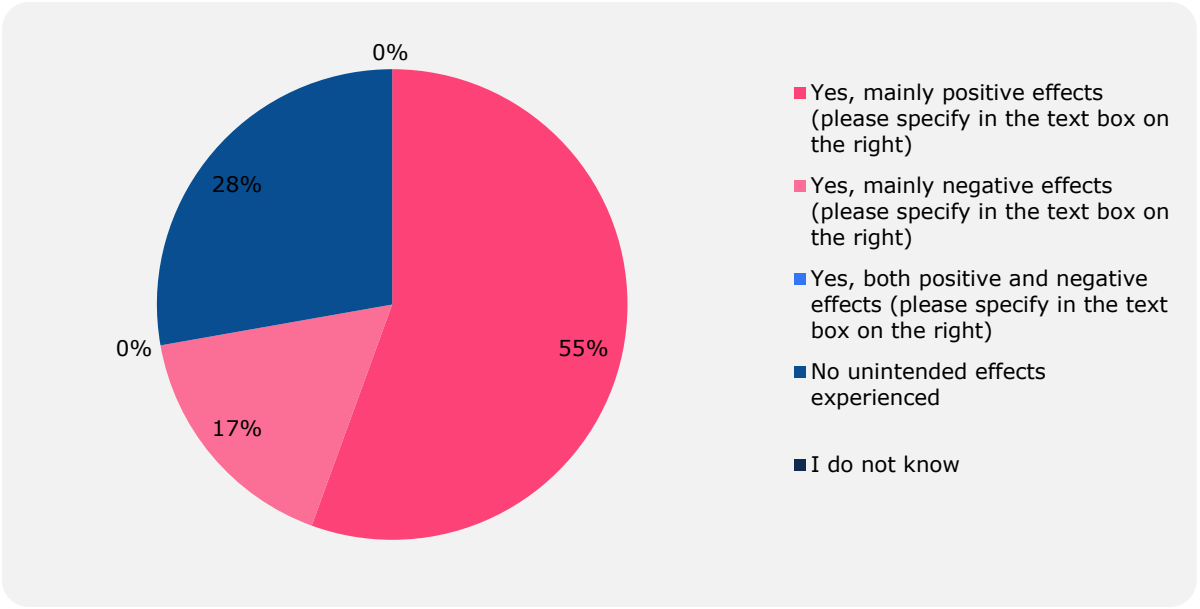
Q7: To what extent do you agree with the following statements: For my organisation, involvement in the Impact Cluster-project has (n=19)



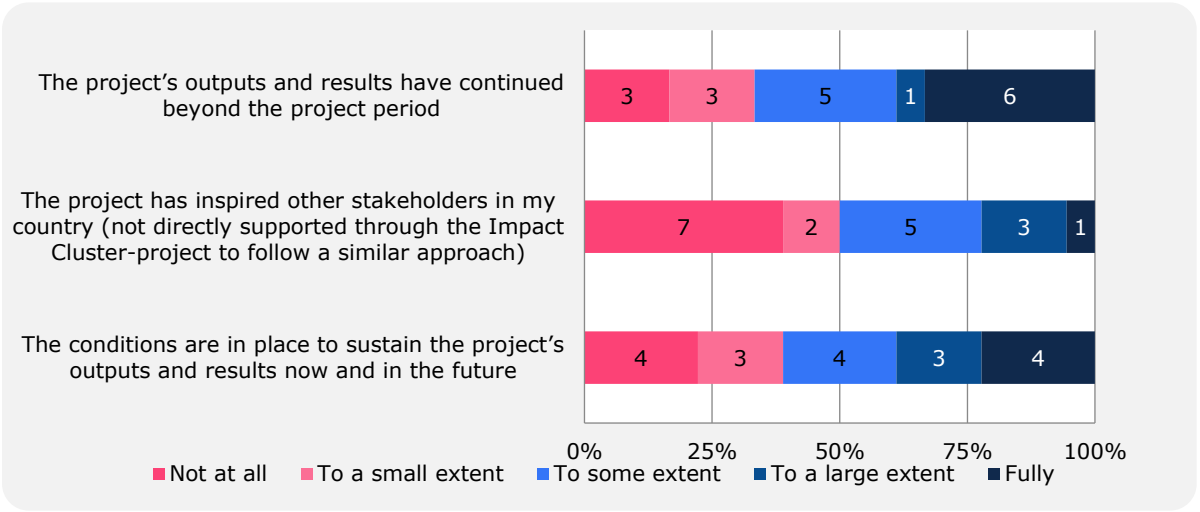
Q8: To what extent did your business performance in the Impact Cluster-country improve as a result of the Impact Cluster-project? (n=19)



