

AFRICAN DEVELOPMENT BANK GROUP



TUNISIA

HOLISTIC SOCIAL BUSINESS MOVEMENT

PROJECT COMPLETION REPORT

(PCR)

OSHD DEPARTMENT

June 2016

PROJECT COMPLETION REPORT FOR PUBLIC SECTOR OPERATIONS (PCR)



I BASIC DATA

A Report data

Report date	Date of report:	14/06/2016	
	Mission date (<i>if field mission</i>)	From: N/A	To: N/A

B Responsible Bank staff

Positions	At approval	At completion
Regional Director	Jacob Kolster	Jacob Kolster
Country Manager		
Sector Director	Agnes Soucat	Sunita Pitamber
Sector Manager	Mohamed Youssouf	Justin Murara
Task Manager	Justin Murara / Xin Long	Justin Murara / Driss Belamine
Alternate Task Manager	Florian Theus	Oussama Ben Abdlekrim
PCR Team Leader		Driss Belamine
PCR Team Members		Driss Belamine / Justin Murara / Oussama Ben Abdelkrim

C Project data

Project name: Holistic Social Business Movement in Tunisia		
Project code:	Instrument number(s): OSHD.1/CNT/2014/02/002	
Project type:	Sector: Social entrepreneurship	
Country: Tunisia	Environmental categorization (1-3): 3	
Processing milestones – Bank approved financing only (add/delete rows depending on the number of financing sources)	Key Events (Bank approved financing only)	Disbursement and closing dates (Bank approved financing only)
Financing source/ instrument1:	Financing source/ instrument1:	Financing source/ instrument1:
Date approved: 14/03/2014	Cancelled amounts:	Original disbursement deadline: 15/03/2015
Date signed: 14/03/2014	Supplementary financing:	Original closing date: 15/03/2015

Date of entry into force: 14/03/2014	Restructuring (<i>specify date & amount involved</i>):	Revised (<i>if applicable</i>) disbursement deadline:		
Date effective for 1st disbursement: 14/03/2014	Extensions (<i>specify dates</i>): 8 months extension granted on 21/05/2015	Revised (<i>if applicable</i>) closing date: 15/11/2015		
Date of actual 1st disbursement: 16/05/2014				
Financing source/instrument (add/delete rows depending on the number of financing sources):	Disbursed amount :	Percentage disbursed (%):	Undisbursed amount :	Percentage undisbursed (%):
Financing source/ instrument1:	EUR 229,346.45	91%	EUR 22,138.55	9%
Other (eg. co-financiers). <i>Add rows as needed</i>				
TOTAL				
Financing source/instrument (add/delete rows depending on the number of financing sources):	Committed amount :	Percentage committed (%):	Uncommitted amount :	Percentage uncommitted (%):
Financing source/ instrument1:	EUR 251,485	100%	0	0%
Other (eg. co-financiers). <i>Add rows as needed.</i>				
TOTAL	EUR 251,485	100%	0	0%
Co-financiers and other external partners:				
Executing and implementing agency (ies): Bank executed project				

D Management review and comments

Report reviewed by	Name	Date reviewed	Comments
Country Manager			
Sector Manager			
Regional Director (as chair of Country Team)			
Sector Director			

II Project performance assessment

A Relevance

1. Relevance of project development objective

Rating*	Narrative assessment (<i>max 250 words</i>)
4	Social business refers to a business that is driven by social objectives but operates as a profit-making business. The profits are used to expand the company's reach and improve its products and services. By combining social action and market discipline, social business has been taken as an innovative tool to promote inclusive private sector development. The HSBM project in Tunisia (under the Trust Fund for Transition countries funding) was designed to complement the previous project (HSBM in Africa) by scaling up the Social Business (SB) movement in Tunisia, establishing a SB incubator and a social fund in Tunisia.

