

Independent Evaluation of the Impact Private Sector Partnerships Program

Evaluation Report
25 July 2025



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List of Acronyms

Acronym	Description
AIFFP	Australian Infrastructure Financing Facility in the Pacific
BESU	Business Engagement Support Unit
BFLPT	Blended Finance Learning Program Team
BPP	Business Partnerships Platform
DFAT	Australian Department of Foreign Affairs and Trade
EOPO	End-of-program outcome
IPSP	Impact Private Sector Partnerships
MCF	Mekong Conservation Foundation
MEL	Monitoring, evaluation and learning
NGO	Non-government Organisation
SME	Small to medium enterprises

Executive Summary

This report presents the findings from the independent evaluation of the Impact Private Sector Partnerships (IPSP) program, commissioned by the Australian Government Department of Foreign Affairs and Trade (DFAT) and conducted by Tetra Tech International Development. The IPSP program was established as part of DFAT's broader strategy to enhance private sector engagement in development. Launched in 2020, the program currently aims to leverage private sector engagement to address development and climate challenges in the Indo-Pacific region.

IPSP enables DFAT to engage with the private sector through two mechanisms

- The Business Partnerships Platform (BPP) which enables partnerships between DFAT, business and other partners to bring together their investment, ideas and capabilities to test, trial and scale inclusive business models
- The Business Engagement Support Unit (BESU) which has provided short term advisory and training services to DFAT to assist in advancing development and climate outcomes through private sector engagement.

The BESU mechanism has concluded, and only the BPP mechanism, which continues on from an earlier phase that ran from 2016 to 2019, is covered by this evaluation.

The evaluation assessed the program's realisation of its end-of-program outcomes (EOPOs) and identified lessons learned to inform decision-making around the scope, governance, objectives and modalities for Posts and Regional Offices planning to undertake similar investments in the future. The evaluation examined the program's work across three funding rounds: the COVID-19 Recovery and Vietnam Green Recovery round, the Vietnam Carbon Markets round and the Climate Adaptation for the Mekong Delta round. Of the 29 partnership projects delivered through these three rounds, 13 were implemented in Vietnam, while the COVID-19 Recovery partnerships were also implemented in Bangladesh, Fiji, Nepal, the Philippines, Samoa, Sri Lanka and Timor-Leste.

IPSP is co-managed by the Blended Finance and Investor Engagement Unit in DFAT in Canberra and a managing contractor, with significant inputs from Posts. It is funded by contributions from central Canberra resources and selected bilateral programs.

Key findings

IPSP's flexible model is valuable to DFAT's overseas Posts

The IPSP program's business partnership model has provided significant value to Posts by:

- Delivering tangible results for most of its partnership projects including climate, social and economic benefits (discussed further below), opportunities for productive engagement with the private sector and strong public diplomacy benefits.
- Sparing Posts the administrative burden of contract management, even as they were expected to play a significant role in program delivery.
- Its structured processes to identify and support climate, social and economically beneficial initiatives helping manage the challenges of being seen to subsidise businesses.
- Its multi-country structure meaning that small overseas Posts and small countries can participate at a scale commensurate with limited Post capacity and a limited pool of prospective private sector partners.
- Its flexibility across most aspects of intervention design and delivery enabling Posts to influence rounds, play a part in selection processes and be seen to be genuinely responsive to changing circumstances and to operate in a partnership modality with participating enterprises and consortia.

IPSP has achieved both climate and economic impacts, with some benefits for women

The evaluation examined IPSP's impact against three of its four end-of-program outcomes. Its fourth end-of-program outcome pertains to the commercial sustainability of the supported business models and is discussed separately below.

- Through its climate-focussed rounds, IPSP has demonstrated that the private sector, often working with research institutions and non-government organisations (NGOs), can develop and deliver commercially viable innovations and business models that contribute to climate change mitigation and adaptation objectives as well as being socially inclusive by offering livelihood opportunities for disadvantaged people and places. IPSP

monitoring, evaluation and learning (MEL) reports that partnerships across the three rounds considered by this evaluation¹:

- Transformed business practices used across 1,551 hectares of land
- Led to a reduction of CO₂ emissions by 241,042 tonnes.
- IPSP's partnership approach has demonstrated that businesses can be enabled to adopt more inclusive business models or specifically target opportunities for disadvantaged or underserved groups. While IPSP has benefited women through targeted initiatives (such as the Deltacelerate project), the scale of their impact is limited, largely stemming from the highly gendered nature of some sectors (agriculture being male dominated in Vietnam) and the limited scope for IPSP to make systemic impacts on culture and norms IPSP MEL reports that partnerships across the 3 rounds considered by this evaluation:
 - Created new jobs for 2,934 people, of whom 27% were women
 - Created new income generating opportunities for 13,035 suppliers, of whom 39% were women
 - Improved access to products and services for 3,524 consumers, of whom 100% were women
 - Increased incomes for 31,802 people, of whom 32% were women
- The program tried to impact on gender by supporting activities that specifically targeted women, worked in sectors where women tend to predominate as workers or enterprise owners, or by improving the gender responsiveness of project activities. One project targeted and would have impacted women entrepreneurs in Fiji, however, it could not generate results largely due to project challenges with a local banking institution. Another example is the Deltacelerate initiative, though successful, was at small scale. IPSP MEL reports that the partnerships across the 3 rounds considered by this evaluation created 176 female leadership positions.
- IPSP's EOPO focussed on gender inclusion and did not specifically target disability inclusion. They have not found it easy to generate significant disability inclusion impacts, despite upgrading efforts in this domain when the 2023 International Development Policy was put in place. The program did introduce training in disability inclusion awareness for all applicants for the Climate Adaptation Round.

The evaluation found that many partnerships were having a richer and deeper impact in the communities where they were operating than is captured in its indicators. This was particularly the case in Vietnam, where a significant engagement by DFAT, and the particular features of Vietnam's system of public administration, helped to create and ensure strong community interactions and problem solving.

The evaluation observed that there are several aspects of IPSP that seem to have clear impact on the extent to which partnerships can achieve impact. These include processes associated with the IPSP challenge fund operation, including the way that participating countries and rounds, and their domains of focus, are chosen and specified, and the processes for seeking and selecting proposals and ensuring quality at entry. These processes selected rounds and activities with a particular focus on potential to deliver selected inclusion and developmental impacts. But perhaps most important is the partnership approach adopted by the program, and the flexibility and engagement and trust between participants that it has fostered. The partnership approach was reflected in the way that DFAT (including both in Canberra and at Posts), the program and participating businesses have worked together. This approach has helped partners take their initiatives through implementation to the achievement of intended impacts. It seems that the partnerships in Vietnam exemplify all of these features, particularly because of aspects of the country context and the Vietnam Post's (both Hanoi and Ho Chi Minh City) interest and capacity to engage strongly with the program, its partners and their activities

Across the spectrum of partnerships, the evaluation saw examples of the program supporting significant technological and environmental innovation and adoption of new business models. Examples included promoting farming of a salt-water tolerant crop on degraded land in the Mekong Delta, alongside adoption of a commercial use for this crop, piloting a digital payment system for micro and small businesses in Fiji, and manufacture of pallets from coconut and rice husks in Southern Vietnam. The evaluation also observed that many successful partnerships involved consortia that included NGOs, social enterprises, development organisations, cooperatives and research organisations and practitioners. The involvement of consortium members with experience in addressing the requirements of taking development program funding does seem to have helped businesses engage with IPSP. The often quite significant engagement from Posts also helped partnerships tackle issues encountered during implementation, as well as conferring reputational benefits in dealing with other actors in their markets and value chains.

¹ Data is current as of January 2025

Partners are looking to continue their business models by pursuing further funding

The evaluation was asked to assess the likelihood that partners will sustain business models following IPSP support and are able to or intend to attract additional financing. The evaluation found that many supported partnerships are able to, or are at least willing to, invest into continuing their business models following IPSP support. Of the 11 partnerships reviewed by this evaluation in detail, in only one case did the principals indicate that they did not see the model continuing. The evidence did suggest, however, that many of the partnerships envisage that further financing will come from philanthropic sources rather than commercial sources.

IPSP had substantially upgraded its focus on commercial viability in its selection processes (compared to the first phase of BPP). The evaluation considers that this enhanced emphasis, and the program's incorporation of sustainability considerations from the outset, including thorough market analyses and providing support for capacity building of partners has helped improve the likelihood that partners can maintain operations independently.

Considerations for replication by bilateral programs and other lessons learned

The evaluation considered if the IPSP model could be replicated by bilateral programs on a stand-alone basis. A number of considerations are relevant when addressing this question:

- Scale relative to Post management capability and the depth of the local private sector:
 - The IPSP (specifically the BPP component) model is quite demanding on Posts, even when they do not have to carry contract management responsibilities. Even with the potential for contracting support for Posts through the program, small Posts may still find it difficult to manage the model.
 - In small economies with thin markets, the pool of competent businesses able to respond to calls for funding to implement different business models will likely be very constrained. The potential level of program activity may be too small to warrant the overheads of a stand-alone bilateral investment.
 - A regional model might be a feasible way of spreading some costs, but the caveats presented above may still apply.
- Posts appetite for risk:
 - A program with a partnership model like IPSP's BPP carries with it a range of risks. With a large enough portfolio of partnerships, many of these risks are both acceptable and manageable. But the desirable close involvement of Posts does mean that some risks are not diffused through the managing contractor arrangement.
- What purpose is Post is trying to pursue, and is a challenge fund approach like IPSP the best approach for that purpose:
 - The IPSP model can generate an appealing portfolio of co-investments demonstrating that the private sector can be enabled to deliver development outcomes. But it is not set up to promulgate models or to address systemic impediments to wider adoption of models or consequential innovations.
 - If Posts are trying to achieve change at scale, or to find ways to tackle market system and regulatory impediments to more inclusive or climate-focussed business models they may need to consider other instruments or expand the scope and objectives of programs to include efforts to match enterprises to a range of financing options. The latter would add to the complexity of a BPP program, and perhaps DFAT could think of mechanisms to link partners to other DFAT programs offering access to finance

The overarching lessons learned from this evaluation are:

- The IPSP challenge fund and partnership model can facilitate business activities that demonstrate the impacts of new business models, technology, products or market focus on development outcomes (in the form of climate, social and economic benefits) in a commercially viable way. In addition, the model can incentivise businesses to improve the inclusivity and social and economic impact of their activities (including climate resilience).
 - However, this achievement is largely at the enterprise level. The model was not intended to, and will, not achieve much impact at a systemic level on its own. And it is not obvious that Posts necessarily have processes or capacity to follow through on lessons from partnerships with other parts of their development portfolio.
- IPSP's multi-country model with contract management and key interactions with the program delivered centrally is very appealing to Posts with limited resources. But IPSP, learning from the first phase of BPP, actively sought a much stronger engagement from Posts. This has paid off in terms of the relevance, quality

and impact of funded initiatives, but places heavy demand on Posts, even where there has been scope to contract relationship managers to work in-country.

- IPSP's flexibility and adaptability across all domains of its operations (choice of countries, design of rounds and calls, support to prospective partners and adaptability during partnership operations) were highly appreciated and contribute to the programs ability to enable delivery of impacts and relationship benefits for DFAT.
- Constructing rounds with a climate change thematic focus can be an effective way of demonstrating the ability of the private sector to innovate and implement commercially viable models that contribute to mitigation and adaptation objectives (It can also demonstrate that there are practicable ways of pursuing policy objectives.)
- IPSP's partnerships offer considerable public diplomacy and visible development results to Posts and to DFAT more broadly, including building stronger and wider networks. In addition, the visible involvement of DFAT in the partnership presents a perceived derisking of activities. However, this presents a reputational risk for DFAT in the event of failure on any one project that requires appropriate processes and strategies.
- IPSP's MEL approach attempts to balance comprehensiveness with minimising reporting burdens. It has done so through set of common indicators and a requirement for partners to select a minimum number that best apply. While useful for analysis across the IPSP portfolio, it does create a limitation where not all partners may report against all indicators thereby, limiting the ability to compare between projects and an understatement of the full impact across the entire portfolio. The challenge is particularly acute when an investment like BPP is sector agnostic and covers a broad range of development policy domains. Future activities of this kind may well have to make a similar trade off, or consider narrowing the range of domains so that a manageable set of common indicators can be utilised.

Recommendations when considering future private sector engagement programs

This evaluation's primary objective was to assess IPSP's realisation of its EOPOs and the factors that have contributed to its progress. Secondary to that, the evaluation was also intended to identify any lessons learned to better inform decision-making around the scope, governance, objectives, and modalities for any Posts or Regional Programs considering similar investments in the future. This is noted especially in the context that IPSP is now in its final year of implementation. The below recommendations to DFAT reflect this context and the underlying rationale detailed in the analysis undertaken in this report and the lessons learned section above.

Recommendation	Description
1 Resourcing intensity	When considering modality and resourcing for future similar programs, DFAT should keep the capacity of Posts and sizes of the economy in mind.
2. Gender equality	DFAT should ensure that any future investment using a challenge fund approach would need to: • be very clear about limitations on achieving gender equality and clearly articulate this in outcomes statements and how success is measured; or • be part of a broader intervention that links lessons from partnerships into engagements with institutions and processes that are designed to engage with the underlying determinants of gender inequality.
3. MEL trade-offs	DFAT must be mindful of the trade-offs between a MEL system that offers flexibility at the cost of comprehensiveness versus a comprehensive MEL that adds a greater burden of data collection.
4. Risk appetite and management	If DFAT were to undertake new investment using the IPSP challenge fund model, it would need to be conscious of risks typically associated with such innovative models (inherent risk of potential failure; possible impact to reputation which due diligence processes cannot entirely ameliorate) and build targeted mitigation strategies.

1 Introduction

The Australian Government Department of Foreign Affairs and Trade (DFAT) has engaged Tetra Tech International Development (Tetra Tech) to undertake an Independent Evaluation of the Impact Private Sector Partnerships (IPSP) Program. This report sets out the findings and recommendations from the Evaluation.

1.1 Impact Private Sector Partnerships Program

The Impact Private Sector Partnerships (IPSP) Program is an AUD 32.5 million investment aimed at leveraging private sector engagement to address development and climate challenges in the Indo-Pacific region. It is supported by the Australian Government and implemented by Palladium. The overarching objective of IPSP is to enable private sector businesses to deliver sustainable social impact in Vietnam, Nepal, Timor-Leste, Bangladesh, Philippines, Fiji, Samoa, and Sri Lanka while maintaining commercial returns. The program aims to ensure Australia's Aid Program collaborates effectively with the private sector to contribute towards the Sustainable Development Goals through strategic partnerships facilitated by two program modalities:

- **The Business Partnerships Platform (BPP)** which uses a challenge fund model to create scalable shared value partnerships with the private sector and advances Australia's economic and social development objectives, while ensuring private sector partners achieves both commercial and development outcomes. In the current phase, IPSP partnerships, through the BPP, leveraged over AUD 46 million in private sector finance² and resources to support scalable business models. BPP activities have been conducted over multiple rounds with different thematic focuses, with a particular emphasis on Vietnam, as well as initiatives in Nepal, Timor-Leste, Bangladesh, Philippines, Fiji, Samoa, and Sri Lanka.
- **The Business Engagement Support Unit (BESU)** which trains, equips and empowers DFAT staff to engage effectively with the private sector. It provided technical advice on private sector issues, supported program design, and offered short-term advisory and training services to advance development and climate outcomes. As a central advisory service, BESU connected DFAT to global experts across various sectors, including climate finance, infrastructure, agriculture, and tourism.

BPP had previously been delivered as a stand-alone program over the period 2015 to 2019. IPSP continued delivery of BPP, with some modifications, and managed partnerships initiated in the earlier program. It is due to be completed in mid-2026. Since BESU is not included in the scope of this evaluation, references to IPSP in this report will refer to the second phase of BPP, unless stated otherwise, noting that IPSP's branding retained the BPP name and logo.

1.1.1 Overview of the first phase of BPP

As noted in its completion report, between 2016 and 2019, the BPP facilitated 33 partnerships across 16 countries, impacting 5.5 million beneficiaries. The program leveraged over \$25 million in private sector contributions from the \$13.7 million invested by the BPP. In addition, the first phase achieved:

- The completion of 9 partnerships
- An estimated net attributable income change of AUD51.3 million for these beneficiaries
- Contributions beyond financial investment for private sector partners including support for broader policy change, technical assistance and access to expanded networks.

The partnership approach, implemented through BPP, intended to advance Australia's economic and social development objectives by:

- Facilitating shared-value initiatives
- Establishing DFAT as a partner to the private sector
- Incorporating the BPP as a competitive grant mechanism.