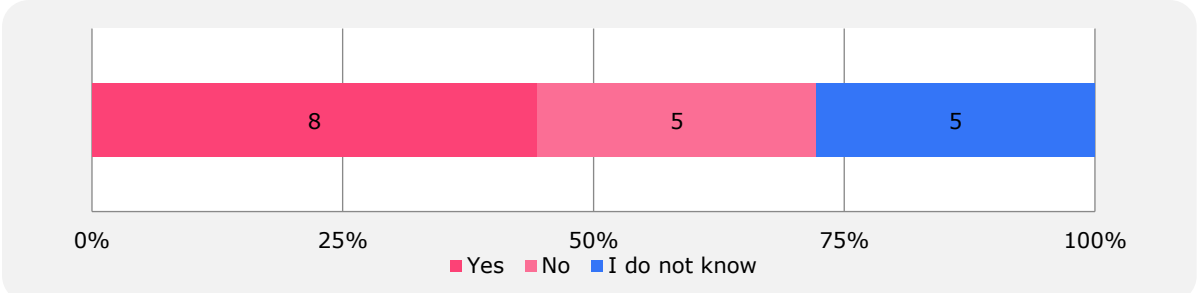
Q9: Have you experienced any other unintended positive or negative effects of the project? (n=19)



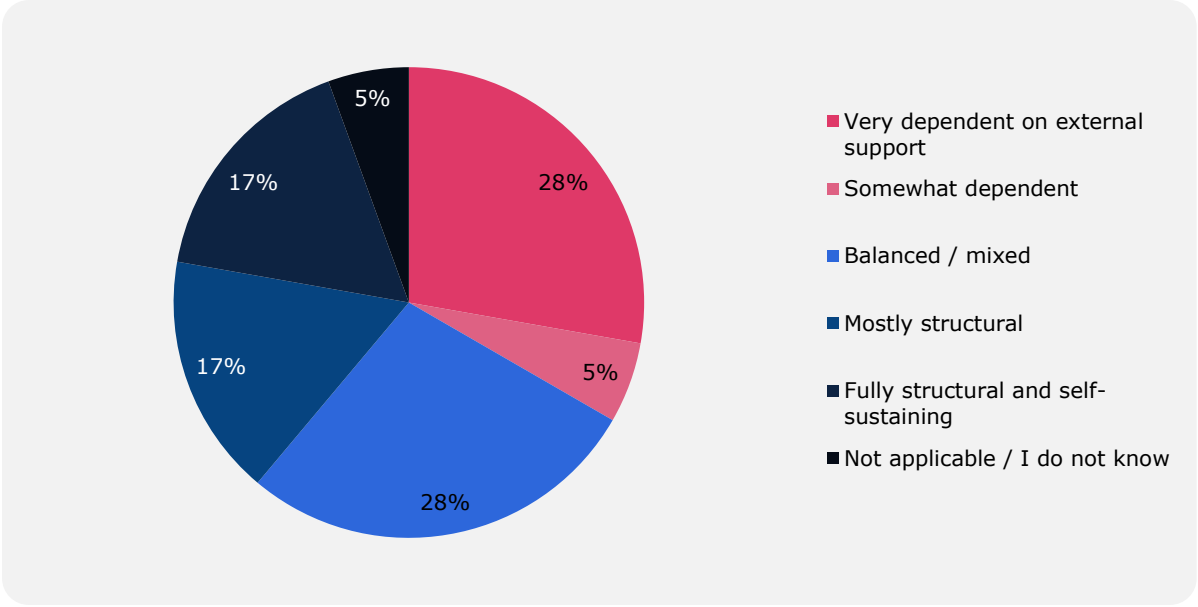
Q10: To what extent do you agree with the following statements (n=18)