	<p>The relevance of the project development objective for the HSBM in Tunisia was tested with different stakeholders, including local youth entrepreneurs and relevant institutions. There was widespread support and agreement that the social business model is a relevant and innovative way to tackle unemployment and poverty in Tunisia, where youth unemployment is high. The large turnout at training sessions and national conference organized by YSB on the topic of social business (more than 500 attendants at Tunisia’s National Conference on Social Business) exceeded expectations and further demonstrated the relevance of this objective to the larger community.</p> <p>In addition, the HSBM project in Tunisia, through YSB’s Incubator and Fund approach, proposed a direct solution to 1) the “missing middle”: a well-identified gap in access to socially minded financing between 20,000 USD and 500,000 USD, and 2) gaps in the ecosystem to provide effective capacity building and training to social entrepreneurs.</p>
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* For all ratings in the PCR use the following scale: 4 (Highly satisfactory), 3 (Satisfactory), 2 (Unsatisfactory), 1 (Highly unsatisfactory)

2. Relevance of project design

Rating*	Narrative assessment (max 250 words)
3	The initial design of the intervention was conducive to achieve the project results. Some adjustments improving efficiency have been made in a timely manner. For instance, the implementing partner, Yunus Social Business, successfully piloted an accelerator model (i.e. a model where cohorts of 10 to 15 teams of entrepreneurs are trained at the same time) compared to the traditional incubation model. Following the success of the Tunisian Accelerator Program, this model was rolled out to other countries.

3. Lessons learned related to relevance

Key issues <i>(max 5, add rows as needed)</i>	Lessons learned	Target audience
1. The Incubation model is resource intensive	1. Acceleration (ie having cohorts of 10-15 SBs being working at the same time towards investment readiness) is more efficient than incubation (ie providing ah hoc support to individual SBs)	Bank, Incubators

B Effectiveness

1. Progress towards the project’s development objective (project purpose)

Comments
<p><i>Provide a brief description of the Project (components) and the context in which it was designed and implemented. State the project development objective (usually the project purpose as set out in the RLF) and assess progress. Unanticipated outcomes should also be accounted for, as well as specific reference of gender equality in the project . The consistency of the assumptions that link the different levels of the results chain in the RLF should also be considered. Indicative max length: 400 words.</i></p> <p>All project components were delivered. Output targets were generally met or exceeded (please refer to “output reporting” section for more details)</p> <p>Project Development Objective: The HSBM Tunisia project aimed at promoting social business development as a response to high unemployment and poverty in Tunisia, especially among the youth.</p> <p>Context of the Project:</p> <p>In Tunisia, after the revolution there was a need to develop the business sector. Professor Yunus met with Mr. Marzouki and discussed about the relevance for the country. This initiative was aligned with the Tunisian policies; the Ministry of Vocational</p>

training and Employment (Ministère de la Formation Professionnelle et de l'Emploi) were very interested.

Description of project components:

The Holistic Social Business Movement in Tunisia project deliverables were split into 6 components:

Component I consisted in the reinforcement of the local team in Tunisia.

Component II and III were centered around the structuring of the Incubator and the Investment Fund, capacity building and the final set up of the Incubator and the Fund.

Component IV focused on awareness building and entailed the training on Social Business of relevant stakeholders, an idea contest of over 75 applications, 5 articles in Tunisian press promoting Social Business and putting in place a Steering Committee.

The actual investment in Social Business was part of **Component V**. This component also entailed that 25 local entrepreneurs would benefit from the social business incubators, and would improve their operational capacity.

Component VI related to program management and included quarterly monitoring reports, 1 external audit report submitted and a one-year project completion report submitted.

Progress assessment:

All deliverables of Components I, II, III, IV and VI were successfully completed and met or exceeded expectations. (Refer to output reporting for more details)

One result from component V: "Investment in 2 social businesses" was re-assessed with approval from the bank to "investment in 1 social business".

2. Outcome reporting

Outcome indicators (as per RLF; add more rows as needed)	Baseline value (Year)	Most recent value (A)	End target (B) (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per outcome)	Core Sector Indicator (Yes/No)
Outcome 1: Improved technical capacity of AfDB and RMCs in Social Business Model.	NA	NA	NA	NA	Trainings delivered to AfDB, National Conferences organized, multiple trainings delivered to youth entrepreneurs in Tunisia	No
Outcome 2: Increased jobs for the youth through programme pilot.	0	13 full time jobs	NA	NA	The pilot project financed "P'tits Pirates" has realized social impact by supporting 13 Full Time Employments (FTE). In addition, 42 entrepreneurs have benefited from the Social Business Accelerators in Tunisia in 2014 and 2015.	Yes
Outcome 3: Increased	NA	NA	NA	NA	National conference in Tunisia was met with widespread interest and	No