Highlighted key lessons from the first phase include:

- Many partnerships achieved social impact but had limited commercial viability.
- Relationships between non-government organisations (NGOs) and private sector enterprises were in many cases the critical partnerships. NGOs served as the development lead on the majority of projects and acted as a liaison between the private sector and DFAT.

² Contributed by participating private sector partners

- BPP's iterative approach to implementation, which allowed for changes to design during the program, resulted in a number of positive changes that strengthened the program.
- Success varied by region, with larger markets like Papua New Guinea showing more significant results. However, regional differences in commercial opportunities limited the effectiveness of comparing the success of the BPP mechanism across regions.
- Health sector initiatives struggled with commercial viability and willingness to pay, engrained health-seeking behaviours and competition from free public services were cited as challenges.
- There was a need to extend the timeframe for new initiatives to ensure enhanced economic viability, specifically following on from Round 1 which allocated a 1-year timeframe.
- Shared value initiatives largely continued beyond the BPP funding period. Of the nine contracts completed, eight had continued business activities in some form and four had undertaken expansion at the time of the Phase 1 evaluation.

The Phase 1 evaluation also stressed the need for robust monitoring and results measurement frameworks and effective communication strategies. These insights ultimately informed the recommendations for a successor program which evolved into the IPSP program, including advocacy for a more targeted, country-focused approach.

The evaluation team notes that Phase 1 is not in scope for this current evaluation but is used to provide background information for this report.

1.1.2 Overview of the BPP component of IPSP

IPSP has drawn on lessons learned from the first phase of BPP, from other private sector programs and from its own experience to adapt and continuously improve the program. It also learned from the recommendations of the Private Sector Engagement Stocktake conducted by DFAT.

The original design of IPSP aligned with a broader goal of increasing private sector engagement and DFAT's Operational Framework for Private Sector Engagement in Australia's Aid Program. It expanded on the original BPP to include a new component designed to strengthen DFAT's institutional capability to engage with the private sector through the development program. This additional assistance was supported through the establishment of BESU. Both components were managed as separate sub-programs under IPSP. The design also made provisions to support stronger engagement by Australian Diplomatic Posts (Posts), as it envisaged a more focused engagement with a small number of target countries (while still having one or more rounds open to all countries where DFAT had a development engagement). The design also made clear its intention that DFAT personnel would lead DFAT's engagement and relationships with the private sector, with the managing contractor in a supporting role. A key part of the program's delivery of that engagement was the funding of Private Sector Partnership Managers at selected Posts.

COVID-19's arrival during the inception phase of IPSP had several implications for the BPP including:

- A significant increase in level of support and extension of time of Phase 1 partnerships that conveyed into Phase 2
- An acceleration of Phase 2 rounds and focus on themes relevant to COVID-19 recovery in respective Posts
- A pivoting in operating model towards exclusively remote oversight and support to partners.

During this period, IPSP supported partnerships to adapt their business plans to respond to immediate needs generated from the crisis or to support longer-term recovery efforts and create more resilient business models to weather future shocks. This was in alignment with the strategic aims of DFAT's Partnerships for Recovery strategy with the vision of a stable, prosperous, resilient Indo-Pacific in the wake of COVID-19.

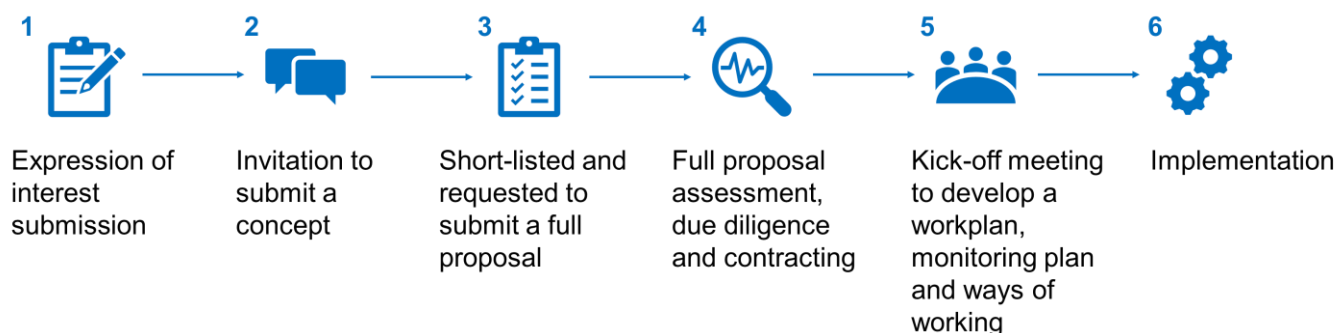
In addition, there was a shift within DFAT away from private sector engagement as a stand-alone objective to private sector engagement mechanisms as vehicles to accelerate the achievement of strategic DFAT priorities. Therefore, the Operational Framework for Private Sector Engagement in Australia's Aid Program became obsolete. This shift, along with reflection by DFAT and the program team on their experience with BPP led to a restatement of the program's goal and expected outcomes.

While climate was not an original feature of the IPSP design, the program has focused on climate themes for BPP (and BESU), with carbon markets forming a key priority for the DFAT business partnerships team. IPSP was amended four times to add scope for additional BPP partnerships and rounds supported by additional Posts and the Australian Infrastructure Financing Facility in the Pacific (AIFFP).

Candidate partnerships participated in the program through a selection process. IPSP would initially advertise the opportunity where candidates were required to put forward a proposal. Following submission, partners were shortlisted before a more rigorous selection. Finally, partners were subjected to a due diligence process and contracting before implementation of their respective projects. See Figure 1 for an illustration of this process. To participate, partnerships were subjected to criteria which in general included ability to demonstrate the below:

- An impact responding to the aim of the round (see Table 1)
- Commercial viability
- Socio-economic impact such as increased jobs, income or resilience to climate shocks
- Catalytic impact which demonstrates capacity to scale or impacts to consumers, employees or supply chain actors
- Gender impacts.

Figure 1: IPSP's selection process



Through BPP, IPSP supported 29 partnerships across three grant rounds that spanned eight countries and a variety of sectors including agriculture, finance and health services. Annex A lists the partnerships and the timeline for their implementation. The evaluation team notes that there is a dedicated Off-Grid Renewable Energy round with 14 partnerships expected across 6 countries led by the AIFFP and underway as of the delivery of this evaluation. This round, however, is out of scope for this evaluation and not discussed further in this report. Over the course of the program, the focus of partnerships shifted to commercial solutions that achieve climate abatement and adaptation income generation opportunities.

Around a third of the funding for the delivery of the in-scope three rounds came from six bilateral programs (Bangladesh, Fiji, Nepal, Philippines, Samoa and Vietnam). The rest was funded centrally. The Vietnam program contributed about three quarters of the bilateral funding.³

An overview of these rounds is provided in Table 1.

Table 1: Overview of the three in-scope IPSP phase 2 grant rounds

Grant Round	Aim	Date	Funding contributions	Number of partnerships
COVID-19 Recovery and Vietnam Green Recovery	The COVID-19 Recovery grant round supported partnerships aimed at economic recovery, focusing on themes including green recovery, economic opportunities for women, skills development, and digitalisation, within specific sectors in Bangladesh, Nepal, Philippines, Timor-Leste, and Tonga. Initiatives included digital payment platforms for women in the informal sector, and activities in agriculture and mental health. The Vietnam Green Recovery grant component aimed to support inclusive business partnerships that accelerated climate and energy solutions, fostering a green and resilient economic recovery from COVID-19 in Vietnam. The initiative targeted reduction of carbon emissions, protection of vulnerable habitats, and income and jobs generation.	2021-2024	AUD25.2 million AUD7.7 million (DFAT) AUD17.5 million (partners)	19
Carbon Markets Round	The Carbon Markets grant round aimed to enable Vietnam to benefit from demand for high-integrity carbon credits through partnership with the private sector. This partnership focused on the facilitation of development and economic outcomes from carbon projects, carbon abatement through best practice models and establishing high-integrity carbon market conditions and practices in Vietnam.	2022-2024	AUD7.3 million AUD3.4 million (DFAT) AUD3.9 million (Partners)	6

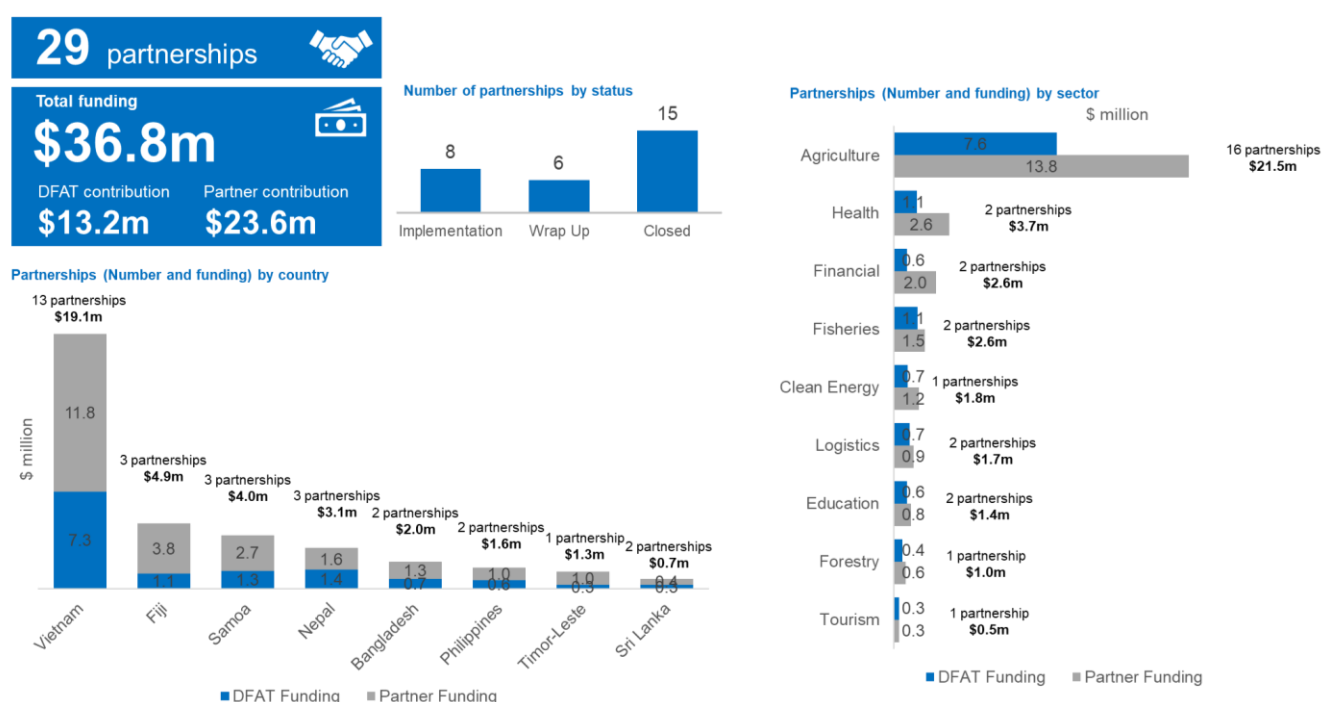
³ The off-grid program is funded entirely by AIFFP, through a separate agreement with the managing contractor.

Grant Round	Aim	Date	Funding contributions	Number of partnerships
Climate Adaptation Round	The purpose of the Mekong Climate Adaptation grant round is to support projects that enhance climate resilience in the Mekong Delta by promoting sustainable agricultural practices, improving socio-economic outcomes, and empowering women.	2023-2025	AUD4.3 million <i>AUD2.1 million (DFAT)</i> <i>AUD2.2 million (Partner)</i>	4

Figure 2 presents a more detailed infographic overview of the partnerships.

The table and figure both demonstrate that IPSP has enabled a DFAT to partner contribution ratio of 1.8 (note that across DFAT's blended finance portfolio, a 2022 report noted that DFAT mobilised private capital at a ratio of 1 to 3 – see 'blended finance review' below). This means that through IPSP for every \$1 of DFAT's investment, partners contributed \$1.80. We also note IPSP's design specified the program would aim for DFAT to partner contribution ratio of 1:2 (and a minimum of 1:1 for each partnership). The data also shows that a significant majority of partnership projects were in Vietnam and the agricultural sector. The former was largely owing to the focus of two recent grant rounds in Vietnam.

Figure 2: Overview of the IPSP Phase 2 partnerships (excluding Off-Grid Grant round)



1.2 Program outcomes

IPSP's overarching goal is to enable Australia to serve as a catalyst to unlock private sector-led solutions to development and climate change challenges in the Indo-Pacific region. It aims to deliver on this goal through four end-of-program outcomes (EOPOs).

Table 2: Overview of IPSPs EOPOs

EOPO	Description
EOPO 1 Climate Impact Businesses and communities adopt sustainable practices and technologies to address climate challenges.	IPSP's partners are supported to test and scale viable business models that address climate challenges and enable DFAT to increasingly engage with the private sector to support climate-sensitive programming.
EOPO 2 Socio-Economic Impact Businesses improve social and economic outcomes, including for women and underserved groups.	IPSP's partners are supported to implement new business and market models to increase the income and other benefits for suppliers, workers, and consumers, including women and underserved groups.

EOPO	Description
EOPO 3 Gender Impact Private sector-led solutions improve gender equality through products, practices or policies.	IPSP supports partner businesses to increase their knowledge and capacity to integrate a gender perspective into their products, services, policies or practices.
EOPO 4 Catalytic Impact Inclusive and climate-responsive business models and practices inform and catalyse additional DFAT and private sector investment.	Partners are enabled to have a commercially viable business model that is sustainable and attracts additional investments to scale further. Another objective is to inform future DFAT aid investments to help catalyse additional DFAT and private sector investment.

(As noted above, the articulation of IPSP goal and outcomes has evolved over time. The current EOPOs presented above differ considerably from what was specified in the original design.)

1.3 Blended finance review

The IPSP program implements a blended finance modality through BPP to leverage public funds and engage private sector investment into projects that deliver both social and commercial returns. The objective of the blended finance model was to address development challenges by combining concessional finance from public sources with private capital, thereby de-risking investments and encouraging private sector participation in development initiatives.

Of consideration in this evaluation is the Review of DFAT Australia's Blended Finance Investments conducted in 2022 by the Blended Finance Learning Program Team (BFLPT) (comprised of Moonshot Global LLC and Living Collaborations and staff from Private Finance for Climate and Development, Australian Department of Foreign Affairs and Trade). The purpose of the review was to answer the underpinning research question; 'to what extent has DFAT's blended finance portfolio been effective at drawing in more private capital and maximising the development impact of private capital in the Indo-Pacific?'. The BFLPT analysed existing data from partnerships to evaluate the effectiveness of blended finance investments as well as a desktop review of over 87 documents including published research of blended finance undertaken by other organisations.

The review found:

- That DFAT's blended finance investments, including those under the IPSP program, were effective at crowding in private capital to support development objectives. It was found that, on average, DFAT's blended finance portfolio mobilised private capital at around a 1 to 3 ratio. Between 2012 and 2022 DFAT, through its concessional financing mechanisms, mobilised AUD 303 million from an investment of AUD 101 million.
- The blended finance investments under the IPSP program contributed to significant development outcomes, including job creation, gender equality, and climate change mitigation and adaptation. The BFLPT found that nearly 20 per cent of crowded-in capital supported gender-focused financing. Additionally, since 2012, DFAT's blended finance programmes supported the creation of approximately 15,800 jobs, 63.5 per cent of which were filled by women. Moreover, the blended finance modality holds great potential for climate finance given the risks associated with climate-mitigation investments for commercial investors and the BFLPT emphasised the opportunity for climate change outcome monitoring given outcomes were neither tracked nor targeted in the previous stages.
- The importance of ensuring the sustainability of private capital flows and the additionality of blended finance. This meant that the investments should not only attract private capital but also provide benefits that would not have been achieved without the blended finance approach.
- Providing technical assistance to enterprises was a crucial component of the blended finance investments. This support helped build the capacity of businesses to implement and scale their projects effectively.
- The BFLPT recommended harmonising different definitions and approaches to measuring employment and economic impact across the portfolio. This would enable better comparison of effectiveness and outcomes across different programs.

2 IPSP Evaluation

DFAT engaged the IPSP evaluation with the primary objective of assessing the program's realisation of its EOPOs and the factors that have contributed to its progress. As a secondary objective, the evaluation was intended to identify any lessons learned to better inform decision-making around the scope, governance, objectives, and modalities for any Posts or Regional Offices considering similar investments in the future.

