

DEVELOPMENTAL EVALUATION OF BUSINESS WITH IMPACT (BEAM) PROGRAMME

WP1: Evaluability analysis

Deliverable 1.2 Analysis of the Ramp-up phase

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List of abbreviations

APS	Annual programme statement
AR	Action research
BEAM	Business with Impact Programme
CA	Contribution analysis
CMM	Office of Conflict Management and Mitigation (USAID)
CSBKE	Creating Sustainable Businesses in the Knowledge Economy
DAC	Development Assistance Committee of OECD
DE	Developmental evaluation
DSA	Dynamic systems approach
EC	European Commission
EE	Emergent evaluation
EEP	Energy and Environment Partnership Programme
FP7	Seventh EU Framework Programme for R&D
I4D	Innovation for development
IPP	Innovation Partnership Programme (Vietnam)
KPI	Key performance indicator
MEL	Monitoring, evaluation and learning
MFS	Sustainable Forest Management Programme
MTR	Mid-term review
NGO	Non-governmental organisation
ODA	Official Development Assistance, a definition by OECD Development Assistance Committee (DAC)
OECD	Organisation for Economic Cooperation and Development
PE	Process evaluation
RBM	Result-based management
RDI	Research, development and innovation
RE	Realistic evaluation
REM	Realistic evaluation model
RTE	Real-time evaluation
SA	Systems approach
SAFIPA	South African Finland Partnership Programme
SAIS	Southern Africa Innovation Support Programme
SE	Systems evaluation
SI	Social Impact
STIFIMO	Programme of Cooperation in Science, Technology and Innovation between Finland and Mozambique
TANZICT	Information Society and ICT Sector Development Project in Tanzania
Tekes	Finnish Funding Agency for Innovation
TF	Team Finland
ToR	Terms of reference
UN	United Nations
USAID	United States Agency for International Development
WEF	World Economic Forum
WP	Work package

1 Analysis of BEAM ramp-up phase

1.1 The programme context and a rationale for intervention

In the background of the BEAM programme, there are some observations and assumptions regarding general development trends and the need and rationale for the programme intervention. These are explained below.

Within the global context, the most rapid economic growth at the moment is taking place in the developing countries. The Sub-Saharan Africa is rapidly urbanising, in Asia countries are benefiting from the increasing prosperity of China and India and in Latin America the industrialisation is rapidly increasing. Consumption of natural resources is accelerating this economic growth that also enables increased capacity of the middle class to consume.

BEAM programme recognises the existing challenge to increase the wellbeing of people in the developing countries and to improve their nations' economic growth. Within this context the programme realises an opportunity for Finnish knowhow. In particular, the potential of improving the logistical services, developing the mobile services, increasing the industrial productivity, answering to the demand of energy and enabling education and health care services to a wider group of people in the developing countries. Prospering middle-class and their increasing consumption also create new business opportunities and a context for developing a new type of development cooperation.

There is an increasing need in the developing countries to transit from raw-material production to processing, which opens-up opportunities for the Finnish technology providers. From this perspective the innovation activities are central to the diversification of developing countries' economies. Resources to invest in innovation and private sector R&D, however, often are low in developing countries. BEAM programme contributes to this existing need. At the same time this allows an opportunity to shift the emphasis of the Finnish development cooperation towards economic development and multi-stakeholder partnerships between the actors from Finland and developing countries.

In our national context, the renewal and growth of the Finnish industry and commerce is vital for the economy. Because of the EU's deteriorated economic situation and sanctions against Russia Finnish SMEs must find new markets and to redevelop their products and processes to suit the new operating environments.

BEAM programme's aim to promote innovations with development impact and long-term sustainable business creation therefore helps to diversify the private sector both in Finland and in developing countries, and creates employment opportunities and wellbeing in a long-term.

Observations:

BEAM programme plan mentions Global Innovation Fund as a good example. During the planning phase of the programme, to which extent were other countries' experiences of ODA-funded innovation programmes taken into consideration? Are there some already recognised programmes, models or approaches that could be used as benchmarks for the programme monitoring? (For example, programmes implemented by Sweden, Australia, USA)

1.2 Programme purpose and objectives

BEAM-programme is based on the **vision** that Finnish companies and other actors are part of the global ecosystems that create economic, environment and societal impacts both in Finland and developing countries. Programme's **mission** is to help Finnish companies build successful and sustainable businesses in Finland and developing countries through inclusive innovations for societal challenges.