awareness on social business model as promising tool for sustainable jobs.					triggered significant media coverage, both in traditional media (print, local newspapers, etc.) and social media (Facebook, etc.). Increased awareness was demonstrated by the large number of applications subsequently received for YSB's Accelerator Program for Social business in Tunisia (over 2400 expressions of interest received)
Rating* (see IPR methodology)	Narrative assessment				
2	<p>Despite satisfactory output results, the project hasn't fully been translated into outcomes, notably in terms of integration of the Social Business model at institutional level.</p> <p>NB: The nature of some of the indicators doesn't allow for an objective assessment as they are not quantifiable. Also, some indicators were missing quantified targets at conception stage of the project.</p>				

3. Output reporting

Output indicators* (as specified in the RLF; add more rows as needed) –	Most recent value (A)	End target (B) (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per output)	Core Sector Indicator (Yes/No)
Output 1: Local team reinforced - Additional consultants hired	3 additional consultants hired	Not quantified	100%	Senior Social Business Consultant, PR Marketing Consultant, Junior Social Media Consultant hired	No
Output 2: Social Business Incubator and Investment Fund structure defined	NA	NA	100%	Structure note received by AfDB in September 2014	No
Output 3: All the Incubator staff members trained on social business	NA	NA	100%	A three day training session was held before the start of the Incubator and ongoing training was conducted for all staff members	No
Output 4: International travels for relevant local team members to see best practices in Social Business	5 team members involved with incubator trained	Not quantified	100%	One team member visited YSB Haiti, one member visited MakeSense France, one member visited Momentum Esade Barcelona., one member visited Rainforest Alliance USA, one member visited Antropia France	No
Output 5: Social Business Incubator established	1	1	100%	The first Social Business Accelerator was opened in Tunis from May to July 2014. 22 entrepreneurs were trained, who represented 11 projects. Finally 9 projects were presented to the	No

				Investment Committee. In addition in 2015 a second Social Business Accelerator was launched, where 20 entrepreneurs were trained, representing 10 projects.	
Output 6: Social Investment Fund established	1	1	100%	The Social Investment Fund was established on 30th January 2015 (Agreement 8-2015).	No
Output 7: Relevant stakeholders will be trained on Social Business through 2 workshops on Social Business	2 workshops	2 workshops	100%	Training was given to Mazars team members on Social Business.	No
Output 8: The Idea contest targets to receive over 75 applications	400	75	533%	More than 400 applications received in order to participate in the first Social Business Accelerator cycle, and 2400 Expressions of Interest (ie applications started but not finished)	No
Output 9: 5 articles in Tunisian press promoting Social Business	22	5	440%	6 newspaper articles and 16 articles on the web, in addition to 4 mentions on radio, 1 mention on TV, 488 mentions on the web	No
Output 10: Steering Committee in place	1	1	100%	Steering committee on SB established	No
Output 11: 25 local entrepreneurs benefited from the social business incubators, with operational capacity of their project improved	42	25	168%	42 entrepreneurs have benefited from the Social Business Accelerators in 2014 and 2015. 21 Social Businesses went through the Accelerators, comprising in total 42 Social Business entrepreneurs (due to the existence of entrepreneur teams).	No
Output 12: Investment in 2 Social Businesses	1	2	50%	AfDB non objected to having only 1 SB investment instead of 2 in Q3 2015 as the selected investment required all the remaining funds dedicated for investment. In addition, 5 other projects passed the training, but are not yet ready for investment: milestones have been set to reach before they can be presented for investment.	No
Output 13: Quarterly monitoring reports	6	4	100%	The increase in number of quarterly report is due to the extension.	No

(including technical progress report and financial report) submitted				
Output 14: 1 audit (external) report submitted	1	1	100%	No
Output 15: One year Project completion report submitted	1	1	100%	No
Rating* (see IPR methodology)	Narrative assessment			
4	The rating is justified by the fact that all the end of project targets on outputs were achieved (except one at 50%, but after approval from the Bank) or even overachieved. The widespread interest and high turnout to social business conference, as well as the high number of applications to the accelerator program, exceeded expectations, confirming the underlying interest and demand for the social business concept.			