2.1 Evaluation scope

The evaluation examined IPSP formulation, design, implementation, achievements, sustainability, and development impact. In doing so, it assessed relevance, achievement of objectives and outputs, the sustainability of outcomes, and the impact IPSP achieved. The evaluation primarily focused on the BPP mechanism, with BESU being mostly out of scope given that it was discontinued in the second half of 2024. The evaluation only covered the following BPP partnership rounds:

- COVID-19 Recovery Calls for Partnerships and Vietnam Green Recovery (June 2021 – November 2024)
- the Vietnam Carbon Markets (November 2022 – June 2025)
- Climate Adaptation for the Mekong Delta (November 2023 – December 2025).

As noted above, the final round in 2024 which focused on off-grid renewable energy and is led by the AIFFP was outside the scope of this evaluation.

2.2 Evaluation Framework

Table 3 sets out the evaluation framework that guided the approach to the evaluation.

Table 3: IPSP Evaluation Framework

Evaluation area	Evaluation question
Relevance	1. What value did IPSP's flexible model provide to DFAT's overseas Posts, and could this be replicated by bilateral development programs?
Impact	2. To what extent did partners and DFAT achieve their projected impact? (EOPO1-3)
Effectiveness	3. What were the successful approaches and strategies to achieving impact? (EOPO1-4) 4. To what extent did the partnership approach contribute to IPSP's EOP outcomes?
Sustainability	5. What is the likelihood of partners' sustaining business models following IPSP support? (EOPO4)
Gender equality and disability equity	6. To what extent did IPSP contribute to improving social inclusion? (EOPO3) 6.1 To what extent did IPSP contribute to improving opportunities to participate and equitable outcomes for women and how was it achieved? 6.2 To what extent did IPSP advocate to partners on good practices to achieve inclusion of people with disability?

Three main approaches were used for data collection:

- A desktop review of program documentation or data, in particular, any monitoring, evaluation and learning (MEL) outputs generated by IPSP itself
- Consultations to collect primary data for this review.

Given that there were 29 partnerships across the in-scope grant rounds, it was not feasible for this evaluation to meet with all partnership members and review their documents. The evaluation team, therefore, applied a sampling approach to identify 11 partnerships for more detailed review. The sampling involved a mixture of random and non-random sampling. The latter approach was based on identifying partnerships based around the south of Vietnam. For the remaining partnerships the evaluation:

- Sampled to ensure at least one partner in Nepal, Sri Lanka and Samoa given that the evaluation involved meetings with Posts from these countries
- Sampled two partners randomly from the remaining partnerships from Bangladesh, Fiji, Timor-Leste and Philippines, given these countries had less active Post involvement.

The sampled partnerships have been provided in Table 4. Annex B presents more information on the partnerships and how they were selected. At various points in this report, mini case studies have been presented as examples to emphasise or clarify findings and observations. These case studies were developed from a subset of the 11 sampled partnerships using information gained through documents or from consultations with partners.

Independent Evaluation of the Impact Private Sector Partnerships Program

Table 4: Partnerships sampled for the evaluation

Partnership project	Country	Grant round	Overview of partnership	Funding	Contracting partner	Partnership composition
Sustainable and affordable paygo biodigesters in Bangladesh	Bangladesh	COVID Recovery	A partnership to scale ATEC's paygo biodigester technology to provide more rural households with sustainable and affordable biogas for cooking and for use as an organic fertiliser. The partnership builds on a successful pilot in Bangladesh and extensive sales in Cambodia.	DFAT contribution: AUD 665,682 Partner Contribution: AUD 1,171,300	ATEC Bangladesh	Social enterprise business
Digital wallet and payment acceptance platform for women-led micro and small businesses in Fiji	Fiji	COVID Recovery	A partnership to develop and deliver an innovative payments solution for women-led micro and small businesses in Fiji. Accessible to all, the technology empowers women market vendors to help lead Fiji's digital transformation through a sustainable fintech product that in turn will drive down the cost of doing business.	DFAT contribution: AUD 530,835 Partner Contribution: AUD 1,900,000	Fintech Pacific	Two businesses and a registered charity organisation
Skilled Jobs Samoa	Samoa	COVID Recovery	A platform to create meaningful, high-value skilled jobs for women and men in Samoa. The partnership will support Samoan graduates to develop their skills processing financial statements, tax returns and reporting documents for clients abroad, to meet increasing demand for accountancy support from firms in New Zealand and Australia.	DFAT contribution: AUD 499,172 Partner Contribution: AUD 690,073	We Mana	Two businesses
Developing aquaculture for local markets	Nepal	COVID Recovery	A partnership to develop the market for Nepalese fish to benefit both producers and consumers. The partnership introduces new technologies to improve production and links farmers with value-adding services like access to market, finance and insurance.	DFAT contribution: AUD 480,000 Partner Contribution: AUD 550,300	Shreenagar Agritech	One business and two non-government organisations (NGO)
Connecting commercial drivers to customers in rural Sri Lanka	Sri Lanka	COVID Recovery	A partnership to expand a user-friendly app connecting small and independent commercial vehicle drivers with customers in Sri Lanka. The partnership will de-risk Pick my Load to expand its existing business into a new market segment, reaching small business owners and independent drivers in rural and semi-urban areas.	DFAT contribution: AUD 199,465 Partner Contribution: AUD 335,300	Diesel & Motor Engineering PLC	One business
Biochar for carbon removal and improved livelihoods in Vietnam	Vietnam	Vietnam Carbon Markets	A partnership to establish a pyrolysis facility in Vietnam's Mekong Delta to turn waste biomass from agricultural activities into biochar – a durable form of permanent carbon storage which can also be used for soil conditioning, water filtration and as an animal feed that lowers emissions. The facility and its supply chains are expected to create green jobs, improve livelihoods and reduce air and water pollution in the region.	DFAT contribution: AUD 555,500 Partner Contribution: AUD 601,750	Biocare Projects Pty Ltd	Three businesses and two tertiary education institutions

Independent Evaluation of the Impact Private Sector Partnerships Program

Partnership project	Country	Grant round	Overview of partnership	Funding	Contracting partner	Partnership composition
Advanced vertical farming for climate, lives and landscapes in Vietnam	Vietnam	COVID Recovery	A partnership to scale innovative climate smart farming technology to increase sustainable food production and free up agriculture land for rehabilitation. The partnership will test and expand existing climate smart farming technology to demonstrate the climate and economic value of climate smart farming in the Mekong Delta, an area vulnerable to the impacts of climate change.	DFAT contribution: AUD 794,000 Partner Contribution: AUD 949,000	Orlar	Two businesses and a Dutch development organisation
Sustainable cricket farming	Vietnam	COVID Recovery	A partnership to scale an innovative cricket farming venture in Vietnam to benefit the climate, farmers and consumers. A marketing campaign and technology & product innovations will promote the consumption of crickets and catalyse growth in this exciting new industry	DFAT contribution: AUD 325,500 Partner Contribution: AUD 513,500	Cricket One	Two businesses
Scaling Climate Resilient Mangrove Shrimp Farming in the Mekong Delta	Vietnam	Climate Adaptation in the Mekong Delta	A partnership to train smallholder farmers in climate resilient farming techniques that will improve the shrimp supply chain while also enhancing the mangrove landscape in the Mekong Delta.	DFAT contribution: AUD 650,000 Partner Contribution: AUD 902,000	Symmetry	One business, social enterprise and social organisation
Creating sustainable livelihoods through climate-adaptive crops	Vietnam	Climate Adaptation in the Mekong Delta	A partnership that creates new economic value for local community members in the Mekong Delta by transforming climate-affected rice farms into the more sustainable bulrush crops.	DFAT contribution: AUD 550,000 Partner Contribution: AUD 550,040	The Mekong Conservancy Foundation (MCF)	Two businesses, NGO and a local cooperative
Women's Agribusiness Climate Adaptation Accelerator (aka Deltacelerate)	Vietnam	Climate Adaptation in the Mekong Delta	A partnership to support women-led enterprises adapt to climate change and deliver greater income earning opportunities or other benefits for women in the Mekong Delta.	DFAT contribution: AUD 550,000 Partner Contribution: AUD 250,000	Women's Agribusiness Climate Adaptation Accelerator	One business and various individual women-owned enterprises

2.3 Data collection and analysis

2.3.1 Desktop review

The desktop review involved examination of a range of DFAT and IPSP documents, as well as documents from the first phase of BPP. This included DFAT design and investment reporting material, IPSP operational and reporting material, and indicators data (see Annex C).

In addition, the evaluation also reviewed key documents from the sampled partnerships including business plans and reports. Annex D presents more information on documents included in the desktop review.

2.3.2 Stakeholder consultations

Stakeholder consultations were conducted online and in person. Online consultations included stakeholders from DFAT in Canberra and at Posts in Samoa and Sri Lanka, team members from IPSP and representatives of partnerships operating in Bangladesh, Fiji, Nepal, Samoa, Sri Lanka and Vietnam. In-person consultations included officials from the Australian Consulate-General in Ho Chi Minh City and Hanoi, representatives from 11 organisations involved in partnerships or that had interacted with IPSP in Vietnam, and with officials from local authorities in some of the provinces in the Mekong Delta which the evaluation team visited. More information on these consultations is presented in Annex E.

2.4 Limitations

This evaluation focuses on the extent to which IPSP (and its private sector partners) achieved the program's objectives through individual partnerships. It does not fully explore systemic impacts such as consequential changes to regulation to create an enabling environment for similar businesses (as the program was not designed to achieve this), or promulgation through the market of business practices adopted by partners to take advantage of opportunities or find ways around market constraints. As such, the evaluation will be limited in the extent that it can consider any broader development or systemic impact beyond the individual partnerships enabled through the challenge fund model operated by IPSP (specifically BPP).

The evaluation also relies on data collected by the programs MEL activities, in particular its common indicators (see Annex C) and its survey of partners as provided by IPSP to inform the evaluation. While the evaluation conducted a preliminary review of the data, it accepted them as is and did not perform a detailed verification nor audit. The review notes that indicator data received was current as of January 2025 and acknowledges that further progress would likely have been made since the preparation of the data and of this report.

3 Key findings – the value of IPSP’s flexible model

Key findings

- Participating Posts value IPSP’s model (specifically BPP) because:
 - It has delivered tangible outputs, opportunities for productive engagement with the private sector and strong public diplomacy benefits
 - Contract management by Canberra removes some of the burden of delivery: although IPSP was structured to increase engagement of Posts compared to the first phase of BPP
 - Structured processes to identify and support development-focused initiatives help manage the challenges of being seen to subsidise businesses
 - Its multi-country structure means that small Posts and small countries can participate at a scale commensurate with limited Post capacity and a limited pool of prospective private sector partners
 - Its flexibility across most aspects of intervention design and delivery enables Posts to influence rounds, play a part in selection processes and be seen to be genuinely responsive to changing circumstances and to operate in a partnership modality with participating enterprises and consortia.
- Replicability by bilateral programs is best considered in the light of what has been achieved, and how the program worked to deliver achievements – this is done in Section 6.

This section responds to the first half of following evaluation question:

- What value did IPSP’s flexible model provide to DFAT’s overseas Posts, and could this be replicated by bilateral development programs?

(The issue of replicability is addressed in section 6, drawing on the findings against the other evaluation questions. In both responses to this question, the focus is on IPSP’s BPP mechanism.)

As the program manual for IPSP points out, ‘whilst the principal instrument of IPSP’s BPP mechanism is a competitive application process to award grants, it differs from a traditional challenge fund or competitive grant mechanism through:

- Emphasis on building partnership - IPSP aims to use the instrument of open rounds through the Calls for Partnerships, to help DFAT identify potential business partners, then to support the building of a partnership between the partners and DFAT (Post and/or Canberra). As such, DFAT actively engaged in the initiative offering more than just funding, but other contributions such as convening power, and providing advice and leveraging networks
- Shared resources and risk - through a matched funding model which asks for all partners to commit resources and funding to the initiative, the IPSP leverages private sector expertise and funding for development objectives. Private sector partners must provide a minimum of 50% of the total initiative costs, allowing for the sharing of risk between DFAT and partners
- Partnership engagement - traditional challenge/grant funds have arms-length relationships with grantees. The IPSP engages grantees as partners from the onset, actively working with them in the assessment and development stage to enhance their proposal and understanding of inclusive business.⁴

3.1 The value of IPSP’s model to Posts

There are a number of features of the IPSP BPP model that would, in principle, be likely to be seen as valuable by Posts. These are detailed below.

3.1.1 Rapid delivery of tangible outputs and a holistic approach to private sector engagement

Compared to other approaches working with or alongside the private sector, enterprise challenge funds like IPSP can deliver visible outputs such as partnerships and association with new or expanded products and services relatively quickly. For Posts with a strong appetite for public diplomacy, the tactical approach associated with challenge funds delivers more rapid tangible/visible input and outputs than a market system development approach (where much effort is spent on trying to identify and understand market system failures before co-investment with business) or programs providing business development and start-up support (which may have higher failure rates and less immediate impact on business models).

⁴ BPP Manual, IPSP, August 2024

The strong focus on enabling Posts to lead the engagement with the private sector is also appealing to Posts that have limited bilateral private sector development or economic growth-focused programs. This gives Posts greater practical insights that can be used to shape regional or multi-country programs that operate in their countries.

While IPSP retained the key focus on competition for its grant funding, there was an important element of providing support to unsuccessful businesses and consortia. This occurred during the selection process, and with follow up after selection had occurred. This ‘pastoral’ approach again provided significant reputational benefits to Posts, especially in smaller economies where there is little anonymity.

3.1.2 Central management, multi-country engagement and structured processes

Because it is a centrally managed program, Posts do not need to manage the IPSP contract and carry the responsibilities associated with overall program management, including risk management (although, as discussed below, Posts cannot dissociate themselves from some program risks).

- The design for IPSP envisaged that strategic governance for the Program would be co-managed by the Private Sector Development Section and the managing contractor. This spares Posts from some of the management burden. But the processes associated with IPSP, the profile that partnerships have in participating countries and the importance of the ‘imprimatur’ that links DFAT and the Government of Australia accords to partnerships means that Posts need to play a significant role in the selection and implementation of partnerships. The appointment of program-contracted locally engaged Private Sector Partnership Managers at the four focal Posts cemented the representational and partnership role of DFAT in those countries.
- IPSP could seek partnerships in countries where the private sector was very small and markets quite thin, where a single country program could not be justified given the overhead and delivery costs involved. So IPSP could deliver outcomes in countries where not only was the Post too small to manage a stand-alone program, but the potential for partnerships was small as well.
- The structured processes for identifying and selecting partners, provided Posts with a degree of protection from risks associated with being seen to favour individual companies, and also offer a way to channel frequent requests for assistance from businesses.
- In Vietnam, because IPSP was not seen as part of DFAT’s bilateral development assistance program, the cumbersome processes of gaining approvals and establishing a subsidiary agreement could be sidestepped.
- Operating out of Australia meant that contractual arrangements are subject to Australian law, providing a degree of protection that might not be available to a bilateral program required to structure contracts using local laws.

3.1.3 Flexibility is built in from the program down to individual partnerships

The BPP component of IPSP was intended to ‘provide flexible tailored funding and support for the relevant DFAT country programs to innovate and partner with the private sector in line with their Aid Investment Plans.’⁵ IPSP was also designed to have the ‘flexibility to operate more targeted and limited global rounds to continue to incentivise new business partnership arrangements.’⁶ In practice, IPSP has demonstrated flexibility at a structural and process level, as well as at the level of individual activities.

- IPSP’s ability to take funding from bilateral programs meant that Posts could structure country specific rounds targeting priority areas, as exemplified by the Carbon Market and Climate Adaptation rounds in Vietnam.
- The co-management model, with a strong focus on the partnership between DFAT and the managing contractor made adaptation a much easier process. The way in which DFAT and the contractor were able to reconfigure the program logic and specification of outcomes is an example of this.⁷ (It is also likely that because this was not a bilateral program with a strong partner government stake holding made the logic changes easier to develop and operationalise).
- IPSP proved able to respond quickly to changing DFAT-wide emerging priorities, as reflected in the development and implementation of the COVID recovery round.
 - IPSP’s design envisaged that BPP would focus on three countries,⁸ and have a global round. When the COVID-19 pandemic broke out at the beginning of the program, the global round was brought forward to focus on supporting COVID recovery, so in the first year, IPSP issued five calls for partnerships in nine countries.
 - Because of the impact of COVID-19, IPSP introduced several adaptations, including provision for additional funds to complete initiatives, reallocation of funds due to activity delays, changed circumstances of new

⁵ DFAT (2020). Impact Private Sector Partnerships (IPSP) Investment Design Document

⁶ Ibid.