1.2.1 Objectives

The immediate objective of BEAM, as stated in the programme proposition¹ is that participating private sector partners, education and research organisations and civil society organisations in developing countries and in Finland **create new innovations and new knowledge and knowhow**.

The anticipated short to medium-term impacts of the programme are

1. *Participatory product, service and business innovations for developing countries' indigent people, new delivery channels, technology and solutions*
2. *Creation of new employment and entrepreneurship opportunities. Increased economic resources in both developing countries and in Finland.*

...while the anticipated long-term impacts in Finland and in developing countries are

1. *Renewed industry and commerce, economic growth improves*
2. *New and innovative solutions to environmental challenges are found*
3. *Wellbeing and social equality increase*

Observations:

Weighting of objectives seems to have slightly evolved from what was stated initially in the programme planning document,² where the specific objective of the programme was described to be Finnish companies' leadership position in ecosystems.

1.2.2 Programme structure (components)

During the elaboration of the monitoring, evaluation and learning (MEL) framework for the BEAM programme, its objectives and activities were divided into the following four components and placed in a logical framework (*work in progress, see Annex 1.*):

Component 1. Strengthening knowledge creation and capacity building

With the objective of increased knowledge and capacity of public, private & third sector stakeholders in Finland and partner countries to generate sustainable innovation through collaborative research and development projects and experimentations; and consisting of the following key activities:

- *Market intelligence reports, sessions and other solutions delivered to the BEAM partners' needs.*
- *Finnish partners (researchers, companies and NGOs) in active collaboration with partner country counterparts.*

¹ Hanke-esitys, 3 December 2014; UH2014-015356

² Suunnitelma, 26 November, 2014; DM1346581

- *Ecosystem pilots and experiments. Systematic monitoring, evaluation and learning from BEAM experience.*

Component 2. Funding sustainable innovation projects

With the objective of sustainable economic and societal impacts generated by collaborative innovation projects with businesses, universities, research organisations and NGOs; and consisting of the following key activities:

- *Generation of broader, business-led ecosystem projects.*
- *Generation of demonstration projects.*
- *Generation of smaller business projects.*

Component 3. Raising awareness and building ecosystems / fostering international networks and partnerships

With the objective of raised awareness of the opportunities in socially sustainable business and innovation collaboration, as well as dynamic development innovation ecosystems identified and functioning; and consisting of the following key activities:

- *Engaging organisations and applying to BEAM programme from Finland and from partner countries. Partnering agencies in Finland and other countries.*
- *Reverse Innovation processes resulting in partner country-originated innovations being implemented in Finland*
- *Establishing an Impact Fund in Finland*
- *International co-funding for Finnish projects in developing countries from World Bank, UN, Nordic consortia, etc*

Component 4. Managing and coordinating the programme efficiently and productively

With the objective that BEAM programme is respected, trusted and desired partner around development innovation funding and that the programme will have a follow-up phase, and consisting of the following key activities:

- *Coordination activities*
- *Communications*
- *Collaboration*
- *Developmental evaluation*

Observations:

The evaluation team proposed to utilise a logframe structure with annual targets, in which to place the BEAM programme objectives and activities (see Annex 1). The intention was to help specify programme impact mechanisms and to help set clear monitoring indicators for the purpose of the programme management. The elaboration of the logframe content and targets is a task of the BEAM Management Team, in close reflection with the evaluation team.

BEAM aims to improve innovation capacities in developing countries by increasing participating actors and individuals' knowhow and as a wider external outcome of increased knowledge and skills. Have these impact mechanisms been further considered? What is the process in practices? Are there other anticipated impact mechanisms?

How is *Reverse Innovation* defined in BEAM? How is *Ecosystem* defined in BEAM?

1.2.3 Assumptions

Well-functioning and trustworthy networks, sufficient market intelligence and foresight of target areas as well as funding are the most important necessities for succeeding businesses in developing countries.³

Observations:

Clarification is still needed on the necessary preconditions and assumptions for BEAM. What conditions and factors with impact potential for the operation and for the aimed development impact have been taken into consideration? (factors, baselines, etc.). Have these been systematically analysed or tested?

1.2.4 Beneficiaries

The beneficiaries of the BEAM-programme are both Finnish companies and other actors (e.g. NGOs) as well as their partners in developing countries. Furthermore, secondary or final beneficiaries of the BEAM-programme may be the indigent people living in slums, rural small farmers, ethnic minorities, disabled people, women, men, children, elderly people etc. The aim is to strengthen women's participation in the programme and also their role as beneficiaries. As the innovations created in the programme are to especially benefit the poor in developing countries the programme from its own part contributes to decreasing many inequalities.