4. Development Objective (DO) rating¹

DO rating (derived from updated IPR)*	Narrative assessment (indicative max length: 250 words)
2	<p>The Development Objective of the HSBM in Tunisia is to “promote and develop social businesses and Holistic Social Business Movement in Tunisia, focusing especially on youths in rural and disadvantaged areas”. The impact of the HSBM was to increased sustainable jobs for the youth in rural and disadvantaged areas. This goal was supported through the following activities:</p> <ul style="list-style-type: none"> • Awareness raising about Social Business, • Capacity building for relevant stakeholders • Formal establishment and implementation of Social Businesses, providing financing and follow-on support <p>This goal and supporting activities were highly relevant as they provided significant solutions to the obstacles facing social entrepreneurs when scaling their companies and creating jobs:</p> <p>1) Financing gap for “the missing middle”: limited access to socially minded financing between 20,000 USD and 500,000 USD. In target countries, social entrepreneurs are “stuck” in a financing gap between institutions providing microfinance to micro-entrepreneurs and larger, traditional bank financing or private equity players reserved for larger corporates.</p> <p>2) Lack of training specifically tailored to social entrepreneurs in this missing middle: management (technical and marketing) skills, links to professional networks, and access to market opportunities.</p> <p>However, the lack of political willingness has prevented these results to translate into outcomes, notably in terms of integration of the Social Business model at institutional level. Targeted communication and dissemination of results at institutional level would have been useful.</p>

¹ For operations using the old supervision report and rating system in SAP, the DO rating for the PCR shall be calculated using the IPR methodology.

5. Beneficiaries (add rows as needed)

Actual (A)	Planned (B)	Progress towards target (% realized) (A/B)	% of women	Category (eg. farmers, students)
42 participants of 2 accelerator programs (Excludes first workshop series in Tunisia – part of the HSBM project in Africa)	25	168% realized	25%	Youth entrepreneurs in Tunisia
13 full-time employee working for P'tits Pirates, SB Pilot	NA	NA	NA	Workers

6. Unanticipated or additional outcomes (add rows as needed)

Description	Type (eg. gender, climate change, social, other)	Positive or negative	Impact on project (High, Medium, Low)
Souk At-Tanmia became a sourcing partner in the HSBM project and relayed information linked to the Accelerator Program to its laureates and network. Some of the candidates who went through the Souk At-Tanmia program were selected to participate in the Accelerator Program for the HSBM project. Thanks to this opportunity, these candidates were able to leverage the progress made in the Souk At-Tanmia program, to raise their awareness on the social business model, and to grow their social impact.	Social entrepreneurs	Positive	Medium to high: Increased number of good candidates for the Accelerator program. Increased the effectiveness of training and capacity building of selected social entrepreneurs in the Accelerator Program for the HSBM.

7. Lessons learned related to effectiveness (add rows as needed)

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
1. Mature social entrepreneurs that are good candidates for pilot investments (i) can be challenging to find and (ii) have to be trained on financial self-sustainability and on how to quantify and measure their social impact	One to one time spent with each entrepreneur on their business plan and social indicators is necessary.	Incubator / Youth social entrepreneurs
2. Sourcing effectiveness and efficiency improves with time, connections and experience on the ground.	Clear communication on the Social business concept and effective utilization of sourcing partners are key to identifying promising candidates. For instance, it was found that some local entrepreneurs were already following the social business model (ie have set up a business to maximize social impact)	Incubator / Youth social entrepreneurs

	without knowing it. National conferences were instrumental in linking those entrepreneurs to the HSBM project.	
3. Individual trainings delivered to young entrepreneurs need to be completed with local mentorship	A mentorship program was launched to help young entrepreneurs succeed. After feedback from social entrepreneurs, it was pointed out that local mentors (successful local business people) were more useful to the entrepreneurs than international experts, because local figures could relate to the local context and understand the entrepreneurs' challenges better. In addition, it was found that young entrepreneurs learned from YSB trainers and by interacting and learning from one another. Structured time in the incubator dedicated to peer learning was implemented (leading to the accelerator program).	Incubator / Youth social entrepreneurs