⁷ IPSP MEL Framework, September 2024

⁸ This was extended to 4 countries after the program commenced. The selected countries were Fiji, Samoa, Sri Lanka and Vietnam.

opportunities, and offering access to additional funds to partners' innovations to contribute to the COVID response beyond the original initiative.

- IPSP also found ways to reach smaller enterprises unable to provide matching funds at the level dictated by the minimum AUD250k co-investment hurdle. The Deltacelerate initiative was developed to address the specific needs of women-led businesses in Vietnam which were identified to not be able to match funds above AUD250k despite having innovative business models to address climate adaptation (see following page for case study - Tailoring approach to enable women-led businesses to access training and funding).
- Partners consulted for this evaluation often referred to the flexibility and adaptability of engagement and the benefits of not being tied to a rigid 'set and forget' design. Partners were supported to pivot the focus of initiatives (see following page for case study – Pivots towards new opportunities), use funds for alternative activities that were seen as important to success, and changes in timelines were also agreed. The reputational benefits of such flexibility reflected well on Posts.

Case Study – Tailoring approach to enable women-led businesses to access training and funding

Partnership project	Women's Agribusiness Climate Adaptation Accelerator (aka Deltacelerate)
Partner(s)	New Energy Nexus
Sector	Agriculture
Round	Climate Adaptation in the Mekong Delta
Country	Vietnam



Image 1: Eco-friendly crafts by Ecoka and a pallet made from recycled organic material by AirX Carbon. Image source: Picture taken during evaluation mission in Vietnam.

During the scoping for the Climate Adaptation in the Mekong Delta round, IPSP identified that many women-led business that had innovative business models to address climate adaptation would not be able to provide the matching funds of AUD250,000 to AUD750,000. The team also recognised that women-led businesses in Vietnam tend to have less access to finance and other support services. In response, IPSP developed Deltacelerate, a Women's Agribusiness Climate Adaptation Accelerator to provide tailored assistance and access to networks for up to 16 small to medium enterprises (SMEs) led by women or significantly benefiting women. The accelerator was implemented by a global non-profit, New Energy Nexus, that provides funding, accelerators, training and networks to drive clean energy innovation, deployment and adoption.

As well as training and networking opportunities, the program offers mentorship, access to finance, and the potential for small grants. Six enterprises made successful pitches for grants, with amounts ranging from just over AUD17,000 to AUD 60,000. The enterprises were involved in making household items from coffee grounds and pallets from coconut and rice husks (AirX Carbon); brackish water aquaculture (Ba Khia Dam Doi Cooperative), coconut oil beauty products (Mekong Coconut Oil), palmyra nectar products (Palmania); eco-friendly craft bags and homewares made from water hyacinth and bulrush plants (Ecoka); and coconut food and drink products (Vicosap). All were engaged in or supporting climate-friendly or climate adaption initiatives. Deltacelerate was not a start-up funder, rather it aimed to help established enterprises accelerate the implementation of innovate or expansion plans.

Case Study – Pivots towards new opportunities

Partnership project Connecting commercial drivers to customers in rural Sri Lanka

Partner(s) Pick My Load

Sector Logistics and Manufacturing

Round COVID Recovery

Country Sri Lanka

This project aimed to develop a web application that connected small, independent commercial vehicle operators with corporates and small businesses to transport heavy goods. The investment would enable Pick My Load to expand the software into rural and semi-urban provinces outside of Sri Lanka's western province. It onboarded new drivers and trained them on use of the platform.

During their implementation, the platform initially adopted an on-demand model akin to a ride share application. However, the project attracted the attention of larger companies (as opposed to individuals). In addition, IPSP also encouraged Pick My Load to consider SMEs who Pick My Load did not consider previously. Pick My Load was able to tailor the platform and business model to meet the SME segment in particular, which resulted in the company being able to service a larger customer base and brought on a new client segment that they did not consider previously.

3.2 Replicability by bilateral programs

The evaluation was asked if the IPSP model (specifically BPP) could be replicated by bilateral programs.

While many development-focused challenge funds have been regional or global in nature, development partners such as the United Kingdom have financed funds in single countries: one example being the Vietnam Business Challenge Fund that ran between 2012 and 2015 and built on the Vietnam Challenge Fund that ran between 2009 and 2012.⁹ So there is no obvious reason in principle why a bilateral program cannot deliver a challenge fund.

However, as discussed above, IPSP's challenge fund, BPP, has some characteristics that differentiate it from many other such funds, particularly the nature of its partnership with different parts of DFAT – and the resulting role of those parts, and its partnership with participating enterprises and consortia. So, it is important to understand what kind of impact IPSP has achieved, and how it enabled the delivery of that impact to get a full understanding of the nature of the model and the opportunities it might offer bilateral programs, and the imposts it might place on them.

So, the discussion of replicability is deferred until section 6, where the review's understanding of the nature of the model, its impact and how it enabled partnerships to achieve impacts, can be seen to inform consideration of the question.

⁹ A 2013 review of the use of challenge funds in international development undertook a web search and found 50 funds, of which 15 were global, 20 were regional and 15 operated in one country only. Twenty-one of the 50 funds were classified as enterprise challenge funds, as opposed to social or civil society funds targeted at NGOs. (O'Riordan A, Copestake J., Seibold J. and Smith D. (2013) Challenge Funds in International Development, Research Paper. Knowledge Transfer Partnership, Triple Line Consulting and University of Bath.

4 Key findings – achievement of impact and social inclusion

Key findings

- **EOPO 1.** Through its climate-focussed rounds, IPSP has demonstrated that the private sector, often working with research institutions and non-government organisations, can develop and deliver commercially viable innovations and business models that contribute to mitigation and adaptation objectives as well as being socially inclusive by offering livelihood opportunities for disadvantaged people and places. IPSP MEL reports that partnerships across the 3 rounds considered by this evaluation:
 - Transformed business practices used across 1,551 hectares of land
 - Led to a reduction of CO₂ emissions by 241,042 tonnes
- **EOPO 2.** IPSP's partnership approach has demonstrated that business can be enabled to adopt more inclusive business models or specifically target opportunities for disadvantaged or underserved groups. While IPSP has benefited women through targeted initiatives (such as the Deltacelerate project), the scale of their impact is limited, largely stemming from the highly gendered nature of some sectors (agriculture being male dominated in Vietnam) and there's limited scope for IPSP to make systemic impacts on culture and norms. IPSP MEL reports that partnerships across the 3 rounds considered by this evaluation:
 - Created new jobs for 2,934 people, of whom 27% were women
 - Created new income generating opportunities for 13,035 suppliers, of whom 39% were women
 - Improved access to products and services for 3,524 consumers, of whom 100% were women
 - Increased incomes for 31,802 people, of whom 32% were women
- **EOPO 3.** IPSP's MEL framework had fewer indicators tracking outcomes for gender equality, but it tried to impact on gender by supporting activities that specifically targeted women, working in sectors where women tend to predominate as workers or enterprise owners, or improving the gender responsiveness of project activities. One project targeted and would have impacted women entrepreneurs in Fiji, however, it could not generate results largely due to project challenges with a local banking institution. Another example is the Deltacelerate initiative, though successful, was at small scale. IPSP MEL reports that the partnerships across the 3 rounds considered by this evaluation:
 - Created 176 female leadership positions
- **Disability inclusion.** IPSP did not have an EOPO specifically targeting disability inclusion and has not found it easy to generate significant disability inclusion impacts, despite upgrading efforts in this domain when the 2023 International Development Policy was put in place. It did introduce training in disability inclusion awareness for all applicants for the Climate Adaptation Round and has consciously included people with disability in one project.

Features that enabled partnerships to achieve impact. There are a few aspects of IPSP that seem to have clear impact on the extent to which partnerships can achieve impact. These include processes associated with the challenge fund operation, including the way that participating countries and rounds, and their domains of focus, are chosen and specified, the processes for seeking and selecting proposals and ensuring quality at **entry (these processes selected rounds and activities with a particular focus on potential to deliver selected inclusion and developmental impacts.** But perhaps the most important feature was partnership approach adopted by the program, and the flexibility, engagement and trust between participants that it has entailed. The partnership approach was reflected in the way that DFAT and the managing contractor worked, and how the program, and Posts worked with participating businesses. **This approach has helped partners take their initiatives through implementation to the achievement of intended impacts. It seems that the partnerships in Vietnam exemplify all of these features, particularly because of aspects of the country context and the Vietnam Post's (both Hanoi and Ho Chi Minh City) interest and capacity to engage strongly with the program, its partners and their activities**

This section responds to the following evaluation questions:

- To what extent did partners and DFAT achieve their projected impact? (EOPO1-3)
- What were the successful approaches and strategies to achieving impact? (EOPO1-4)
- To what extent did the partnership approach contribute to IPSP's EOP outcomes?
- To what extent did IPSP contribute to improving social inclusion? (EOPO3)
 - To what extent did IPSP contribute to improving opportunities to participate and equitable outcomes for women and how was it achieved?
 - To what extent did IPSP advocate to partners on good practices to achieve inclusion of people with disability?

The evaluation's findings have been structured according to EOPOs 1 to 3. (Section 5 considers the sustainability of business partnerships which is one part of the broader consideration of EOPO 4).

The analysis of this section draws on IPSP's common indicators as set out in its MEL framework (revised September 2024, see Annex C). These common indicators are to enable IPSP to measure the overall impact of project-specific business models across the entire portfolio. During the project initiation stage, projects would

design their own results frameworks (referred to as impact measurement plans). The results frameworks are required to use a minimum number of common indicators in addition to indicators they self-identify, however, the specific indicators used were not prescribed and is dependent on the nature of the project. This was intended to reduce the reporting burden on partners, but it also meant that not all projects equally reported on the same indicators across the portfolio. Therefore, it is not entirely useful to conduct a project-by-project comparison of indicators given not all reported them. It may also mean that there is an understatement of the true and full impact across the entire IPSP portfolio.

The evaluation notes that there is no obvious benchmark to compare IPSP's impact to test if the impact is proportional to the resources devoted to the program. Finally, the framing of IPSP's outcomes is such that it was not necessarily intended to achieve impact at any particular scale.

4.1 EOPO 1 – how IPSP has enabled businesses and communities to adopt sustainable practices and technologies to address climate challenges

IPSP's original design did not involve an explicit focus on addressing climate challenges. However, in 2021, the program executed a strategic shift from private sector engagement as a stand-alone objective and sought opportunities to advance DFAT's COVID recovery and climate priorities. This shift was particularly reflected in the implementation of the first Vietnam round – the Green Recovery Round, as well as an overall strengthening of environmental impact selection criteria. The program also introduced climate advisory services to further mainstream climate mitigation and adaptation into existing partnerships. Early in 2022, DFAT and the managing contractor agreed to focus IPSP resources on developing the Carbon Markets round in Vietnam, reflecting Vietnam's strong commitment at COP26, and demonstrated capability to respond to opportunities offered by IPSP. This was followed by the Climate Adaptation in the Mekong Delta round. Analytical, advisory and education work commissioned by BESU was also useful in building understanding of the issues and opportunities in Vietnam.

During 2022, the program revised the program logic to better capture the shift in focus and updated the MEL framework to support the targeted carbon markets and climate adaption work. This led to the identification of quantitative indicators for success under the newly articulated EOPO1. They include:

- The total area of land in hectares where sustainable business practices had changed (see case study – 'Adaptation by transforming climate-affected rice farms into sustainable and economically valuable bulrush crops' on page 10)
- The total volume of (measured in tonnes) greenhouse gas emissions projected to be abated, mitigated or avoided by change in business partner practices (see case study – 'Reducing carbon emission through scaling up biogas technology in rural households' on page 10).

Results from IPSP's MEL activities showed that the program has transformed a total of 1,511 hectares of land due to improvements from business practices and reduced a total of 241,002 tonnes of CO₂. To account for the investment made by DFAT and the business partners, the evaluation calculated that for every AUD10,000 of investment IPSP:

- Transformed business practices used across 0.4 hectares of land
- Reduced 65.6 tonnes of CO₂.

An analysis of these results has been provided as heatmaps in Figure 3.

Figure 3: Heatmap of Climate Impact common indicators

(a) Results by grant rounds

i. Total Impact

Grant round	COVID Recovery	Green Recovery	Carbon Markets	Climate Adaptation	Total
Hectares transformed (Ha)	-	-	91	1,420	1,511
Reduced CO ₂ (tonnes)	47,674	42,894	150,434	-	241,002

ii. Impact per AUD10,000 of investment

Grant round	COVID Recovery	Green Recovery	Carbon Markets	Climate Adaptation	Total
Hectares transformed (Ha)	-	-	0.1	3.3	0.4
Reduced CO ₂ (tonnes)	27.1	56.4	207.1	-	65.6

(b) Results by partnership sector

i. Total Impact

Sector	Tourism	Health	Education	Logistics & Manufacturing	Agriculture	Fisheries	Financial Services	Forestry	Clean Energy	Total
Hectares transformed (Ha)	-	-	-	-	211	1,300	-	-	-	1,511
Reduced CO2 (tonnes)	-	-	-	38,750	193,342	-	-	-	8,910	241,002

ii. Impact per AUD10,000 of investment

Sector	Tourism	Health	Education	Logistics & Manufacturing	Agriculture	Fisheries	Financial Services	Forestry	Clean Energy	Total
Hectares transformed (Ha)	-	-	-	-	0.1	5.0	-	-	-	0.4
Reduced CO2 (tonnes)	-	-	-	233.0	90.1	-	-	-	48.5	65.6

(c) Results by country

i. Total Impact

Country	Samoa	Philippines	Nepal	Timor-Leste	Fiji	Vietnam	Sri Lanka	Papua New Guinea	Bangladesh	Total
Hectares transformed (Ha)	-	-	-	-	-	1,511	-	-	-	1,511
Reduced CO2 (tonnes)	-	-	38,750	-	14	193,328	-	-	8,910	241,002

ii. Impact per AUD10,000 of investment

Country	Samoa	Philippines	Nepal	Timor-Leste	Fiji	Vietnam	Sri Lanka	Papua New Guinea	Bangladesh	Total
Hectares transformed (Ha)	-	-	-	-	-	0.8	-	-	-	0.4
Reduced CO2 (tonnes)	-	-	126.9	-	0.03	101.1	-	-	44.3	65.6

The data show that IPSP's climate-related results largely stemmed from the carbon markets and climate adaptation rounds, businesses in the agricultural and aquaculture sectors and Vietnam. Further analysis indicates that the majority of IPSP's climate impact results have come from two projects namely:

- Creating sustainable livelihoods through climate-adaptive crops - a partnership with the Mekong Conservation Foundation (MCF) and Vietnam Housewares aimed at creating new economic value for local community members in the Mekong Delta by transforming climate-affected rice farms into the more sustainable bulrush crops (see case study - Adaptation by transforming climate-affected rice farms into sustainable and economically valuable bulrush crops overleaf).
- Scaling Carbon Market Access for Sustainable Rice Producers in Vietnam - a partnership with the International Rice Research Institute and Gold Standard to simplify and de-risk carbon markets access for rice producers in Vietnam, by developing a framework to harness the rice sector's potential to reduce methane emissions and provide a cost-effective, practical pathway for Vietnamese farmers to generate new income streams.

Case Study – Adaptation by transforming climate-affected rice farms into sustainable and economically valuable bulrush crops

Partnership project	Creating sustainable livelihoods through climate-adaptive crops
Partner(s)	MCF and Vietnam Housewares Corporation
Sector	Climate Adaptation in the Mekong Delta
Round	Agriculture
Country	Vietnam



Image 2: Image source: Picture taken during evaluation mission in Vietnam

The Mekong Delta is increasingly affected by climate change through rising sea levels and increased salinity. This is exacerbated by rice farming practices such as triple cropping and overuse of fertilisers that have degraded the land.

A grass species known as bulrush was identified as a way for the local economy to adapt to climate change. Naturally found in the Delta, Bulrush is economically useful as it can be processed and woven into homewares (e.g. baskets) that can be sold in the global market creating job opportunities for the local community. Bulrush tolerates high salt water (making it resilient to the changing Delta conditions), provides a habitat for wildlife and can improve water and soil quality (in essence treating the effects of climate change).

The project aimed to expand Bulrush as a replacement crop for mono-shrimp aquaculture by demonstrating the approach in four sites in the Soc Trang province in the Mekong Delta.

As of November 2024, the project reported the planting of 60 hectares of bulrush in selected areas.