Q11: Are you aware of (plans for) continued activities in the Impact Cluster-country of other project partners? (n=18)



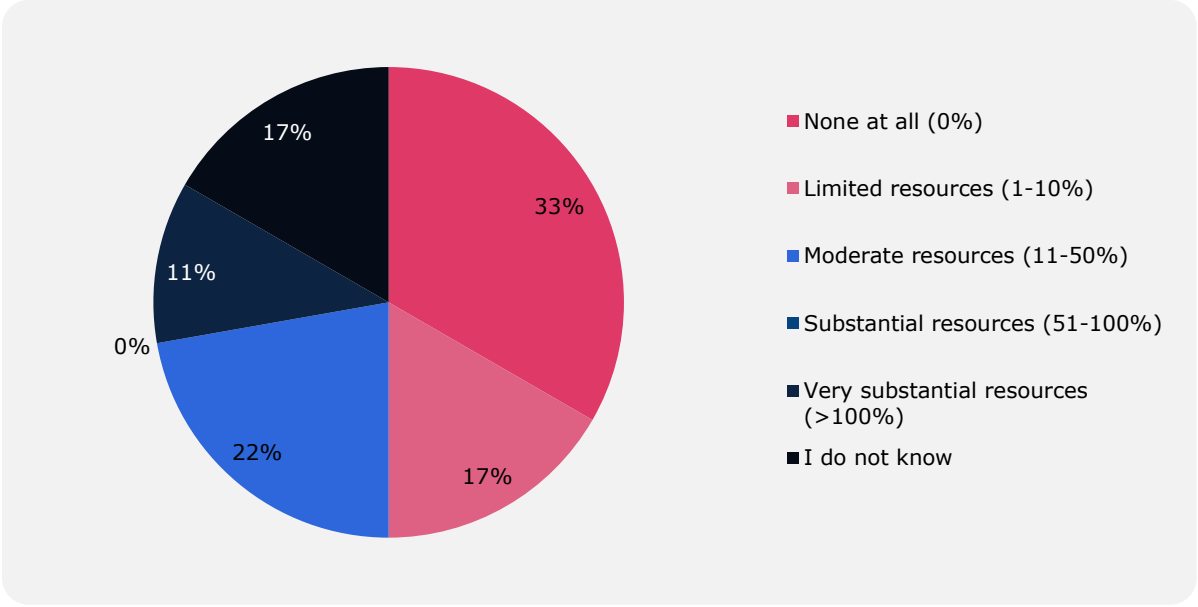
Q12: To what extent do you think the effects of the project are structural (self-sustaining) rather than dependent on continued external support? (n=18)