C Efficiency

8. Timeliness

Planned project duration – years (A) (as per PAR)	Actual implementation time – years (B) (from effectiveness for 1st disb.)	Ratio of planned and actual implementation time (A/B)	Rating *
12 months	20 months (12 months + agreed extension of 8 months)	0.6	2
Narrative assessment (indicative max length: 250 words)			
One project deliverable, the set-up of the local investment fund in Tunisia, took longer than expected. This caused some delays in the implementation of component III. The delay was mostly triggered by changes in regulations beyond the project control and also in the long legal cycles of such set ups. In addition, there were some delays in one result in component V (investment in 2 social businesses) because one pilot project (Tataouine), did not pass the final stages of the due diligence process and has to be replaced.			

9. Resource use efficiency

Median % physical implementation of RLF outputs financed by all financiers (A) (see II.B.3)	Commitment rate (%) (B) (See table 1.C – Total commitment rate of all financiers)	Ratio of the median percentage physical implementation and commitment rate (A/B)	Rating *
100	100	1	4
Narrative assessment (indicative max length: 250 words)			
The rating is given according to the PCR definition of resources use efficiency, which doesn't challenge the initial output targets and doesn't therefore give a sense of value for money. The project delivered all the outputs expected in the initial design of the project within the available budget and therefore deserves a Highly Satisfactory rating.			

10. Cost benefit analysis

Economic Rate of Return (at appraisal)	Updated Economic Rate of Return (at completion)	Rating *

NA	NA	NA
Narrative assessment (indicative max length: 250 words)		
No cost-benefit analysis (Economic Rate of Return – ERR) was conducted at appraisal, as it is not relevant to the project which doesn't imply any physical assets implementation.		

11. Implementation Progress (IP)²

IP Rating (derived from updated IPR) *	Narrative comments (commenting specifically on those IP items that were rated Unsatisfactory or Highly Unsatisfactory, as per last IPR). (indicative max length: 500 words)
3	<p>Implementation of the project was in general efficient and effective, compliant with covenants and following the Bank's systems and procedures.</p> <p>The implementation of one deliverable, the set-up of the local investment funds in Tunisia faced some delays, due to legal constraints and lengthy timelines.</p> <p>In order to set-up a local social business fund in Tunisia, several solutions and designs were studied, looking at different possible legal structures (SICAV, fund manager, etc.) and different types of funds (size, investment stages, etc.). The objective was to select a fund structure that would be fully adapted to the social business concept. However as the team opted for the initial design (SICAV model) and started the administrative process of applying to the "Conseil du Marche Financier (CMF)", local laws changed, which made this first option unfavourable to the end beneficiaries. The process had to be started again with new legal structures, which took time to implement. The fund set-up was finalized in Tunisia in January 2015.</p> <p>In addition, there were some delays in one result in component V (investment in 2 social businesses) because one pilot project (Tataouine) did not pass the final stages of the due diligence process:</p> <p>YSB Country Team in Tunisia (CT) decided to not consider Bio Nature Tataouine as a potential investment anymore despite the fact that the non-objection of the Bank has been requested in mid-August 2015. At that time, a few elements were still under review:</p> <ul style="list-style-type: none"> • The financial structure was quite complex, involving the BFPME and Foprodi with an investment subject to both parties' approval. • The total size of the deal (700 000 TND) was quite high for a first-time entrepreneur • The CT had some doubts regarding the market potential and was asked by the Bank to get further information on that point after the request for non-objection <p>Since then, the CT asked the entrepreneur to investigate ways to lower the investment size via leasing of equipment or land rental and think about disbursements in tranches based on reaching key milestones.</p> <p>Given the fact that the entrepreneur has not responded positively to this request, the CT has decided to stop this investment process.</p> <p>NB: As the project has been funded from a trust fund, it was not eligible to IPR but quarterly report following the trust fund template.</p>

12. Lessons learned related to efficiency

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
1. Length of legal processes linked to the set-up of	Frequent advice from local lawyers should be solicited in order to follow the most appropriate course of action	Social entrepreneurs/

² For operations using the old supervision report and rating system in SAP, the IP ratings need to be converted from the 0-3 scale used in SAP to the 1-4 scale used in the IPR..