Partnerships have tried to deliver quite different ways of addressing climate challenges: including scaling use of biogas technology (see case study below), adoption of climate smart farming technologies, use of bio-waste to manufacture reusable products that substitute for plastic or wooden alternatives and promotion of aquaculture practices that sustain rather than destroy mangrove swamps.

Case Study – Reducing carbon emission through scaling up biogas technology in rural households

Partnership project	Sustainable and affordable paygo biogas technology in Bangladesh
Partner(s)	ATEC Bangladesh
Sector	Clean energy and agriculture
Round	COVID Recovery
Country	Bangladesh



Image 3: Image source: <https://thebpp.com.au/partnership/sustainable-and-affordable-paygo-biogas-technology-in-bangladesh/>

This project aimed to scale ATEC's biogas technology to provide rural households with biogas for cooking and organic fertiliser for sustainable farming. The biogas digester uses organic material produced by smallholder farmers to create free gas and free fertiliser, the device itself can be purchased using a pay-as-you-go system.

By using natural resources from farms as input, the technology reduces carbon emission which ATEC can then sell as carbon credits, enabling the company to leverage further finance to build its business. Each biogas digester can offset 112 tonnes of greenhouse gas emissions and reduce firewood collection by 6.5 tonnes over its lifetime.

As reported in their close-out workshop (13 November 2024), the project has offset 10,050 tonnes of CO₂. It also confers health benefits by improving indoor air pollution by 80% as people in Bangladesh are heavily reliant (85% of rural households) on biomass fuels (firewood and cow dung) as their main cooking fuel.

4.2 EOPO 2 – how IPSP has enabled businesses to improve social and economic outcomes, including women and underserved groups

IPSP's pathway to enabling businesses to improve social and economic outcomes lies in the requirements made on partners supported by IPSP to deliver benefits to targeted communities. Proposals submitted in various rounds have been required to demonstrate a logical link between the activities to be undertaken and the benefits which will flow to communities and describe who and how many people will benefit, including people living with disabilities or other socially diverse groups, such as older aged persons.

IPSP's approach to ensuring that businesses provide social and economic benefits (including for women and underserved groups) has largely been measured and reported against the following indicators:

- Number of workers accessing jobs as a result of IPSP (New jobs)
- Number of new suppliers benefiting from income generating opportunities (new suppliers)
- Number of underserved consumers benefiting from access to products and services (new consumers)
- Number of people with increased income (people with increased income).

More detailed definitions for these indicators can be found in Annex C. Overall, IPSP partnerships claim to have resulted in:

- 2,934 people accessing jobs (0.8 people per AUD10,000 investment)
- 13,035 suppliers benefiting (3.5 people per AUD10,000 investment)
- 3,524 consumers benefiting from access to products and services (1 person per AUD10,000 investment)
- 31,802 people benefiting from increased income (8.7 people per AUD10,000 investment).

See Figure 4 for more information on the distribution of these results across rounds, sectors and countries.

Figure 4: Heatmap of Social Impact common indicators

(a) Results by grant rounds

i. Total Impact

Grant round	COVID Recovery	Green Recovery	Carbon Markets	Climate Adaptation	Total
New jobs (number of people)	1,933	513	15	473	2,934
New suppliers (number of people)	12,071	238	-	726	13,035
New consumers (number of people)	3,524	-	-	-	3,524
People with increased income (number of people)	31,766	36	-	-	31,802

ii. Impact per AUD10,000 of investment

Grant round	COVID Recovery	Green Recovery	Carbon Markets	Climate Adaptation	Total
New jobs (number of people)	1.1	0.7	0.02	1.1	0.8
New suppliers (number of people)	6.9	0.3	-	1.7	3.5
New consumers (number of people)	2.0	-	-	-	1.0
People with increased income (number of people)	18.0	0.05	-	-	8.7

(b) Results by partnership sector

i. Total Impact

Sector	Tourism	Health	Education	Logistics & Manufacturing	Agriculture	Fisheries	Financial Services	Forestry	Clean Energy	Total
New jobs (number of people)	2	-	8	1,687	1,069	-	5	-	163	2,934
New suppliers (number of people)	59	-	-	98	12,228	647	-	-	3	13,035
New consumers (number of people)	-	-	3,524	-	-	-	-	-	-	3,524
People with increased income (number of people)	-	-	17	252	18,995	3,093	-	-	9,445	31,802

ii. Impact per AUD10,000 of investment

Sector	Tourism	Health	Education	Logistics & Manufacturing	Agriculture	Fisheries	Financial Services	Forestry	Clean Energy	Total
New jobs (number of people)	0.04	-	0.1	10.1	0.5	-	0.02	-	0.9	0.8
New suppliers (number of people)	1.1	-	-	0.6	5.7	2.5	-	-	0.02	3.5
New consumers (number of people)	-	-	24.5	-	-	-	-	-	-	1.0
People with increased income (number of people)	-	-	0.1	1.5	8.9	12.0	-	-	51.4	8.7

(c) Results by country

i. Total Impact

Country	Samoa	Philippines	Nepal	Timor-Leste	Fiji	Vietnam	Sri Lanka	Papua New Guinea	Bangladesh	Total
New jobs (number of people)	10	-	1,373	56	5	1,001	326	-	163	2,934
New suppliers (number of people)	59	-	9,913	1,066	1,030	964	-	-	3	13,035
New consumers (number of people)	-	3,524	-	-	-	-	-	-	-	3,524
People with increased income (number of people)	-	17	21,567	448	37	36	252	-	9,445	31,802

ii. Impact per AUD10,000 of investment

Country	Samoa	Philippines	Nepal	Timor-Leste	Fiji	Vietnam	Sri Lanka	Papua New Guinea	Bangladesh	Total
New jobs (number of people)	0.0	-	4.5	0.4	0.0	0.5	4.5	-	0.8	0.8
New suppliers (number of people)	0.1	-	32.5	8.4	2.1	0.5	-	-	0.0	3.5
New consumers (number of people)	-	22.0	-	-	-	-	-	-	-	1.0
People with increased income (number of people)	-	0.1	70.6	3.5	0.1	0.0	3.5	-	47.0	8.7

The figure above demonstrates that IPSP's social and economic impact largely reflects the relative size of the grant rounds (COVID recovery was the largest in terms of total investment and number of partnerships while also generating the most benefit) and the sector where most of IPSP's activities have concentrated in (58% of IPSP's partnership investment value of AUD36.8 million), the agricultural sector. The stronger result from the COVID recovery round (and less so for Carbon Markets and Climate Adaptation) also reflected differences in focus and objectives with the COVID recovery round focussed more on economic recovery and the provision of economic opportunity.

There is, however, an unusual result where Nepal generated the most social and economic benefit despite there being only 3 partnerships totalling AUD3.1 million (8% of total investment). This was the result of a project known as 'KHETI: Consciously Farming, Consuming' which was about improving smallholder farmers' access to markets. It was able to achieve such a scale through its use of an online platform that connected farmers with consumers.

Figure 5 presents a disaggregation of the data by gender.

Figure 5: Proportion of social impact that benefited women

(a) Results by grant rounds

Grant round	COVID Recovery	Green Recovery	Carbon Markets	Climate Adaptation	All grant rounds
New jobs (% of women)	22.3%	25.3%	6.7%	46.1%	27%
New suppliers (% of women)	41.0%	32.8%	-	0.0%	39%
New consumers (% of women)	99.9%	-	-	-	100%
People with increased income (% of women)	32.2%	22.2%	-	-	32%

(b) Results by partnership sector

Sector	Tourism	Health	Education	Logistics & Manufacturing	Agriculture	Fisheries	Financial Services	Forestry	Clean Energy	All sectors
New jobs (% of women)	50%	-	63%	19%	36%	-	100%	-	36%	27%
New suppliers (% of women)	0%	-	-	0%	41%	0%	-	-	0%	39%
New consumers (% of women)	-	-	100%	-	-	-	-	-	-	100%
People with increased income (% of women)	-	-	100%	100%	26%	9%	-	-	50%	32%

(c) Results by partnership country

Country	Samoa	Philippines	Nepal	Timor-Leste	Fiji	Vietnam	Sri Lanka	Papua New Guinea	Bangladesh	All countries
New jobs (% of women)	60%	-	24%	54%	100%	35%	0.3%	-	36%	27%
New suppliers (% of women)	0%	-	37%	27%	100%	8%	-	-	0%	39%
New consumers (% of women)	-	100%	-	-	-	-	-	-	-	100%
People with increased income (% of women)	-	100%	24%	25%	100%	22%	100%	-	50%	32%

The results show that there is a gendered result whereby a low percentage of women have benefited economically across IPSP (with the exception of the percentage of new consumers that are women). However, there is significant variation in this result between the grant rounds, sectors and location.

Partnerships in the education sector had a large proportion of benefits going to women which likely reflects the gendered nature of the sector itself. In contrast, despite agriculture commanding a large number of benefits (see Figure 4) it had a low proportion of women benefiting. As most of the agricultural projects have come from Vietnam, it reflects the gendered nature of the sector as agriculture appears to be largely male dominated.

Projects in Fiji showed 100% benefit to women and that appears to largely be due to very gender focussed projects being delivered there (such as the 'Digital wallet and payment acceptance platform for women-led micro and small businesses in Fiji').

Taken together, this means that IPSP has been able to achieve social and economic impact, however, the extent that women have economically benefited is limited given that most benefits are in agriculture, where a minority of that impact has benefited women specifically. This, however, is not necessarily a reflection on IPSP's efforts as we have observed how the program has made progress in advancing gender through projects that specifically target women, or projects that are in sectors that are predominantly women (as shown above) or by improving the gender responsiveness of their projects. These will be discussed further in the subsequent section. It is also perhaps not reasonable to expect that IPSP can make large shifts in culture and norms, given the scope of their work (with grant rounds over two years and in many cases very focussed on specific sectors or locations).

Below is a case study that demonstrates how an IPSP project generated social and economic benefits, in particular for underserved groups which in this case are older aged people who would otherwise not be able to participate in the workforce.

Case Study – Creating economic opportunities through sustainable aquaculture

Partnership project	Scaling climate resilient mangrove shrimp farming in the Mekong Delta
Partner(s)	Symmetry, VSSA and SVS
Sector	Fisheries
Round	Climate Adaptation in the Mekong Delta
Country	Vietnam



Image 4: Image source: Picture taken during evaluation mission in Vietnam

The Mekong Delta's Ca Mau province produces the highest volume of shrimp production in Vietnam and for its local communities, the industry forms one of few opportunities to create a livelihood in agriculture. Unplanned and unregulated shrimp farming had devastating effects on the Delta's mangrove forests, the clearance of which has exposed the cost to accelerated erosion and making them increasingly vulnerable to the impact of climate change.

Current extensive farming practices are no longer suitable as farmers struggle to make a living using a pond management system that are inappropriate to the local ecological context resulting in farms underperforming or being abandoned entirely. There is also an increasingly ageing population in the region as younger people migrate to cities to pursue better economic opportunities. Extensive farming practices are physically demanding and cannot be feasibly undertaken by older persons, further limiting their opportunities to earn an income.

The project aimed to train smallholder farmers to practice a method of aquaculture where shrimp and other produce (crabs, snails and timber) are farmed with a high-level of mangrove cover. It provides a biodiversity-friendly and resilient farming practice, while also giving farmers an opportunity to be organic certified which opens them up to new markets and lets them command a higher price for their produce. In their November update, the project reported an increase in earnings (which calculates the combined higher earnings received for organic shrimp relative to non-certified shrimp and Payments for Ecological Services) by AUD44,000 and benefiting (through increased income) 184 smallholder households. The project reportedly targeted older aged farmers as well, giving them an opportunity for income that they would otherwise have limited access to, however, the precise number of older aged beneficiaries is unknown.

Other than economic benefit, the project has also sought to improve gender equality through training women in home and business financial management. In particular, training 35 women to better manage their farm's finance and access external investments. Consultations indicated that the approach to gender equality for this partnership was to operate within the current social norms rather than aiming for gender transformation.

It is important to note that IPSP has supported activities that explicitly target women-owned businesses. As the case study in section 3 explains, the Deltacelerate partnership with New Energy Nexus was created to explicitly target women-owned businesses in Vietnam that might struggle to get financing. Some of IPSP's more promising partnerships have arisen through this initiative.

4.3 EOPO 3 – how IPSP has enabled private sector-led solutions to improve gender equality through products, practices or policies

Under this EOPO, IPSP aimed to support partner businesses to increase their knowledge and capacity to integrate a gender perspective into their products, services, policies or practices. In practice, this meant working at an

enterprise level to increase women's participation in the private sector, as such, some of the findings under EOPO2 (the results for women) are applicable here.

Unlike the previous EOPOs, there are limited indicators that specifically tracks outcomes for this EOPO. The evaluation was provided with one quantitative indicator which was the number of female leadership positions enabled through IPSP's activities. This does not mean, however, that IPSP had not achieved this EOPO, and instead the evaluation demonstrates results through case studies and observations made from consultations.

MEL results showed that IPSP has to date created 176 female leadership positions across their partnership projects. Most of these have come from the project 'Creating sustainable livelihoods through climate-adaptive crops' (a Climate Adaptation round project). This was possible given the nature of the project that directly engaged with weaving groups who were led by 57 group leaders of which 44 were women and one of whom was a person with disability. See Figure 6.

Figure 6: Heatmap of gender equality common indicator

(a) Results by grant rounds

i. Total Impact

Grant round	COVID Recovery	Green Recovery	Carbon Markets	Climate Adaptation	Total
Female leadership positions (number of positions)	78	-	-	98	176

ii. Impact per AUD10,000 of investment

Grant round	COVID Recovery	Green Recovery	Carbon Markets	Climate Adaptation	Total
Female leadership positions (number of positions)	0.04	-	-	0.2	0.05

(b) Results by partnership sector

i. Total Impact

Sector	Tourism	Health	Education	Logistics & Manufacturing	Agriculture	Fisheries	Financial Services	Forestry	Clean Energy	Total
Female leadership positions (number of positions)	-	-	3	-	167	-	6	-	-	176

ii. Impact per AUD10,000 of investment

Sector	Tourism	Health	Education	Logistics & Manufacturing	Agriculture	Fisheries	Financial Services	Forestry	Clean Energy	Total
Female leadership positions (number of positions)	-	-	0.0	-	0.1	-	0.0	-	-	0.05

(c) Results by partnership country

i. Total Impact

Country	Samoa	Philippines	Nepal	Timor-Leste	Fiji	Vietnam	Sri Lanka	Papua New Guinea	Bangladesh	Total
Female leadership positions (number of positions)	3	-	2	26	47	98	-	-	-	176

ii. Impact per AUD10,000 of investment

Country	Samoa	Philippines	Nepal	Timor-Leste	Fiji	Vietnam	Sri Lanka	Papua New Guinea	Bangladesh	Total
Female leadership positions (number of positions)	0.0	-	0.0	0.2	0.1	0.1	-	-	-	0.05

IPSP's approach to improving gender equality is largely through:

- Projects that specifically target women (see case study – ‘Targeting a business segment that had limited access to online payment models’)
- Engagement in sectors that are predominantly women (see case study – ‘Providing high-skilled employment opportunities for graduates through a growing business model’)
- Or through improving gender responsiveness of project activities (see case study - ‘Creating income opportunities for people in the Mekong delta including women, older aged people and people with disability’ and case study – ‘Creating economic opportunities through sustainable aquaculture’ above).

Below are three case studies of how IPSP advanced gender equality through their partnerships. The partnership with the MCF, while having multiple objectives, and focussing on climate adaptation has targeted a livelihood (weaving) in which women play a major role. At a rather different end of the skill scale, the Skilled Jobs Samoa initiative has created skilled employment opportunities for Samoan accounting graduates, majority of which were women. And the Fintech project in Fiji has been working to provide a digital payment system for small scale market vendors, most of whom are women.

Case Study – Targeting a business segment that had limited access to online payment models

Partnership project	Digital wallet and payment acceptance platform for women-led micro and small businesses in Fiji
Partner(s)	Fintech Pacific, Mastercard and ygap
Sector	Financial services
Round	COVID Recovery
Country	Fiji

This partnership aimed to develop and pilot an accessible, tailored digital mobile phone payment solution for 400 women-led micro and small businesses in Fiji. Most market vendors in Fiji are women, they are typically informal businesses that are heavily reliant on cash payments. This is despite Fiji as a country being increasingly digitised with a 66% internet penetration rate and the Government actively digitising their services. These businesses are also inaccessible to foreign tourists who prefer digital transactions rather than cash, thereby limiting revenue opportunities. Traditional banks in Fiji are similarly not offering solutions for these business segments which also limit the ability of women to save money.