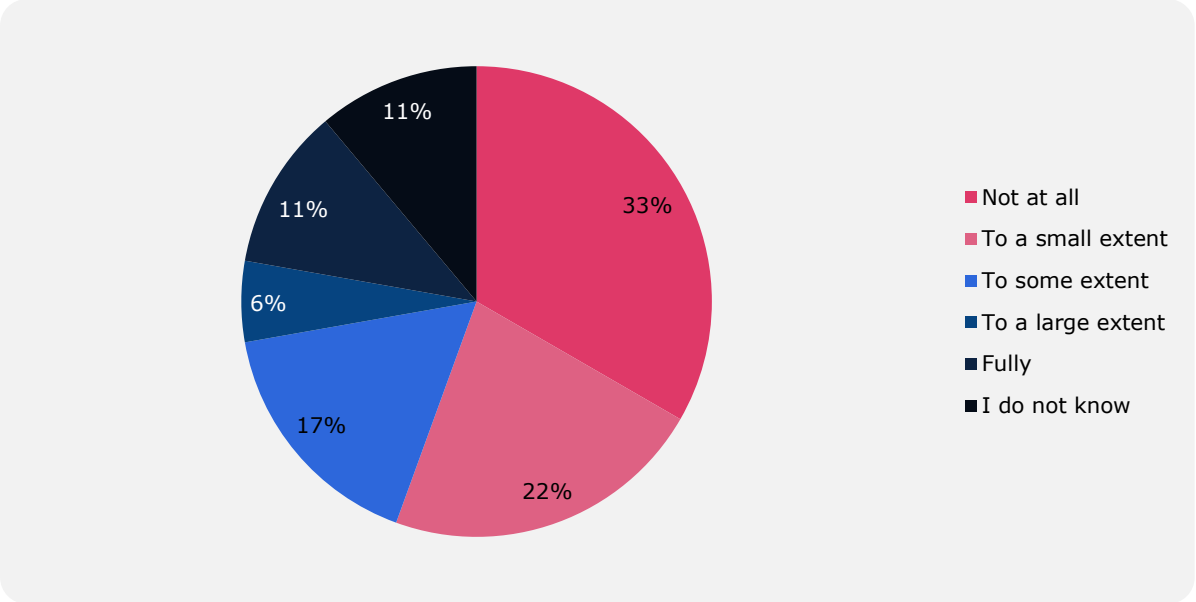
Q13: Could you please elaborate on this?

Respondents indicate that many projects have achieved self-sustainability and structural impact. At the same time, challenges such as external circumstances, financial constraints, and dependence on donor funding remain significant barriers. Future planning, resource allocation, and curriculum integration are critical for ensuring long-term success.

Q14: To what extent have additional resources been committed to support the continuation of project activities? (as compared to the original investment) (n=18)