the local investment fund in Tunisia was underestimated.	and to understand the regulatory shifts in legal frameworks.	pilot social businesses
2. Sourcing efficiency can be improved with the help of local sourcing partners	While it takes time to identify and on-board the right sourcing partners, this investment is important as it saves time later on when finding and selecting the most promising candidates for social business investments. For instance, over 2,000 candidates expressed interest in participating in the 1 st edition of the Accelerator Program launched in 2014. Sourcing partners would have enabled the teams to narrow down and filter the pool of applicants faster. As a result from this experience, sourcing partners have been increasingly leveraged.	Local sourcing partners
3. The internal incubator was resource intensive	Switching from an incubator approach to a structured 3-month accelerator program model in 2014 allowed us to be more efficient. By grouping entrepreneurs in cohorts within accelerator programs, it was easier to achieve economies of scale. Synergies were achieved as many entrepreneurs faced similar issues (e.g. how to scale their social impact, how to reach sustainability etc.), and could be trained as a group by the social business consultants. In addition, we realized that the social entrepreneurs gained a lot from the peer to peer interactions.	Youth social entrepreneurs

D Sustainability

1. Financial sustainability

Rating*	Narrative assessment (indicative max length: 250 words)
3	<p>Financial sustainability is at the core of Professor Yunus' philosophy of social business, as distinguished from traditional aid models.</p> <p>In alignment with Professor Yunus' vision, the investors in the social business pilots in the HSBM project are entitled to only the original principal of their investment. Any profits generated by the SBs will be recycled into the same or other social businesses or socially beneficial activities. This is much more financially sustainable than a regular grant in an NGO model, where profits are not typically generated, and where the grant money is not recycled further.</p> <p>Further, each Social business established and invested within the Holistic Social Business Movement is a stand-alone entity which is projected to reach financial self-sustainability in a 1-3 year timeframe. This is a condition for investment, validated through the due diligence and investment processes.</p> <p>In addition, YSB's organization ensures rigor of financial and operational processes, specifically on cost control. Since the beginning of the HSBM project, costs have been closely monitored. A time tracker was put into place to measure time spent by each team member on each social business deals. Direct and indirect costs were evaluated. This cost tracking allowed for managerial decisions to be taken in order to improve cost efficiency. For example it was decided to move from an incubation model to a structured accelerator program model.</p> <p>Further, several revenue streams support the HSBM in Tunisia</p> <ul style="list-style-type: none"> Revenues from investment funds: The Incubator Fund will fund its operational expenses as well as third-party costs such as auditing and legal fees for the country Investment Fund from the interest rate spread inherent to its funding and investment cycle and from potential proceeds

	<p>from equity exceeding the initial investments. In order to become self-sustainable the target capitalization of the Country Investment Fund lies between EUR 5 – 10 million.</p> <ul style="list-style-type: none"> • Service revenues. The Financial Sustainability Plan aims to monetizing the services provided to the entrepreneurs. An upfront payment will be charged to the entrepreneurs whom have gone through the Accelerator program, with the option to pay a percentage of the social business' turnover marginal increase during the years following the participation to the Accelerator. • Contributions from private sector: mostly in the form of investment money towards social businesses <p>This ensures financial sustainability and efficiency of resources invested in the HSBM project.</p>
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2. Institutional sustainability and strengthening of capacities

Rating*	Narrative assessment (indicative max length: 250 words)
3	<p>The lack of political willingness has prevented the integration of the Social Business model at institutional level. Targeted communication and dissemination of results at institutional level would have been useful.</p> <p>Strengthening of capacities is reinforced by support from YSB's headquarters in Germany and through active knowledge sharing with YSB Global and other countries of operations.</p> <ol style="list-style-type: none"> 1) The Tunisian team benefits from regular global YSB Academy trainings on a diverse range of topics. 2) In addition, team members from all countries gather once or twice a year for Strategy week and/or Learning week to interact with their peers and share learnings and best practices. 3) Other knowledge sharing tools such as monthly calls, and initiatives to drive overall process optimization led by Global teams ensures strengthening of local operations.