To date the pilot had provided training for 22 women (who are business owners) to improve financial literacy and has had 12 women-led businesses who have registered on the online payment platform. Its modest results are largely due to difficulties the pilot has had when engaging with local financial institutions despite its best efforts to do so and even with the support of the Australian High Commission in Fiji.

Case Study – Providing high-skilled employment opportunities for female graduates through a growing business model

Partnership project	Skilled Jobs Samoa
Partner(s)	We Samoa and KVA Consult
Sector	Education and financial services
Round	COVID Recovery
Country	Samoa

This project aims to develop a platform to provide skilled development opportunities for graduates and established accountants as part of We Samoa's broader business goals to establish a Samoa based accounting firm that provides outsourced services to clients in New Zealand and Australia. This gives high-value job opportunities for accounting graduates that saw very little opportunities forcing them to take lesser-skilled jobs or go overseas. These opportunities were especially limited for women despite anecdotally forming the majority of accounting graduates.

In 2024, the project reported to have recruited 35 accounting staff members (25 of whom were women). As a result of completing their university undergraduate degree, staff members reported an increase in income by AUD 2,080 between 2022 and 2023. The women who participated reported an increase in income by AUD2,838 over the same period.

The project also reported 10 women holding leadership positions in the company (at a proportion of 75% women leaders) including full leadership roles (such as Business manager) and assistant or trainee leaders.

Case Study – Creating income opportunities for people in the Mekong delta including women, older aged people and people with disability

Partnership project	Creating sustainable livelihoods through climate-adaptive crops
Partner(s)	MCF and Vietnam Housewares Corporation
Sector	Climate Adaptation in the Mekong Delta
Round	Agriculture
Country	Vietnam



Image 5: Image source: Picture taken during evaluation mission in Vietnam

In addition to promoting the farming of bulrush, the project (as of December 2024) has trained 3,168 people (2,800 of whom were women, 1,303 were over the age of 50 years old and 14 were people with disability) on weaving techniques. The project also created 246 full time equivalent jobs (82 of which were for women).

Weavers produced a total of 196,288 weaved products in 2024. While the evaluation infers that this provided positive income opportunities for trained weavers, the exact total income earned was not reported.

The evaluation notes that the partnership has integrated a supply chain where finished products are collected and exported to markets including the United States of America, Europe and Australia (with Vietnam Housewares Corporation as the exporter). For further information of this integration see case study – Partnerships that have created an integrated supply chain from producer to end consumer below.

4.3.1 Benefits for people with disability

While this EOPO largely focussed on gender equality and EOPO2 notionally addressed ‘underserved groups’, there was limited evidence of outcomes for people with disability. This was acknowledged by DFAT in IPSP’s Investment Monitoring Report and by IPSP in its 2023 annual report. Consultations with partners have also confirmed this (outside of a few anecdotal examples of interactions with people with disability). Stakeholders largely identified that meaningful engagement with people with disability was challenging or not at all feasible. Some anecdotal examples of interactions with people with disability include:

- Shreenagar Agriculture reported working with an association for people with disability to train 3 to 4 employees with a disability, and while they sought to train a single person with disability to be an independent entrepreneur they noted that this was ultimately not successful
- Deltacelerate project worked with Hoa Dan Moc, a small business that employed and trained people with disability to make small handicrafts. While the company owner was provided business training, she was ultimately not selected as a ‘finalist’ for Deltacelerate funding.

The clearest benefit for people with disability can be found in the Creating sustainable livelihoods through climate-adaptive crops project. As noted in the case study above, the project has now reported training 14 people with disability on weaving techniques. The evaluation understands that people with disability were actively engaged and earning an income from weaving. In consultation with a leader of a cooperative on how she supported her weavers with disability, she described providing adjustments including:

- Delivering raw materials and picking up crafted goods from the homes of people with disability (whereas other weavers would do this themselves)
- Giving weavers a choice between smaller goods (which are easier to weave but earns a lower price) or a larger good (which is harder but earns a higher price)
- Providing additional time for weavers to weave larger goods so they can earn a higher income.

It should be noted that the weak result was not due to a lack of effort. IPSP has since included disability inclusion awareness training to all short-listed applicants for the Climate Adaptation Round. The evaluation also acknowledges that while disability inclusion is now a priority for the Australian Government, this was only recently brought forward as part of the new International Development Policy introduced in 2023, while IPSP has been in operation since 2020. The design for IPSP had similarly limited consideration for disability other than specifying that ‘The selection criteria for grants under IPSP require applicants to consider intended actions to promote gender

equality and disability-inclusive outcomes'. The heightened demand for results for people with disability under the new Policy could not readily be imposed on existing partnerships and as IPSP is coming to a close.

4.4 Features that enabled IPSP's partnerships to achieve their impact

There are a number of features of IPSP's approach and practice that appear to be enabling partnerships to achieve impact. While the role of BESU may be important – particularly with regard to its analytical and knowledge work informing the program's engagement with the private sector, this evaluation concentrates on the relevant features of the BPP aspect of IPSP.

The review of IPSP's documentation and the broader literature on challenge funds, as well as the consultations with a variety of stakeholders suggest that there are key elements of IPSP's ways of working and its underlying approach that play an important role in enabling partnerships to achieve impact. These include processes associated with the challenge fund operation, including:

- The way that participating countries and rounds, and their domains of focus, are chosen and specified,
- The processes for seeking and selecting proposals and ensuring quality at entry, but perhaps most importantly,
- The partnership approach adopted by the program, and the flexibility and engagement that it has entailed.

4.4.1 Country and round choices and specification

Important lessons were learnt from the first phase of BPP, including the importance of a strong engagement from Posts in stimulating and selecting prospective partners and ideas, as well as the need to expand the key elements of the partnership approach. This increased the probability of quality proposals, but also DFAT's ability to nurture partner ideas to optimise both development impact and commercial viability. The narrowing down of focus countries (to four in principle, but with an eventual strong focus on Vietnam) enabled a better understanding of context and how to structure rounds to optimise the likelihood of viable and impactful proposals. IPSP's work leading up to the issuance of calls for proposals led to a better understanding of markets and regulatory issues and also harnessed Post engagement at an early stage in the process, increasing the level of ownership.

The evaluation also considered that the process of selecting countries (particularly Vietnam) resulted in an emphasis on partnerships where the engagement and nature of the system of local and national government and Party structures assisted with providing validation for activities, and mechanisms for dealing with a sometimes opaque regulatory and business enabling environment. (And because of the role and functions of these structures, there is a process for disseminating lessons learned from partnerships and perhaps promoting adoption of innovations in other localities that could contribute to partnerships having a catalytic impact).

4.4.2 Quality at entry

IPSP's multi-step process, which involves organisations progressing from submitting an expression of interest, an initial concept and a full proposal, and associated review processes (see Figure 1) helped ensure that only partnerships with a high probability of impact and commercial viability progressed to implementation.

Assessment processes at each step were structured and the final assessment of proposals involved independent and technically qualified teams scoring proposals using rubrics across five criteria closely linked to program EOPOs. The weights given to each criterion in the Mekong Climate Adaptation Round were:

- Climate adaptation impact – 30%
- Commercial viability – 30%
- Socio-economic impact – 15%
- Catalytic impact – 10%
- Gender impact – 15%.

Complying with the requirements for each step became progressively more demanding, but the program did help interested parties with parts of the process. During consultations the evaluation team was given the example of the MCF (key partner in the Bulrush initiative) being helped to develop a commercially focussed proposal. As Table 4 illustrates, many proposals involved partners from the not-for-profit sector with expertise in structuring proposals for funding by development agencies. The completion report on BPP phase 1 pointed to the significant benefits that enterprises gained from partnering with not-for profit enterprises, particularly with respect to structuring initiatives to explicitly pursue development impacts and putting in place MEL arrangements that enabled partnerships to identify and quantify these impacts. Across the sample of partnerships examined by this evaluation, it was often the case that an NGO, international organisation or research institution played a critical enabling role in partnerships.

A key consequence of the quality at entry process was that partnerships were stimulated to look at all aspects of the value chain in which their initiative was located, and the importance of encompassing critical parts of that chain

to ensure commercial viability and development impact. The box below describes how two partnerships in Vietnam have focussed on critical parts of the value chain that can ensure commercial as well as development viability.

Case Study – Partnerships that have created an integrated supply chain from producer to end consumer

Partnership project Creating sustainable livelihoods through climate-adaptive crops (Bulrush) and Scaling climate resilient mangrove shrimp farming in the Mekong Delta (Mangrove Shrimp Farming)

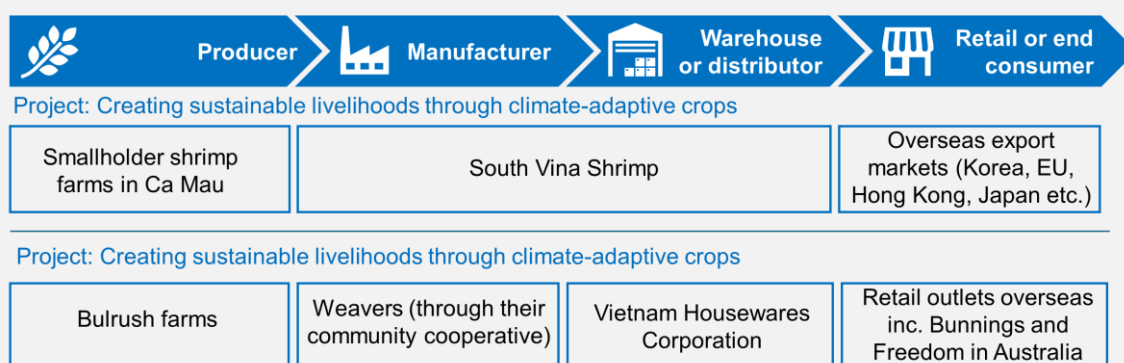
Partner(s)

- MCF and Vietnam Housewares Corporation
- Symmetry, VSSA and SVS

Both the Bulrush and Mangrove Shrimp Farming projects demonstrated a shared feature where their respective commercial models showed a clearly integrated supply chain that links together producers to end consumers.

See simplified visual of their respective supply chains below.

Figure 7: Outline of IPSP's supply chain integration



While this result could simply be attributed to IPSP's partnership selection mechanism that prioritises project proposals with a clear commercial viability (in the above case, a clearly laid out linkage from producer to consumer). It itself, is demonstrative of how the model can make innovative ideas translate to financially viable business opportunities (through the sale of goods) while also benefiting local people through better income and jobs.

Other, more limited economic development projects may simply focus on one side (e.g. supply side) development, however, their results become hampered when there is no means for produced goods to access a broader market.

4.4.3 Working in partnership

Unlike some challenge funds, IPSP worked with businesses under a genuine partnership model. The IPSP Manual stated that 'Partnerships are defined by agreement on shared priorities, open communication and accountability, sharing of risks and benefits, and recognising and responding to each other's strengths to add value in their collaboration.' It is also true that IPSP as a program worked in partnership with DFAT, especially with the Blended Finance and Investor Engagement Unit and its predecessors in Canberra, but also with Posts – reflecting a clear intention in the current phase of IPSP to seek much stronger Post involvement. This brought a much stronger DFAT engagement with IPSP initiatives and their proponents. BBP can thus provide its business partners with access to DFAT's resources beyond the catalytic funding delivered by the challenge fund model. This included:

- Convening, brokering, networks and influence in partner countries.
- Deep knowledge of development as well as the business, political and regulatory environment in partner countries.
- Expertise in development program management, safeguards, and gender and disability inclusion.
- Support in creating a more attractive business operating environment through its broader policy reform and governance programs.

A number of partners consulted during this review spoke warmly of the support given by Posts, which included the 'derisking' associated with being seen to have Australian government support, but also interventions made to try to help partnerships deal with hurdles to implementation (see case study – partnership members playing to their strengths).

The close partnership engagement with initiatives also enabled IPSP to adapt contractual conditions and arrangements as issues were encountered during implementation. The Deltacelerate partnership in Vietnam described in section 3.1.3 was a clear example of adaptation, but there were other examples, such as the Pick My Load partnership in Sri Lanka where the DFAT coordinator helped in restructuring the partnership objectives and reallocating the budget. A number of partnership stakeholders also spoke highly of the work done by the partnership brokering function supplied by IPSP.

Case Study – Partnership members playing to their strengths

Partnership project Digital wallet and payment acceptance platform for women-led micro and small businesses in Fiji

Partner(s) Fintech Pacific, Mastercard and ygap

This partnership project had clearly identified a problem around SMEs access to digital payments and devised a solution that involved several partners leveraging their individual skills and capabilities:

- Fintech Pacific would design and develop the payment platform
- Mastercard would provide backend support through linking of the platform to their global payment network but also donated 100 mobile phones for women who couldn't afford their own
- ygap who engaged Fiji's women entrepreneurs by leading financial training, supporting human-centred design (to inform the platform's development) and advocating for the platform's adoption.

We note that the project faced significant challenges and was never able to achieve their planned solution. The issue was due to a decision made by a local banking institution that prevented the application from being delivered to the bank's customers. While all partners worked to address this issue, the Australian High Commission in Fiji played a key role in supporting the partnership's discussions with the bank and also advocated for change to the Reserve Bank of Fiji.

Despite it not achieving its goal, during their close out discussion, partners did reflect positively on the experience in particular from the learnings gained. For Mastercard, these learnings are practical and useful as they rollout similar solutions across the Pacific while for the High Commission, the knowledge gained was useful given that banking regulation was a focus area.

IPSP's survey of partners (as part of their business sustainability survey) explored the aspects of BBP support found to be most helpful. As Figures 7 and Figure 8 show, connections to the Australian government were ranked 2nd or 3rd after the financial support by nearly 60 percent of the partners, and 65 percent identified connections to networks as an important contribution beyond funding

Figure 8: Ranking of IPSP's support for partners, % represent the percentage of 17 survey respondents that ranked a particular support from 1 to 6. (Survey question - What aspects of BPP support did you find most helpful? Place in order of importance)

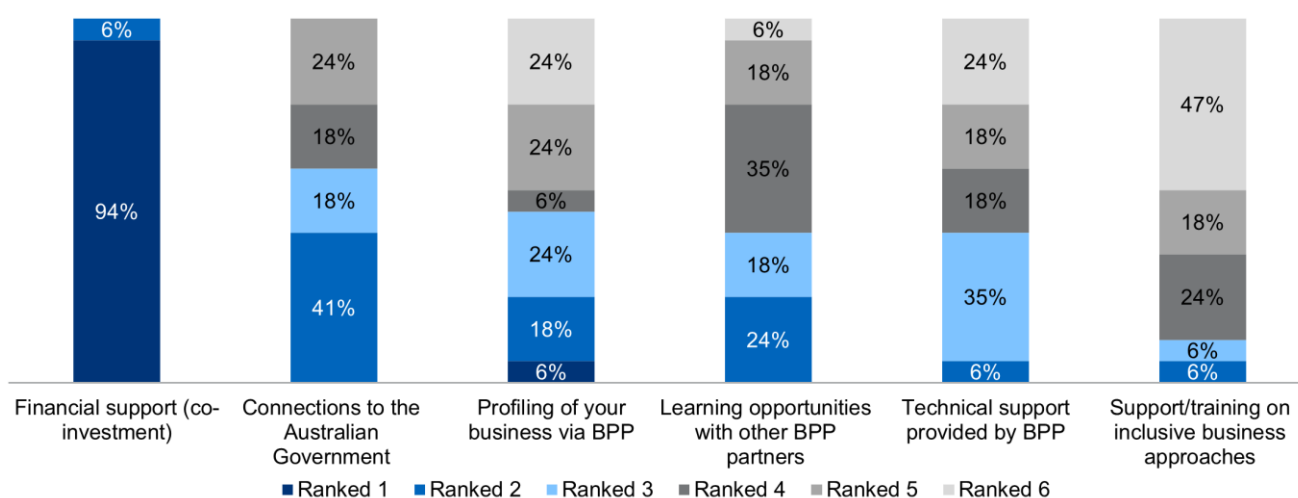
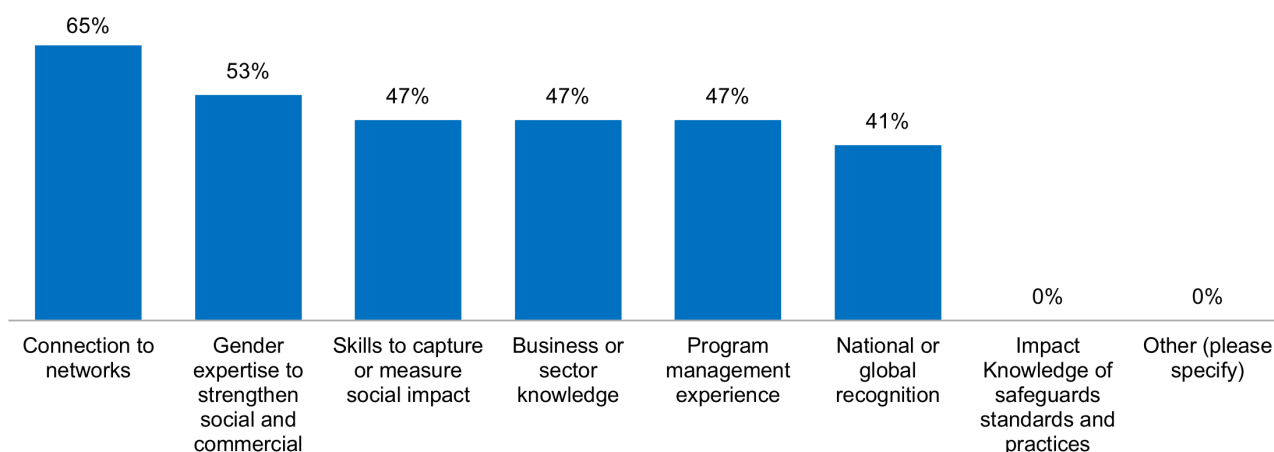


Figure 9: % of 17 survey respondents by DFAT's contribution to the partnership beyond funding. (Survey question - What contribution did DFAT bring to the BPP partnership beyond funding (tick all that apply)?)