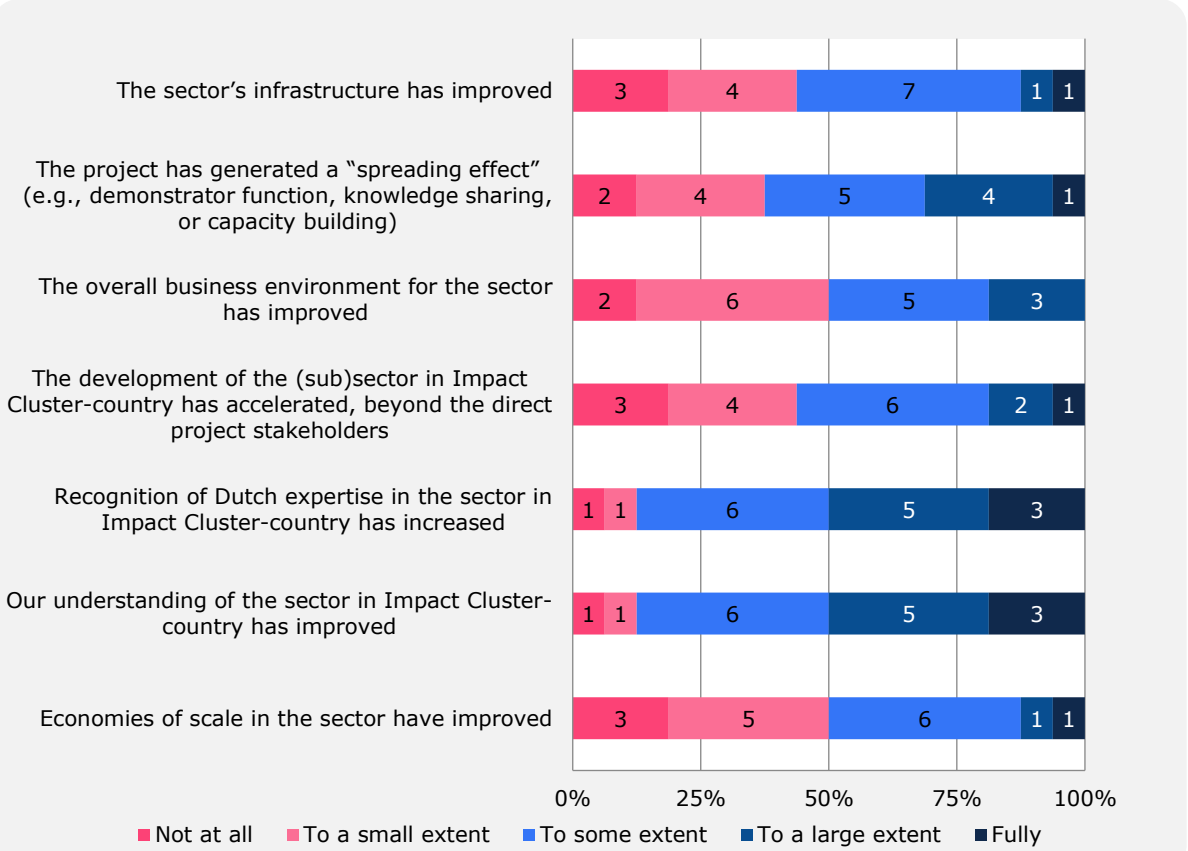
Q15: To what extent did you receive the follow-up support you needed after the project ended to ensure a positive and sustainable impact? (n=18)



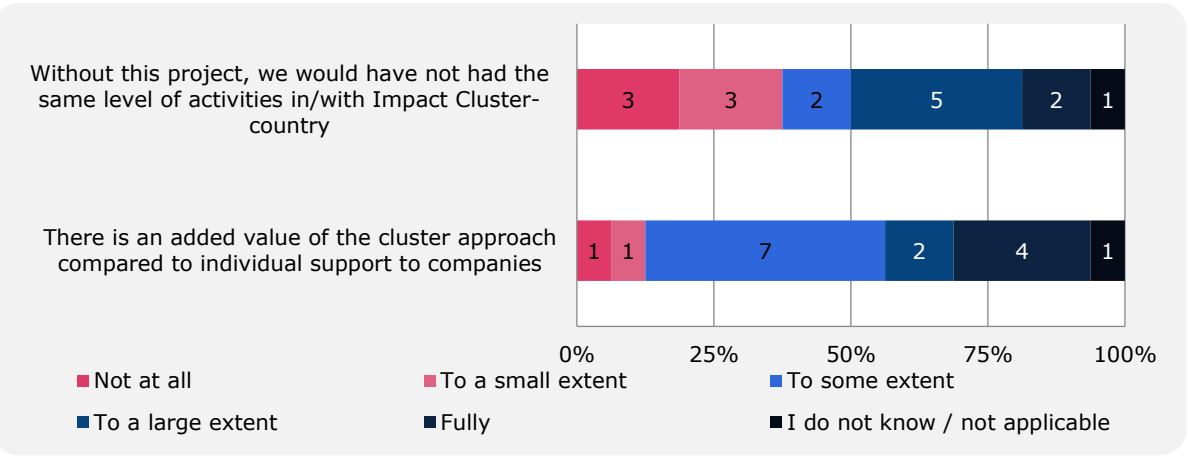
Q16: Please specify what kind of follow-up support was most needed or would have been most beneficial.