Observations:

The emphasis on BEAM-programme's beneficiaries seems to have shifted from the Finnish companies being the primary beneficiaries, to a perception that the benefits of the programme are more shared between the actors in Finland and in developing countries. This seems well justified and balanced, taking into account the broad set of stakeholders and interest groups.

1.3 Programme strategy

1.3.1 Specific focus areas

BEAM-programme is not restricted to particular sectors or sub-sectors. However, formally MFA-funding must be targeted to operations meeting the criterion for official development assistance (ODA). Tekes -funding and companies' own funding aren't bound to this criterion.

The target countries can be any of the developing countries listed as eligible for official development assistance by OECD/DAC (Development Assistance Committee), except China, which is listed out due Team Finland's already strong orientation to Chinese markets. However, the aim is to establish innovation and business process tripartite partnerships with China and target countries in Africa and Asia.

³ DM 1346581

Observations:

According to the programme plan, there are not sector specific objectives for BEAM, while the anticipated impact areas include three specific themes or aspects: a) economic impacts, b) environmental impact, and c) social impacts. How are these three thematic impact aspects built into the programme (e.g. focus of calls and cooperation areas, selection of projects and partners, etc.)? Specific monitoring mechanisms should also be developed to these ends.

To which extent is the MFA funding bound to ODA criteria, and if so, how is this ensured and monitored? Further information has been requested about the procedures of MFA funding in BEAM.

1.3.2 The chosen approach

According to the BEAM programme planning document⁴ projects' human rights impacts are taken into consideration in the funding application process in accordance to the MFA development assistance criterion (*Human rights –based approach*). The programme proposition⁵ however rejects this requirement explaining that BEAM-programmes' projects are innovation projects that are to design and try something new and they are unlike to produce anything major, or utilise large land areas or significant natural resources.

According to the programme proposition detailed human rights reviews would not bring added value to the implementation of human rights. Instead, participating actors must comply the principles of *Corporate Social Responsibility* and promote the implementation of human rights. Programme offers consortiums' Finnish participants education on corporate social responsibility and human rights.

Observations:

Will the compliance of the Corporate Social Responsibility be followed somehow? How is the education on Corporate Social Responsibility and human rights will be organised?

Increasing equality is one of the long-term aims of the BEAM-programme. As this is related to the implementation of human rights, how will it be measured if it is not been taken into consideration during the implementation of the projects?

Furthermore, according to the programme proposition principles of *aid effectiveness*, as declared in Paris and Busan, such as using local systems, programme based approach, harmonisation and cooperation with other aid actors are not relevant for the BEAM-programme. The programme, however, aims to support the Busan Aid Effectiveness agreement's principle on partnerships by including developing countries' companies and other actors into its projects. Cooperation with other aid actors can be considered in the future.

1.4 Programme resources

BEAM is a co-funded development innovation programme between the Finnish Ministry for Foreign Affairs (MFA) and Tekes. The estimated financing need for the years 2015 to 2019 is € 50 million. Participating companies and organisations will finance half of this sum and the other half is funded together by the MFA and Tekes. Therefore, € 12.5 million will be

⁴ Suunnitelma, 26 November, 2014; DM1346581

⁵ Hanke-esitys, 3 December 2014; UH2014-015356

funded by Tekes and € 12.5 million by the MFA, which part is allocated to projects meeting the criteria for official development assistance.

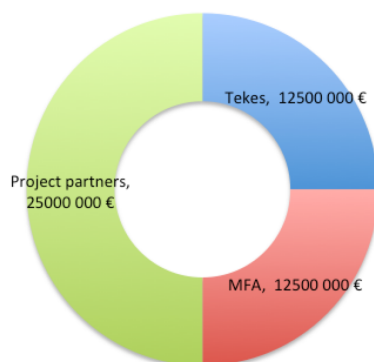


Figure 1. BEAM programme overall funding and its sources

The agreement between Tekes and the MFA⁶ states that the MFA's share of the sum will be delegated to Tekes on annual basis and Tekes delivers the funds based on the mutually agreed funding criteria. Tekes also reports annually to the MFA on activities for which the funding has been used. Delegation of funds from the MFA to Tekes is made through the legal procedure on the access and recording rights.