Note that percentages sum up to be greater than 100% as respondents may select more than DFAT contribution.

5 Key findings – sustainability of partnership business models (EOPO4)

Key findings

- IPSP's original design envisaged that select partnerships might have some kind of catalytic impact, conceived as either achieving scale or significance (learnings could enable replication), this could be linked to expectations about the sustainability of changes enabled by the program. The framing of the expected outcome has changed over time – but it is clear that IPSP was not expected to deliver systemic change as a priority and this evaluation has only been asked to consider a narrow element of the sustainability question: the likelihood that partners will sustain business models following IPSP support.
- The evidence examined by this review suggests that supported partnerships are able to, or at least willing to, invest into continuing their business models following IPSP support. Of the 11 partnerships reviewed by this evaluation in detail, only one (Biochar for carbon removal and improved livelihoods in Vietnam) indicated that they did not see the model continuing.
- It is perhaps important to note that many of the partnerships envisage that further financing will come from philanthropic sources.

This section responds to the following evaluation questions:

- What is the likelihood of partners' sustaining business models following IPSP support? (EOPO4)

As specified under EOPO4, IPSP's consideration of sustainability focusses mainly on enabling partnerships to have commercially viable business models that can be sustained and attract additional investment to scale (next stage capital). (EOPO4 also expects that IPSP experience will inform future DFAT aid investments to help catalyse additional DFAT and private sector investment).

EOPO4 was not part of the original design of IPSP and was introduced recently in 2024. The design's original consideration of sustainability focussed on strengthening the skills and abilities of DFAT staff to engage with the private sector and ensuring that partnerships supported were designed to be sustainable i.e. there must be a pathway to scale or significance identified from the outset, with DFAT playing a role in leveraging their networks to further support partnerships. The concept of significance embraced issues of systemic change: but this evaluation notes that IPSP does not seem to have sought systemic impact outside of demonstrating commercial and social or economic outcomes from the participating partners¹⁰. This said, the evaluation did identify some evidence of efforts to address systemic and regulatory constraints (see box below).

Some evidence of efforts to address systemic constraints

From discussions with partnerships, the evaluation heard anecdotal evidence of where the partnerships have worked (or at least attempted to) to address regulatory or systemic constraints to their business models (e.g. Fintech's attempt to engage the Reserve Bank of Fiji and the major banking institutions) and have heard of examples of the systemic environment enabling a project to progress e.g. a regulation in Vietnam that allows for the use of natural areas within Forestry Management Boards' jurisdiction for economic purposes.

These are largely ad-hoc and occur as part of project problem solving as opposed to a systematic approach that other businesses may benefit from. While IPSP was not intended to achieve systemic change, its partnerships have delivered a wealth of experience and lessons learned that are useful for DFAT as an institution especially to enrich its knowledge of the countries it has an active presence in.

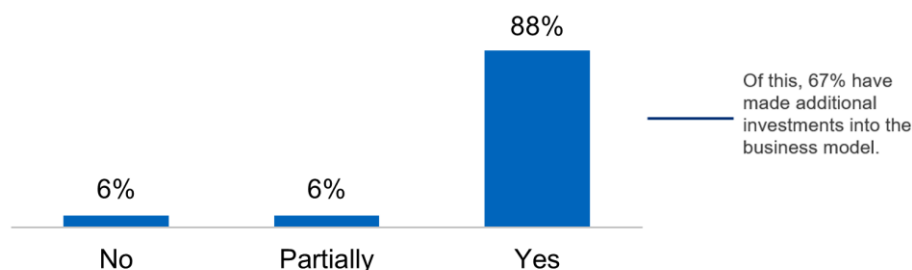
However, the evaluation did not observe substantial dissemination of these practice lessons learned by DFAT as the knowledge largely appears to be held by individuals and is, therefore, at risk of being lost when staff move on. While this is not necessarily a reflection on IPSP's approach to sustainability, it does represent a missed opportunity to document and disseminate practical lessons learned to benefit other DFAT programming, in particular, in novel areas including carbon markets and climate adaptation. It is possible that in Vietnam (where IPSP's activities have been most concentrated recently), internal Vietnamese processes and systems may lead to replication or follow-through activities, but these are not actively promoted by IPSP. (BESU could have been the mechanism to facilitate dissemination of lessons, but it appears to have largely functioned as an on-demand provider of technical expertise (by connecting DFAT to a panel of experts).

As described in section 2, this evaluation has been asked to consider the extent to which partnerships are able to, or intend to, attract additional funding. The analysis has relied on data from a business survey administered by IPSP, interviews with selected partnerships and IPSP's results reported in its annual report.

¹⁰ Systemic impacts sought by the program might have included building on business partnerships to promote policy or regulatory change by governments or as a means of addressing underlying cause of market system disfunction.

As part of its MEL activities, IPSP conducted a survey of their partnerships with the most recent one concluding in early 2025. Survey respondents were asked about whether they continued their business model and the extent to which they made additional investments. See Figure 10.

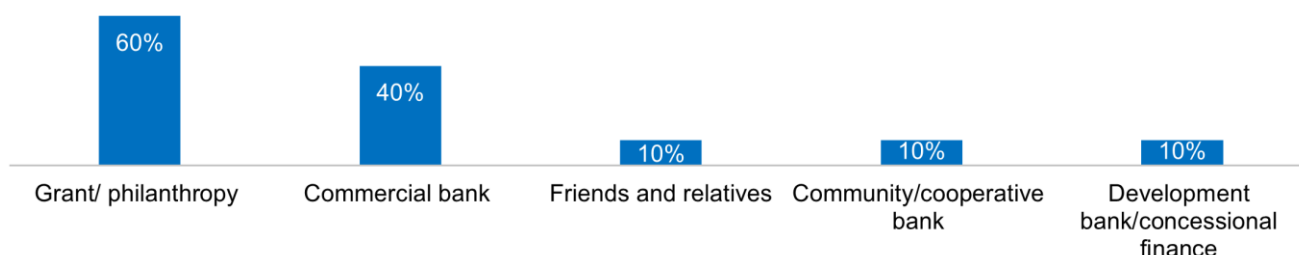
Figure 10: Percentages of 17 survey respondents that reported continuing the business model after the partnership ended. (Survey question - Since the partnership ended, have you made additional investments in the business model?)



According to IPSP's survey, 88% of the 17 respondents reported that they have continued the business model, with a high proportion of those (67% of those that said 'yes') identified making additional investments into the business model. Forty-one percent of respondents indicated changes to how they'd implement those business models. Taken together, this suggests that the partnerships themselves are confident enough of their business models to be willing to invest effort to continue their implementation.

When asked about the source of the additional investment, most respondents identified seeking grant or philanthropic funding (60%) or from a commercial bank (40%). See Figure 11.

Figure 11: % of 17 survey respondents that made additional investments by source of investment(s). (Survey question - If you have secured finance, what was the investment source? (tick all that apply))



Note that % sum up to be greater than 100% as respondents may select more than investment source.

Though not many respondents reported the amount of funding sought, some reported receiving additional funding between USD100,000 to USD500,000 while one respondent in particular reported raising over USD 2 million in equity and grants.

In their 2023 Annual Report, IPSP had similarly reported partnerships that have successfully gone on to receive next stage capital including:

- KOKO Networks: Innovative Fuel Distribution Technologies for Mainstreaming Ethanol-based water-heating in Urban Africa accessing additional capital, in part due to a successful pilot with IPSP, and is rapidly scaling within Kenya and other countries in the region.
- The Improving Health Outcomes for Under-served Communities in Rural Rajasthan Partnership with Karma Healthcare and Smile Foundation that ended in early 2023, provided Karma Healthcare with data about how its model works and informed an evidence-based pathway to scale to build credibility with prospective investors. Karma Healthcare had Series-A funding confirmed (second-round funding for a start-up, after initial seed funding), with scale-up plans to 70+ clinics by the end of the 2023.
- IPSP funding and support from other partners enabled proof of concept for CarbonFarm to seek seed funding, successfully raising AUD2.5 million.

The evidence above is also consistent with what the evaluation heard from consultations with partners with some indicating a clear strategy to source additional investment (such as targeting of impact investment funds) or expanding into new adjacent business areas (such as Diesel & Motor Engineering PLC (Pick My Load project) considering expanding into warehousing and freight from transportation). One partnership reported now operating at a breakeven point and was not necessarily seeking any additional capital investment given where they are.

Overall, the available evidence strongly indicates that the supported partnerships are able to, or at least willing to, invest into continuing their business models following IPSP. Of the 11 partnerships reviewed by this evaluation in detail, only one (Biochar for carbon removal and improved livelihoods in Vietnam) indicated that they did not see the model continuing but that is largely due to challenges in the partnership (discussed below).

6 Considerations for replicability and other lessons learned

This section presents the evaluation's response to the question concerning replicability of IPSP's BPP model, and key lessons. The observations concerning replicability are, of necessity, quite general, and individual and regional programs would need to undertake a much more in-depth consideration of issues.

6.1 Replicability

One of the features of IPSP that has made it appealing to participating Posts and bilateral programs is that the contract with the Managing Contractor has been centrally managed, and that the costs of core functions have been shared with Canberra and other programs. The evaluation considered if the IPSP model could be replicated by bilateral programs on a single country basis.

A number of considerations appear relevant in addressing the replicability question:

- Scale relative to Post management capability
- Economic and private sector depth, and,
- Risk appetite.

But it is also important to consider the question of purpose: what is it that a Post wants to achieve and whether a challenge fund approach is the most appropriate instrument to pursue that purpose.

A 2014 DFAT Policy Note laid out some considerations for country programs contemplating the use of an enterprise challenge fund, drawing to some degree on experience with the Enterprise Challenge Fund for the Pacific and Southeast Asia pilot (see below).

Challenge Funds to Overcome Barriers to Private Sector Growth: lessons from 2014 policy note

DFAT's 2014 policy note offered some advice for Posts considering an Enterprise Challenge Fund, observing that such a fund requires a high level of selectivity and a great deal of preliminary work to establish goals and priorities, a detailed strategy for identifying sectors, selecting proposals and managing risks and conducting independent monitoring.

The note suggested that such a fund:

- is appropriate for lower-income countries where increased income and employment will deliver comparatively higher benefits
- requires a population high enough to provide a critical mass of high-quality business opportunities
- is appropriate where the financial market capacity is lacking or has limited reach, and where private sector investment capacity is low, so that firms cannot match grants provided by the fund.

The note also stressed the importance of clarity of purpose, understanding of the barriers to pro-poor business growth, and of which sectors have potential growth. It also highlighted the need for an honest assessment of risk tolerance (since some projects must be expected to fail, and an appreciation of the costs – and Enterprise Challenge Fund is likely to involve much higher management costs than other programs, and some of these costs will be fixed, pointing to higher minimum grant sizes (and hence contributions from businesses).

IPSP has moved on from the narrower focus on encouraging businesses to pursue pro-poor business development opportunities, as the Green Recovery, Carbon Market and Climate Adaptation Rounds indicate, where the fund is used to promote business innovation to achieve environmental and other objectives. However, many of the points made by the policy note remain pertinent.

6.1.1 Scale relative to Post management capability and private sector depth

DFAT continues to grapple with the challenge created by the limited size of certain Posts and their ability to manage a number of bilateral programs and contracts. As IPSP's experience has shown, and consultations carried out by this evaluation have reinforced, contract management is just one part of the call made by a challenge fund on Posts scarce management and engagement resources.

An important feature of IPSP has been that it has adopted a *partnership* approach, which has shaped relationships between the managing contractor and DFAT, and between DFAT, the contractor and the market actors with which the program engages. The Completion Report for the first phase of BPP defines a partnership as an ongoing working relationship where risks, benefits and contributions are shared.¹¹ As that report pointed out, this is quite different from the 'transactional' approach that had previously informed DFAT's engagement with the private sector, and is far from a 'set and forget' process, with the practice starting with the relationship between DFAT and the managing contractor, cascading down to the relationships between DFAT Canberra, Posts and the partners within

¹¹ BPP (2020) Completion Report

the individual initiatives themselves and the managing contractor. Reviews of challenge funds delivered by other development partners also suggest that in general, funds that are more intensively managed, with a more hands on approach, have a greater degree of success in ensuring sustainable development outcomes than funds with a lighter touch.¹²

This approach will be very demanding of Posts if delivered through a bilateral program. Even in Vietnam, one of the larger Posts, staff indicated that they do not have the capacity to entirely manage the program on their own. It is likely that the burden will be even more challenging for smaller Posts.

Similarly, in small countries with very limited private sectors, it is likely that there will not be enough opportunities to warrant bearing the costs of a country specific program. As IPSP showed, it is not just the operational and due diligence functions that have to be covered, but also the ongoing engagement, mentoring and support activities that require particular skills. There may just not be enough potential 'action' in smaller economies to warrant the costs of providing those skills. It is also likely that the risk of market distortion: with consequential reputation risks for DFAT, are much higher in small economies.

Conceivably, and BPP approach could be embedded as a component in a larger bilateral program. This may reduce the contract management burden in small Posts, but not the burden of engaging with partnerships.

6.1.2 Risk appetite

A challenge fund operates a portfolio of investments, and if it is achieving additionality and promoting innovation in complex environments, it must expect that some partnerships will not meet their objectives or that some partnerships may cause unintended negative consequences. But this is not the only risk that challenge funds entail. Even with rigorous selection criteria and processes, Posts may have to deal with the perception of why development assistance is being used to 'subsidise' businesses, especially since the commercial viability criterion which most funds impose, mean that it will likely be larger enterprises in small economies that are supported, and in some cases very large or multi-national enterprises, depending on the development objectives being pursued.

In addition, as IPSP's experience with biochar for carbon removal project has shown (case study below), the close involvement of Post with partners means that Posts may have greater exposure to partnership challenges and possible reputational risk in the event of failures. This is despite the degree of separation of Post from partner choices associated with IPSP's selection process. This is the other side of the coin to the effect of giving legitimacy, that DFAT's involvement in co-investing with partner and reducing risks perceived by consortium members.

IPSP highlights the fact that there are inherent risks involved in pursuing outcomes that involve novel or innovative technologies in difficult contexts, and it is neither feasible nor desirable to try to avoid all such risks. Through IPSP's Vietnam rounds, for example, DFAT has accepted risks associated with embracing novel sectors of climate adaptation and carbon markets and new partners, and in the process achieved some positive returns. But it is important to recognise that the multi-dimensional partnership feature of IPSP's approach requires DFAT to fully consider the implications of being close to both opportunities for success and the risk of failures.

¹² See, for example, IPE Triple Line, (2018). Evaluation of Sida's Global Challenge Funds. Lessons From a Decade Long Journey., Sida Evaluation 2018:1

Case Study – Partnership risk in novel and complex projects

Partnership project	Biochar for carbon removal and improved livelihoods in Vietnam
Partner(s)	Mai Anh Dong Thap Pty Ltd, Biocare Projects Pty Ltd, The University of Adelaide, Ho Chi Minh University of Technology and Energy Services Pty Ltd
Sector	Agriculture
Round	Vietnam Carbon Markets
Country	Vietnam



Image 6: Image source: Picture taken during evaluation mission in Vietnam

The 'Biochar for carbon removal and improved livelihoods in Vietnam' project aimed to establish a pyrolysis facility to turn agricultural biomass into biochar which is a durable form of permanent carbon storage which can also be used for soil conditioning, water filtration and as an animal feed that lowers emissions. The facility and its supply chains are expected to create green jobs, improve livelihoods and reduce air and water pollution in the region. The partnership is made up of a consortium including a Vietnamese company, an Australian company specialising in carbon removal projects and Australian and Vietnamese Universities.