Respondents highlight a variety of themes that follow-up support should focus / are the most beneficial on: - Ensuring promises and commitments are fulfilled. - Maintaining communication and engagement with stakeholders to solve (unexpected) challenges and provide advice. - Supporting regional and cross-border collaboration through the IC-programme (or other RVO-instruments) – this continuation should also be timely so that the momentum of the IC-project can be capitalised on. - Providing practical and logistical assistance to the partners in the IC-country (e.g., customs).

Q17: To what extent do you agree with the following statements? (n=16)



Q18: To what extent do you agree with the following statements? (n=16)



Q19: Could you please elaborate on the main success or hindering factors for the Impact Cluster-project and was there added value of the project?

Main success factors:
- Strong collaboration and partnerships
- Knowledge transfer
- The introduction of new technologies

Hindering factors:
- External factors (e.g., political instability, Covid-19, etc.) and economic challenges (e.g., currency fluctuations, loan stops, policy changes)

- Access to Resources
- Low Trust and Cooperation
- Short Project Duration
- Practical, technical and logistical Issues

Added Value:
- The improved sustainability and social impact supported through the project
- Sectoral Development
- Capacity Building

Other important aspects:
- Partner Selection
- Long-Term Planning (post-IC project)

Q20: If the project had to be set up again, would you still participate in the project and are there aspects that should be done differently?

10 respondents indicate that they would participate another time. Although some respondents mention that some aspect should be different next time (e.g., political context different, get support from the local authorities earlier in the process, make different decisions). 3 respondents indicate that they are unsure. Finally, 3 participants indicate that they would not participate again after they experience in the IC-project.

Q21: Are there any topics or experiences that have not yet been discussed and that you think are important to mention?

The majority of the respondents have no additional input. Two respondents stress that the project was not successful. One respondent indicated that more flexibility, speed and trust in the context of administrative projects could improve the efficiency. Finally, one respondent highlight that it is important to that it is a pity when there is no Dutch follow-up to the project and the IC-outputs are leveraged by European and local partners.

A.2 Survey local companies

Due to the limited amount of completed surveys by local companies/beneficiaries (n = 3), we have not included a separate annex on the survey responses. From the privacy perspective, doing could risk the identification of the survey respondents. From a methodological perspective, the low number of response does not allow for aggregation/meaningful analysis. Relevant insights have been integrated into the overall analysis.

Annex 7: Webscraping

In this chapter we present the results of the analysis based on webscraping the websites of IC-project partners. In order to get an understanding of the level of collaboration, we analysed whether the websites of IC project participants mentioned other project participants or the project itself. When a collaboration (or project) is publicly mentioned on a website this illustrates a stronger bond than when this is not the case. Clearly, results from webscraping are primarily indicative as the data does not paint the full picture. However, as the results will show, the findings are quite insightful.