The total funding of the programme depends largely on the demand of programme services and funding. The current estimation is based on Tekes' programme GROOVE, which is an innovation programme focusing on renewable energy. GROOVE's total funding is € 100 million. If the demand of BEAM-programme's services and funding exceeds the current estimation Tekes has tentatively expressed its preparedness to increase the size of the programme during the funding period; the MFA should also be prepared for the same.

Preliminary estimation of the annual financial breakdown of BEAM is: € 7 million in 2015, € 6 million in 2016, € 7 million in 2017, € 3 million in 2018, and € 2 million in 2019.

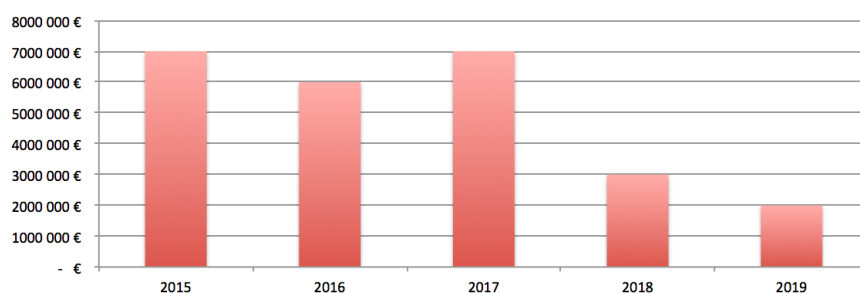


Figure 2. Anticipated annual budget distribution of BEAM for 2015-2019

Funding criterion is divided into Tekes' general conditions and BEAM-programme's own specific conditions. Based on these conditions projects receive either grants (lower of higher funding levels) or so called soft loans, criteria described below. Projects funded by the MFA funding must meet the criteria for official development assistance. Tekes organises the programme's open calls. They can be general or targeted if necessary. The MFA is part of the programme team planning and evaluating the applications.

⁶ Ulkoasiainministeriön ja innovaatiokeskus Tekesin välinen sopimus koskien Ulkoasiainministeriön kehitysyhteistyövarojen (momentti 24.30.66) käyttöä ja käytön seuranta, 10.3.2015

Observations:

MFA's ODA funding represents half of the (public) funding of the BEAM. Is this funding focusing on any particular type of projects? What kind of criteria and process is used in the funding and its monitoring?

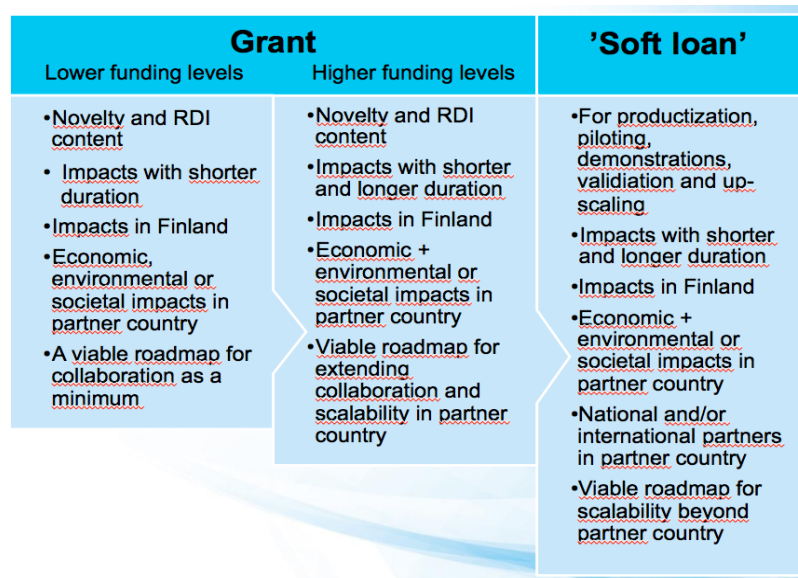


Figure 3. BEAM funding levels and criteria.

1.5 Planned programme activities and their implementation

Table 1. BEAM activities and their timing

Work package 1: Identification and utilisation of existing networks and ecosystems, as well as the creation of new ecosystems		
What?	How?	When?
Cooperation with Aalto university's strategic opening called New Global and the Weconomy platform of the World Vision	Activation, communication, events and cooperation	2015-2019
Trips to target countries together with clients will be organised with Finpro programme. Including possible ministerial trips and related local-level cooperation.	1-2 trips per year, initially to Vietnam and Tanzania	2015 2016-2019
Events in Finland and in target countries to support the creation of an ecosystem	Annual participation in Slush, cooperation with Finnpartnership and others events	2015-2019