3. Ownership and sustainability of partnerships

Rating*	Narrative assessment (indicative max length: 250 words)
4	<p>There is a solid and sustainable network of partners for the HSBM in Tunisia project, both in numbers and diversity and both at the global and local level.</p> <p>At the global level there are 2 main types of partners supporting the HSBM:</p> <ol style="list-style-type: none"> 1) International thought leaders in the field of social impact investing, which are helping spread the concept of social business: Aspen Network of Development Entrepreneurs (ANDE), European Venture Philanthropy Association (EVPA), the Clinton Global Initiatives (CGI), to name a few. 2) Partners providing technical expertise: APCO Worldwide (global communication and consulting agency), the Boston Consulting Group (providing mentors, volunteers and other pro-bono services) and Freshfields Bruckhaus Deringer (pro-bono legal support) <p>At the local level, there are 4 main types of partners contributing to the project:</p> <ol style="list-style-type: none"> 1) Financial partners: e.g. Bosch in Tunisia supporting some activities and helping to spread the concept of social business 2) Technical expertise – Mazars, UGFS, Yale World Fellows 3) Sourcing partners: these partners help YSB identify promising candidates for social business pilots. These include: Mercy Corps, Enpact, Connect, Souk At-Tanmia etc. 4) Other members of social entrepreneurial ecosystem: e.g. COGITE <p>In addition, the steering committees put into place ensure that the stakeholders who are part of local ecosystem are engaged in the projects' activities.</p>

4. Environmental and social sustainability

Rating*	Narrative assessment (indicative max length: 250 words)
4	<p>HSBM in Tunisia is environmentally and socially sustainable through the nature itself of the social businesses it invests in. Indeed, as per Professor Yunus' model of social business: an entity which must generate its own profits, and re-invest all profits in its social mission, a social business inherently protects the sustainability of the social impact it creates. All profits generated are reinvested back in to further growing the social business or supporting the community it seeks to serve.</p> <p>Moreover, the social and environmental mission is the priority for social businesses. While a social business is similar in many aspects to a normal commercial business, it does not aim to maximize shareholder value. Instead, it aims to generate beneficial social and environmental outcomes through (i) focus on maximizing employment and income opportunities to all stakeholders along a commercial value chain, including micro-entrepreneurs, with particular focus on vulnerable groups such as female or rural populations, and / or (ii) tailoring products or services to solve specific social or environmental problems.</p> <p>This set-up ensures that environmental and social sustainability and impact are maximised.</p>

5. Lessons learned related to sustainability

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
1. It can take a few years for a SB Investment Fund itself to be financially sustainable in a country with just the proceeds from the investment fund, because the steady state of deal flow is typically only reached between year 6 and 8 of in-country operations.	1. It is important to secure internal revenue flows and long term financial partners to bridge the gap until financial sustainability is reached with just the activities from the fund.	Social Business Investment Funds

III Performance of stakeholders

1. Bank performance

Rating*	Narrative assessment by the Borrower on the Bank's performance, as well as any other aspects of the project (both quantitative and qualitative). See guidance note on issues to cover. (indicative max length: 250 words)	
3.5	<p>In general, from people attending trainings on the HSBM and also the project team have been very supportive of the HSBM in Tunisia.</p> <p>Because this is not a typical Bank project, ie the Bank is new to Social Business support, it took some time to familiarize the different stakeholders within the Bank on the concept.</p>	
Comments to be inserted by the Bank on its own performance (both quantitative and qualitative). See guidance note on issues to cover. (indicative max length: 250 words)		
<p>Bank's rules and procedures are not fully adapted to this kind of project, notably in terms of procurement process for relatively small amounts. Due to budget constraints and prioritization of supervision missions, monitoring of the project by the Bank has been done essentially by desk review, supported by the field offices.</p>		
Key issues (related to Bank performance, max 5, add rows as needed)	Lessons learned	
1. Procurement processes were resource-intensive and delayed some of the outputs of this project.	1. Using cooperative agreements or grant contracts could have been considered, to avoid imposing such	

	time intensive procurements for relatively small amounts involved in this project
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2. Borrower performance

Rating*	Narrative assessment on the Borrower performance to be inserted by the Bank (both quantitative and qualitative, depending on available information). See guidance note. (indicative max length: 250 words)
3	YSB performance in (i) ensuring quality preparation and implementation, (ii) compliance with covenants, agreements and safeguards, (iv) implementation of the monitoring and evaluation system, (v) responsiveness to supervision recommendations, (vi) measures taken to establish the basis for project sustainability, and (vii) timeliness of preparing requests has been satisfactory.