Methodology

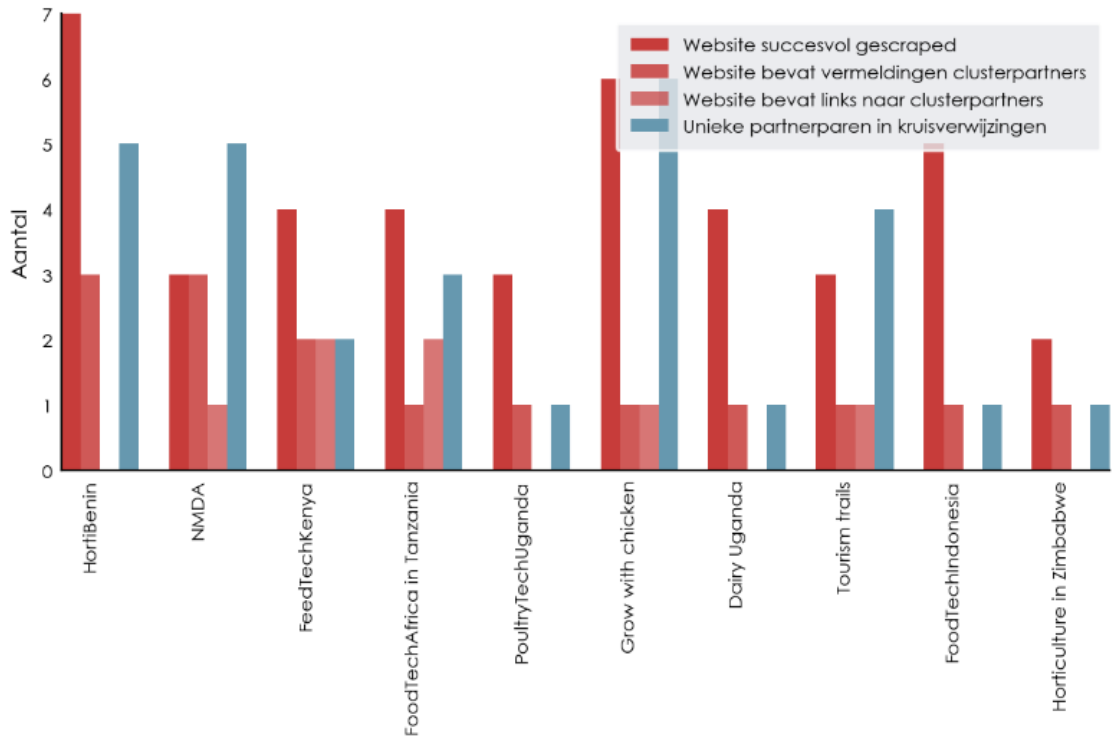
Data collection and analysis:

- The URL's of the domains (websites) of the IC participants were collected as a starting point for the webscraping algorithm.
- The algorithm visits the pages, extracts the data, and follows the hyperlinks on each page to other pages of the same domain.
- The data for each IC participant was then searched for linkages to other participants (names or websites) of the same IC project. These linkages are identified in two distinct ways:
    - **Text references**; the text scraped from the website is searched for references to the other project participants. Where relevant case-sensitivity and name variants (e.g. Grow with Chicken, Knk and Kukua na Kuku) were taken into account.
    - **Hyperlink references**; the webscraped data is searched for URL-hyperlinks to the domains of other ecosystem participants.

Quality control: Combining these two searches resulted in a dataframe that provided for each IC participant an overview of the linkages to other participants in the same ecosystem. A random sample of these linkages has been inspected for quality control. In general the linkages indeed capture references to ongoing collaboration initiatives in an IC network (e.g. organisation A reporting on their website: "we are starting this project in collaboration with organisation B"). Encountered obvious false positives/negatives were solved in an iterative process of adapting the code, yet some abbreviations were too common to distinct.

Results

The webscraping exercise provides an independent indication of evidence of the networks that have been created. Cross-references to partners do not imply that the effects are still existent, however, the linkages suggest sustainability. 58% of the IC projects where partner websites were scraped successfully, cross-references to project partners were found. On average 3 unique cross-references in terms of names or weblink were found for 14 out of the 17 successfully webscraped IC project. 5 projects had 5 or 6 unique cross-references. This suggests a high network density, and this increases the likelihood of sustainability.



Limitations:

Methodological limitations impact the analysis of the webscraping.

- Data is limited to the online presence of organisation. The more extensive the website are the more information is expected to be available. At the same time, some companies, often SMEs have limited websites – therefore it expected that not all partnerships will be seen via the online presence of the different companies.
- Data suggests binary results (yes or no). Insights into the type of collaborations is not possible: the webscraping methodology provided useful data to plot connections, but the data does not provide the full picture of collaborations and its intensity.
- Some organisation names are more prone to false positives/negatives (generic/short names), or they use different names for projects than the official names (that were used in the webscraping).
- The use of the historical data (i.e., names) introduces the limitation that organizations can change names and the URLs of their websites over time, which might lead us to not get a complete picture of its historical web presence.

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