Work package 2: Enabling international funding		
<i>What?</i>	<i>How?</i>	<i>When?</i>
Cooperation with multilateral development institutions (development banks, UN-organisations)	Joint events, possibly country-level cooperation, marketing of Finnish knowhow, sending a person to follow-up financing and projects and to communicate on them to Finland	2015-2019
Cooperation with international programmes funding development innovation, including other donors, private funders	Visits, events, joint projects	2016-2019
Cooperation with China	Joint applications / projects	2017-2019
Work package 3: International collaboration		
<i>What?</i>	<i>How?</i>	<i>When?</i>
Cooperation with other Nordic countries	Cooperation among projects, Nordic Innovation, joint events and involvement	2015-2019
EU	Participating in EU calls for tenders directed to developing countries	2016-2018
Developing countries (Sub-saharan Africa, Asia, Latin America)	Partners in project implementation, targeted actions in form of trips and events	2015-2019
Work package 4: Advice to project consortia and provision of market information		
<i>What?</i>	<i>How?</i>	<i>When?</i>
Increasing applicants' and project implementers' knowhow on corporate responsibility and human rights	Education on corporate responsibility and human rights will be organised twice a year to applicants	2015-2019
Targeted theme based reports on markets, foresight	Future and Market Watch, region specific reports, guidance and sparring from Finpro programme	2015-2019
Utilisation of MFA funded projects and networks for creating market intelligence	Information collection and cooperation	2015-2019

Observations:

We make note that the above (original) work packages are not precisely the same as the components proposed (later) in the MEL logframe, and their presentation (level of details) differs. The two presentation should not be mutually contradictory, instead well aligned, but only one of those two should be used as the main operational frame for monitoring BEAM.

Further information is still needed on the progress of BEAM; what precisely has been done so far, what are the results of the calls, selection (and criteria) of projects and the composition of the project portfolio. Moreover, particularly information on the evolution of thinking and logic behind programme decisions (e.g. collaboration with Bits of Health –programme). To which extent have these been documented?

1.5.1 Programme organisation and management

As BEAM is a joint Tekes and MFA programme, in practice MFA has allocated its share of BEAM funds to Tekes, which then implements the programme. For many parts the BEAM programme is organised and managed as a typical Tekes programme, but steered and followed by both organisations.

Within the MFA, the ownership of the programme is located in the unit KEO-50 which holds the MFA's responsibility for other private sector instruments as well. MFA representatives from KEO and TUO are part of the BEAM-programme's follow-up and steering.

BEAM management model includes the following teams:

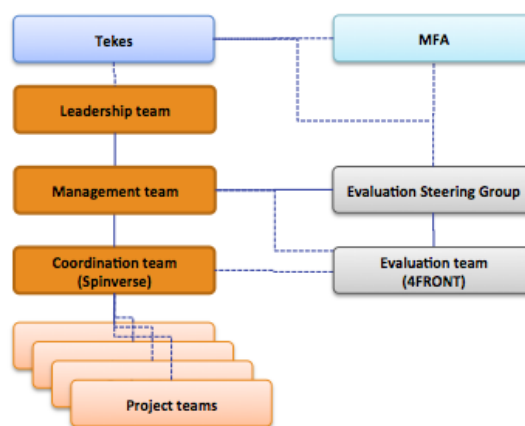


Figure 4. Management structure of the BEAM programme

Leadership team: BEAM-programmes leadership is a strategic advisory body who will not be involved in making the funding decisions – exceptions are the targeted research calls for which the leadership team can set the alignments. Members external to the programme are also represented in the leadership team. It therefore serves the interests of a wider group of stakeholders, and also the planned formation of the Impact Fund. Leadership team meets 2 to 3 times per year. Two representatives from the MFA from departments KEO-03 and TUO-02.

Programme team: Programme team is an operative body that prepares programme's annual plans, aligns the programme implementation and combines the funding applications from the project teams for the next recommended projects. In practice this is the last phase before project applications are to be processed by Tekes who makes the funding decisions. Programme team meets once or twice per month with representatives from the MFA. One or two representatives that can be invited based on the relevance from the following units: KEP-50, KEO-20, TUO-10. Representatives in these units are the same appointed persons than in Project teams.

Outsourced consulting team: Responsible for the coordination of the BEAM-programme on behalf of Tekes and the MFA. Consulting team is not involved in making the funding decisions. The coordinator reports on the progress as agreed, with no specific timeline. Based on activities and completion of activities.