3. Performance of other stakeholders

Rating*	Narrative assessment on the performance of other stakeholders, including co-financiers, contractors and service providers. See guidance note on issues to cover. (indicative max length: 250 words)
NA	

IV Summary of key lessons learned and recommendations

1. Key lessons learned

Key issues (max 5, add rows as needed)	Key lessons learned	Target audience
1. Acceleration (ie having cohorts of 10-15 SBs being working at the same time towards investment readiness) is more efficient than incubation (ie providing ad hoc support to individual SBs)	<ol style="list-style-type: none"> There are economies of scale in having entrepreneurs grouped together as cohorts. Entrepreneurs also benefit from peer to peer learning and group dynamics 	Incubator / Youth entrepreneurs
2. The investment process in some social businesses took longer than expected	<ol style="list-style-type: none"> Capacity to adapt and sensible business reflex are key skills for the social business entrepreneurs selected as pilots for receiving investment funds 	Youth entrepreneurs
3. Sourcing mature social entrepreneurs can be challenging	<ol style="list-style-type: none"> Leveraging strong ecosystem partners is key Having a strong local team with in-depth knowledge of local networks is mission critical for effective sourcing 	Incubator / Ecosystem partners
4. Lack of adapted trainings and non-financial support tailored to social businesses	<ol style="list-style-type: none"> While there are structures in place to serve micro-entrepreneurs and larger corporations, few programs exist which are specifically tailored to the “missing middle” of social businesses and socially-minded SMEs. 	Incubator / Youth social entrepreneurs

5. Key recommendations (with particular emphasis on ensuring sustainability of project benefits)

Key issue (max 10, add rows as needed)	Key recommendation	Responsible	Deadline
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1. Acceleration vs incubation	<ol style="list-style-type: none"> Continue to roll-out shorter, more compact accelerator programs with cohorts of highly promising candidates. Test other models of training programs, like the “2 week – hyper acceleration” model repeated through the year 	YBSB Country teams / Global YBSB	March 2016
2. The investment process in some social businesses took longer than expected	<ol style="list-style-type: none"> Test social businesses’ adaptability by allowing for smaller investment amounts first (up to 50,000 USD) with less amount of time. Extend further financing to those social businesses which are most successful/which can absorb the funds. 	Global YBSB	June 2016
3. Sourcing mature social entrepreneurs can be challenging	<ol style="list-style-type: none"> Continue to hire strong local teams in selected country, with extensive personal networks. Plan to improve sourcing strategy including “hunting”. 	YBSB Country Team/YBSB Country Director Tunisia	March 2016
4. Lack adapted trainings and non-financial support tailored to social businesses in selected countries	<ol style="list-style-type: none"> Continue to develop and strengthen non-financial support offering. Further develop Mentoring program to support specific business areas of SBs. Develop structured support focused on facilitating access to customers for SBs. Streamline support provided post-investment 	Global YBSB / YBSB country teams	June 2016

V Overall PCR rating

Dimensions and criteria	Rating*
DIMENSION A: RELEVANCE	4
Relevance of project development objective (II.A.1)	4
Relevance of project design (II.A.2)	3
DIMENSION B: EFFECTIVENESS	2
Development Objective (DO) (II.B.4)	2
DIMENSION C: EFFICIENCY	3
Timeliness (II.C.1)	2
Resource use efficiency (II.C.2)	4
Cost-benefit analysis (II.C.3)	NA
Implementation Progress (IP) (II.C.4)	3
DIMENSION D: SUSTAINABILITY	4
Financial sustainability (II.D.1)	3
Institutional sustainability and strengthening of capacities (II.D.2)	3
Ownership and sustainability of partnerships (II.D.3)	4
Environmental and social sustainability (II.D.4)	4
OVERALL PROJECT COMPLETION RATING	3

VI | Acronyms and abbreviations

Acronym (add rows as needed)	Full name
AfDB	<i>African Development Bank</i>
HSBM	<i>Holistic Social Business Movement</i>
SB	<i>Social Business</i>
YSB	<i>Yunus Social Business</i>