Project teams: A project team will be setup for each project of the BEAM-programme. Teams are flexible formations that assess projects, including their relevance regarding the development policy, their impact and follow-up. These teams meet either virtually or as agreed, many of the projects can be handled through emails. In general, one representative from the MFA will be part of a team and will be appointed based on the project theme from units KEO-50, KEO-20 or TUO-10.

Normal project reporting happens every 6 months, and payments are made on work completed. All applicants fill in the impact assessment form, those are also looked at every 6 months.

Observations:

The BEAM programme organisation is rather complex. Instead of one funding and overseeing organisation, it has two (Tekes and MFA, and perhaps in the background MEE and Team Finland as well), with their own set of rules and practices. The Leadership Team is experienced, but does not have much executive powers to make definitive decisions regarding use of budgets. For the specific purpose of BEAM, the Management Team is large, which may be practical for solving new issues but may increase organisational bureaucracy.

The Programme Coordination Team operates mainly in Finland and only occasionally on site within partnering countries. This is typical to Tekes programmes, but differs from the typical Technical Assistance of MFA / Development projects, which are located on partner countries for a large part. This is a functionality issue to be monitored during the course of the programme.

Finally, the developmental evaluation has its own team and steering group, which are aside of the main programme organisation. Some members of the evaluation steering group are part of the BEAM management team, too.

1.5.2 BEAM project portfolio and project status

BEAM has in principle three types of projects: *Company projects*, *Ecosystem projects* and *Research projects*.

As per 25 September 2015, the project status was the following:⁷

- *Altogether **four company projects** had been funded. There were more project applications, but they were turned down. The biggest reasons for rejections were financial weaknesses of the applying companies. According to the initial feedback of Tekes, there seems to be a need to better assess the internationalisation opportunities of projects, before entering into BEAM projects. For this reason, utilisation of the Tekes pre-study instrument (KKS) has been considered for BEAM.*
- *The **first BEAM ecosystem project** (large and small companies together) is in the process.*
- *Altogether 12 applications had been received for the research call, of which **five research projects were accepted.***
- *A meeting was planned for October, for the first projects to introduce themselves.*
- *The first projects concentrate on Southern and Eastern Africa, Vietnam and India. Specific India call is now open. India could be one potential critical mass country.*

The project status on 5 November 2015 was the following:⁸

⁷ Reported at the Evaluation Steering Group meeting of 25.9.2015

⁸ Reported at the Evaluation Steering Group meeting of 5.11.2015

- *The first batch of BEAM research projects had their kick-off meeting on 9th October. The batch includes **5 research projects, with 40 companies as partners**. The projects were presented and there were also company representatives from each project. The event turned out to be good, helping everyone to understand what the projects really are about, to get to know each other and initiated some cross-project collaboration too. These projects focus mainly on Vietnam, Namibia and Malawi.*
- *A round of applications from **India** was in process. Altogether **13 applications** had been received, focusing largely on energy, renewable energy, cleantech, water and education. The first ecosystem projects were emerging.*
- ***Two BEAM calls were open**. First is the **ecosystem preparation round**, with a lot of interest. Another call is for **SMEs internationalisation call** (KKS –instrument) specifically for developing markets. It had raised a lot of interest.*

Observations:

Further information is still needed on the BEAM calls, their selection criteria and on the 'mapping' of the selected projects, to understand the BEAM project portfolio.

1.5.3 Other programme activities

The following promotion and collaboration activities have been planned for BEAM to raise awareness and to reach potential programme partners.

Table 2. Planned collaboration activities of BEAM

Activities in international collaboration		
What?	With whom?	When?
Utilisation of global innovation platforms	World Bank group, UN, etc..	2015-2019
Utilisation of Finnish-funded projects and programmes operating in developing countries, as well as programmes expressing innovation needs and partners for developing countries.	MFA funded relevant development projects and instruments	2015-2019
Nordic collaboration	Nordic Innovation, Sida, etc.	2015-2019
Activities in regional collaboration		
What?	With whom?	When?
Urban activation workshops possible organised together with Finnpartnership and other similar actors as part of promoting the service platform for businesses in developing countries.	The Centres for Economic Development, Transport and the Environment (ELY Centres), Finnpartnership	2015-2019

Collaboration with other programmes		
What?	With whom?	When?
Joint events and trips	Bits of Health, Green Growth, Green Mining, Arctic Seas, Witty City	2015-2019
Joint calls and activation	Bits of Health, Green Growth, Green Mining, Arctic Seas, Witty City	2015-2019

The status of these activities was (as per 5 October 2015) the following:

- *SLUSH was a big event for BEAM. There were BEAM side events starting with 70 companies, and two specific BEAM events at the SLUSH. Also in connection to BEAM, a delegation from the Science and Technology Ministry in Vietnam visited SLUSH.*
- *MFA and Tekes were about to start discussions with South Africa to see if there could be a similar BEAM co-funding scheme, as there is with India. It could be scaled up to Southern and Eastern Africa eventually.*
- *There had been discussions about establishing an **Impact Fund**. Sitra has been interested in this. The objective would be to develop a Finnish model for Impact Investment, by combining public and private funding. This might be complemented by 'impact business accelerator' and international up-scaling.*
- *Visit to **Vietnam** was to be organised at the end of November, to attend a big match-making event. Both Finnish and Vietnamese companies have signed up. Finnish Water Forum participates too.*

Observations:

Further information is still needed on how BEAM programme is implemented within the Team Finland network, and in particular what activities are covered by the Finpro's specific Growth programme and what are its practical linkage points with BEAM.

1.5.4 Programme schedule

To our knowledge, there is only a rough schedule for the BEAM activities. The aim in the **initial phase of the programme** is to identify the existing platforms and ecosystems that suit the programme objectives and to start interlinking Finnish growth companies with them.

Opportunities for Finnish companies to get involved in international projects funded by the World Bank, United Nations and other major donors will be created during the **second phase of the programme**.

Possibilities of an Impact Fund to function in Finland will be assessed during the programme. The aim is to make private investors committed to the programme from the beginning.

Observations:

A more precise and clearly phased schedule for the various programme activities could be elaborated, even if the schedule is subject to change as the programme evolves. This should be an important element for programme monitoring as well.

1.6 Anticipated results, outcomes and impact

The anticipated programme activities, outputs and impacts have been inserted in the standard Tekes impact model below.

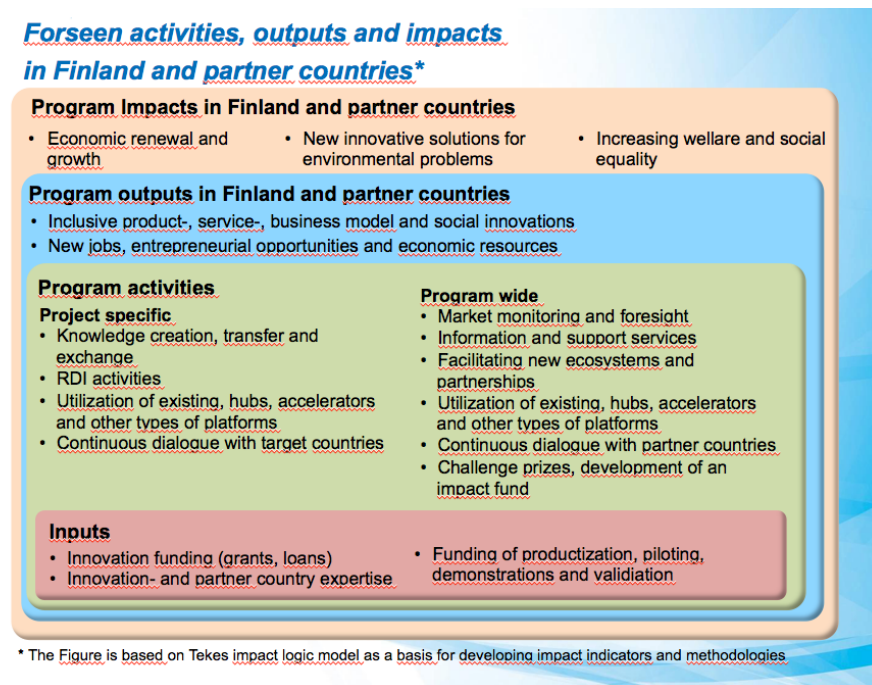


Figure 5. Logic model of BEAM.

Observations:

In general, the BEAM logic model is logical, tested and consistent with Tekes other programmes. It provides a good general framework for observing the programme impact. At the same time, it has some important limitations for DE purposes.

First, the model is not detailed enough to allow the specifying key activities, results or impacts in more detail. Second, the different inputs, activities, results etc are loose, not indicating which activity is leading to which results, for example, and therefore not allowing for impact mechanisms to be clearly specified. For these reasons, the impact model serves merely as a general framework, and for MEL – purposes, a more detailed logic model or framework with specific indicators needs to be developed.

1.7 Evaluation

The BEAM programme documents define that systematic methods and follow-up mechanisms have been created to evaluate the effectiveness of the funding channelled through the programme.

During the planning phase project applicants draw-up a plan that consists of the available resources, planned activity, expected outcomes and anticipated impacts. Funded projects are to produce midterm reports and final reports that focus on the resources and outcomes.

Three years after the funding has ended the project implementer carries-out an ex-post enquiry that evaluates the results and impacts of the project.

The implementation of **equality** is measured by the number of enterprises set up by women and by the number of jobs created for women. Participation is measured through the following indicators:

- *The number of people / organisations utilising the new innovations; and people / organisations who participated in the innovation processes;*
- *Description of an impact of each introduced innovation for indigent people in developing countries;*
- *Description of partnerships and networks;*
- *Description of the generation and use of the experimenting platforms and demonstrations;*

Many of these above mentioned indicators also indirectly outline the decrease in inequalities.

- **Progress** at the project level is followed through midterm reviews, final reviews and ex-post enquiries (carried-out three years after finalising the project). These reporting forms will be completed before the beginning or early on during the beginning phase of the programme. Both the final report and the ex-poste enquiry assess the attainment of equality, environmental and climate sustainability both directly and indirectly. In addition, the reduction of inequalities will be assessed indirectly.
- **Cooperation between projects** funded through the BEAM-programme and other MFA-funded regional, bilateral and multilateral innovation projects will support the effectiveness of project activities. This type of cooperation is to be promoted in countries such as Tanzania and Vietnam.

Observations:

MFA and Tekes evaluation practices and requirements differ to some extent. The programme documents mention that systematic monitoring and evaluation practices and processes have been established to the BEAM programme. This is not yet the situation.

The description of BEAM programme evaluation largely follows the standard practices of Tekes programmes (mid-term, final and ex-post). This part of the programme documentation does not particularly mention the Developmental Evaluation launched aside the programme. It is our interpretation that the DE approach was added at a later stage of programme design, which would explain this.

Nevertheless, description of the BEAM evaluation should be updated on the basis of the currently ongoing Evaluability analysis and its forthcoming suggestion for the developmental approach and practices in BEAM, taking into account also the specific evaluation aspects of MFA and ODA funding.

1.8 Cross-cutting observations

Aside from the specific observations made regarding the BEAM programme setup, structures and activities, the following observations are of more generic or cross-cutting by their nature. These observations are structured as identified critical success factors, challenges and risks to be considered and addressed.

1.8.1 Critical success factors

- *Identifying right intermediary/platform organisations in target markets proactively and creating mechanisms for companies to use them already when preparing project applications.*
- *Differentiation of BEAM in the funding instrument market; identifying and clearly communicating why and how this instrument is the game changer in the Finnish innovation funding; what it enables which was not enabled before.*

1.8.2 Challenges

- *Reverse innovation is mentioned as an important part of the programme in the programme document, but it is not really addressed in the planned activities or desired outcomes.*
- *Identifying relevant platforms and hubs in target countries are mentioned, but not addressed in the planned activities.*
- *Business in developing markets is very context-specific. Is the staff evaluating BEAM applications knowledgeable and experienced in the risks, business models, delivery models, logistics etc that are feasible for each market and context?*
- *The goals of the programme include a) encouraging Finnish researchers to collaborate with universities in the developing countries, b) sourcing international funding to Finnish projects in developing countries, c) bringing market information to applicants on selected target markets and d) catalysing starting an Impact Fund in Finland. We find that there are limited links to these goals in the planned project activities. The programme document mentions getting private investors involved and committed, but there are no planned actions related to this. Hence our suggestion is to plan a more detailed logical framework with anticipated impact mechanisms for each of these objective areas.*
- *Work package activities related to creating and catalysing new collaboration, networks and ecosystems are somewhat high level and rely much on existing mechanisms (Finpro, Finnpartnership). On international collaboration, the actions are "making use of" and "collaborating". Without more detailed plans available it is difficult to assess whether these activities will be enough to create anything new.*

1.8.3 Possible risks

- *The potential for synergies and combining new ways of funding is not realised, BEAM is just one more Tekes funding instrument with some additional criteria.*
- *The linkages with other funding and programmes remain superficial, at the level of joint events and publicity.*
- *Companies are confused and unsure of the differences and benefits of different instruments available in Finland.*
- *Companies fail to find trusted local partners from the target markets, real collaboration does not occur.*
- *Innovation pipeline remains one-sided, reverse innovation potential is not addressed.*