The funding by IPSP was to facilitate the purchase and installation of a pyrolysis machine. However, the project faced issues, including delays in land acquisition and with the installation and functioning of the pyrolysis machine itself. During the evaluation visit, the Vietnamese company indicated that the machine was not functioning properly and expressed concerns regarding the operations and safety of the machine. It is understood that the technical partner had and was continuing to address concerns. The relationship between the main partners had been significantly challenged due to a range of technical, communication and management challenges.

The risk that IPSP and in turn DFAT have been required to manage is that issues around the machine and relationship between the partners would in turn lead to relationship issues and reputational impacts for IPSP and Post. The partnership was being closed out and challenges worked through at the time the evaluation was finalised.

6.1.3 Purpose

The question of replicability by bilateral programs cannot be considered in isolation from the issue of purpose: what does DFAT want to achieve with a challenge fund program?

The objectives for IPSP presented in the design document focused on trialling and supporting "a range or partnerships with the private sector to achieve development outcomes" and supporting 'some aid-private sector partnerships to achieve scale or broader significance'. It is fair to say that IPSP in both phases has demonstrated that the challenge fund model can engage with the private sector and other market actors to deliver development impact, so for new bilateral programs, there would need to be more clarity and specificity about what kind of development impact might be pursued, and what kind of changes the program would focus on.

The literature on challenge funds suggests that they are typically used to finance innovation, provide support for more inclusive business practices, or achieve systemic impact.¹³ Another characterisation distinguishes between focusing on enterprise development – providing risk reduction financing for innovative business ideas, and

¹³ Brain A., Gulrajani N. and Mitchell J. (2014) Meeting the challenge: how an enterprise challenge funds be made to work better? EPS Peaks, UKAid.

business modification – financing to help compensate for the absence of various public goods which, if present would make it easier for a firm to engage socially or economically disadvantaged people in its supply chain.¹⁴

DFAT would need to have a clear sense of how and to what end they would use a challenge fund, particularly since different purposes would impact on how the fund would work and what kind of enterprises and market actors it would seek to partner with. Davies and Elgar,¹⁵ for example, suggest that enterprise development approach, derisking innovation might better target local SMEs with promising ideas in need of financial backing, whereas the business modification approach is likely to work best with large or multinational firms. IPSP does not seem to have made an explicit choice between these approaches, but a smaller bilateral program would need to be more specific.

The evidence to date suggests that while there is no reason in principle why challenge funds should not be able to target systemic change, this has not been a strong focus of such funds (and as this evaluation discussed earlier, IPSP did not seem to have been set up to systematically pursue this kind of change). The delivery of systemic change provides a defensible case for using development assistance to directly support private sector activities, and working toward this end can mean that a program ends up being much more than a portfolio of unrelated investments, if it tackles impediments to better functioning market systems. Unless challenge funds include components that actively seek to identify the underlying cause of market dysfunctionality promote and to enable expansion, replication and changes in related market components, they are less likely to enable sustainable change at scale. A key question about the IPSP model is how well it (and DFAT) has used the lessons gained from individual partnerships to promote change and ensure delivery of outcomes beyond the remit of individual initiatives and beyond the life of the program. This is a question that Posts contemplating a bilateral challenge fund would also need to consider.

A challenge fund framework is typically not designed to engage with governments about regulatory and policy change (even though partnerships may generate useful insights into the reality of private sector interaction with public administration and regulatory controls). It is likely to require an active effort by DFAT to ensure that insights from a challenge fund inform dialogue and choices about where and how other programs work with government. One of the functions of the BESU component of IPSP was to facilitate the use of learning from IPSP activities in broader country level engagements.

It is useful to note that IPSP's initiatives in Vietnam may achieve more traction on catalytic change beyond the individual partnerships, because of the way on which local governments interface with higher levels of government, and the role of Party organisations in reporting on economic developments that may be of interest more broadly (linked also to the role that local government and Party organisations are expected to play in local social and economic development).

The bottom line is that there are few bilateral programs that could run a challenge fund approach: it is demanding to do well, especially with the hands-on approach adopted by IPSP. Smaller Posts in particular are likely to struggle to implement a bilateral program using the IPSP model. In small economies with thin markets, the pool of viable partners is likely to be too small to warrant the costs of a stand-alone program. However, a regional program clustering a group of similar countries could make sense where the collection of participating countries have deep enough enterprise sectors. A more important question for Posts to consider is what purpose they would want a challenge fund to pursue, and if it is the best instrument for that purpose.

6.2 Lessons learned

The overarching lessons learned from this evaluation are:

- The IPSP challenge fund and partnership model can facilitate business activities that demonstrate the impacts of new business models, technology, products or market focus on development outcomes in a commercially viable way. In addition, the model can also incentivise businesses to improve their inclusivity and social and economic impact of their activities.
 - However, this achievement is largely at the enterprise level. The model was not intended to, and will not, achieve much impact at a systemic level on its own. It is not obvious that Posts necessarily have processes or capacity to follow through on lessons with other parts of their development portfolio (although there were a couple of notable examples of use of lessons learned).
 - It appeared that NGO's, development organisations, social enterprises and/or a research institutions/experts (and in some cases quasi-public sector entities, as commonly found in Vietnam) were often seen as very useful in helping enterprises articulate and implement commercially viable initiatives that deliver enhanced social and economic inclusion benefits or external benefit like climate mitigation or

¹⁴ Davies R. and Elgar K. (2014) Enterprise challenge funds for development: rationales, objectives approaches, Development Policy Centre, Crawford School of Public Policy, Australian National University

¹⁵ *ibid*

adaptation. This may suggest that the co-investment model would not deliver as much traction on development outcomes if it were limited to working solely with for-profit entities

- IPSP's enhanced focus on commercial viability of partners and their initiatives appears to have improved the sustainability of impacts (compared to the first phase of BPP) and reflects that fact that IPSP is not a start-up financier (that is, that it is designed to finance initiative-specific risks associated with development outcomes rather than general enterprise risks)
- IPSP's multi-country model with contract management and key interactions with the program delivered centrally is very appealing to Posts with limited resources. But IPSP, learning from the first phase of BPP, actively sought a much stronger engagement from Posts. This has paid off in terms of the relevance, quality and impact of funded initiatives, but places heavy demand on Posts, even where there has been scope to contract relationship managers to work in-country.
- IPSP's flexibility and adaptability across all domains of its operations (choice of countries, design of rounds and calls, support to prospective partners and adaptability during partnership operations) are highly appreciated and contribute to the programs ability to enable delivery of impacts and relationship benefits for DFAT.
- The IPSP model required significant investment of time and effort including by Posts and by IPSP itself to broker and maintain partnerships as well as provide day-to-day problem solving. The model involves an unusual level of co-management and collaboration between the managing contractor and different parts of DFAT.
 - Where the IPSP team's in-country presence is lean, the effort falls to Posts to provide support.
 - For smaller economies, however, there is a further challenge given the likely pool of enterprises that can respond is likely to be small but the level of effort from Posts is not necessarily reduced. Therefore, issues of resourcing will have a disproportionate impact on smaller Posts.
- Constructing rounds with climate change related objectives can be an effective way of demonstrating the ability of the private sector to innovate and implement commercially viable models that contribute to mitigation and adaptation objectives.
 - However, in many developing countries this may mean working with regulatory uncertainty. Adaptation and engagement with carbon markets in agriculture may require considerable, resource intensive community engagement.
- IPSP's partnerships offer considerable public diplomacy and visible development results to Posts and to DFAT more broadly. In addition, the visible involvement of DFAT in the partnership presents a perceived derisking of activities. However, this presents a reputational risk for DFAT in the event of failure on any one project. The visible closeness means that it will be difficult for DFAT to distance itself from this.
 - Having access to a challenge fund like IPSP can be a useful screening tool for Posts that can be subject to many requests for assistance from the private sector.

Though not a focus for this evaluation, IPSP's MEL approach attempts to balance comprehensiveness against over-burdening its partners with onerous data collection requirements. A key element in this is the preparation of a set of common indicators and a requirement for partners to select a minimum number that best apply to their project. While this has enabled useful reporting and analysis across the IPSP portfolio, it does create a limitation where not all partners may report against all indicators. This limits the ability to compare between projects and may also result in an understatement of the full impact across the entire portfolio. Balancing data depth against the burden of collection has always and will remain a persistent issue in programming of this nature. The challenge is particularly acute when an investment like BPP is sector agnostic and covers a broad range of development policy domains. Future activities of this kind may well have to make a similar trade off or consider narrowing the range of domains so that a manageable set of common indicators can be utilised.

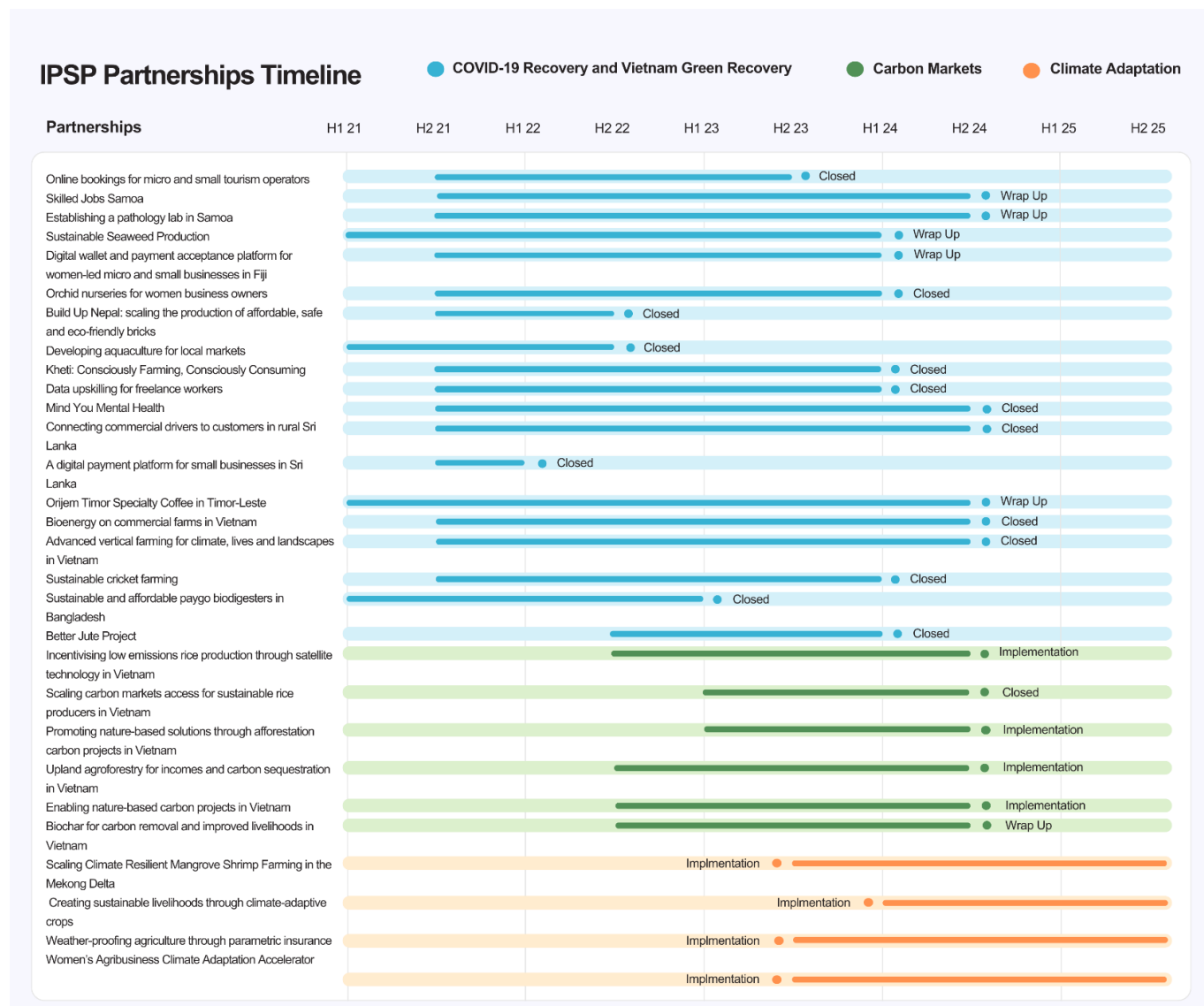
6.3 Recommendations

This evaluation's primary objective was to assess IPSP's realisation of its EOPOs and the factors that have contributed to its progress. Secondary to that, the evaluation was also intended to identify any lessons learned to better inform decision-making around the scope, governance, objectives, and modalities for any Posts or Regional Programs considering similar investments in the future. This is noted especially in the context that IPSP is now in its final year of implementation. The below recommendations to DFAT reflect this context and the underlying rationale detailed in the analysis undertaken in this report and the lessons learned section above.

Recommendation	Description
1 Resourcing intensity	When considering modality and resourcing for future similar programs, DFAT should keep the capacity of Posts and sizes of the economy in mind.
2. Gender equality	DFAT should ensure that any future investment using a challenge fund approach would need to: • be very clear about limitations on achieving gender equality and clearly articulate this in outcomes statements and how success is measured; or • be part of a broader intervention that links lessons from partnerships into engagements with institutions and processes that are designed to engage with the underlying determinants of gender inequality.
3. MEL trade-offs	DFAT must be mindful of the trade-offs between a MEL system that offers flexibility at the cost of comprehensiveness versus a comprehensive MEL that adds a greater burden of data collection.
4. Risk appetite and management	If DFAT were to undertake new investment using the IPSP challenge fund model, it would need to be conscious of risks typically associated with such innovative models (inherent risk of potential failure; possible impact to reputation which due diligence processes cannot entirely ameliorate) and build targeted mitigation strategies.

Annex A – IPSP Partnerships timeline

Figure 12: Visual timeline of IPSP's partnerships



Annex B – Partnerships sampled for the evaluation

Partnership project	Country	Grant round	Contracting partner	Sampling approach	Partner members consulted
Sustainable and affordable paygo biodigesters in Bangladesh	Bangladesh	COVID Recovery	ATEC Bangladesh	Random sample from partners in Bangladesh, Fiji, Timor-Leste and Philippines	• ATEC Bangladesh
Digital wallet and payment acceptance platform for women-led micro and small businesses in Fiji	Fiji	COVID Recovery	Fintech Pacific	Random sample from partners in Bangladesh, Fiji, Timor-Leste and Philippines	• Fintech Pacific
Skilled Jobs Samoa	Samoa	COVID Recovery	We Mana	Random sample from partners in Samoa	• We Mana
Developing aquaculture for local markets	Nepal	COVID Recovery	Shreenagar Agritech	Random sample from partners in Nepal	• Shreenagar Agritech
Connecting commercial drivers to customers in rural Sri Lanka	Sri Lanka	COVID Recovery	Diesel & Motor Engineering PLC	Random sample from partners in Sri Lanka	• Diesel & Motor Engineering PLC
Biochar for carbon removal and improved livelihoods in Vietnam	Vietnam	Vietnam Carbon Markets	Biocare Projects Pty Ltd	Non-random, stakeholder located in southern Vietnam	• Mai Anh Dong Thap Pty Ltd • Biocare Projects Pty Ltd
Advanced vertical farming for climate, lives and landscapes in Vietnam	Vietnam	COVID Recovery	Orlar	Non-random, stakeholder located in southern Vietnam	• Raise Partners • Orlar
Sustainable cricket farming	Vietnam	COVID Recovery	Cricket One	Non-random, stakeholder located in southern Vietnam	• Cricket One
Scaling Climate Resilient Mangrove Shrimp Farming in the Mekong Delta	Vietnam	Climate Adaptation in the Mekong Delta	Symmetry	Non-random, stakeholder located in southern Vietnam	• SVS • VSSA • Symmetry
Creating sustainable livelihoods through climate-adaptive crops	Vietnam	Climate Adaptation in the Mekong Delta	The Mekong Conservancy Foundation (MCF)	Non-random, stakeholder located in southern Vietnam	• MCF • Hong Thuy Livelihood Cooperative
Women's Agribusiness Climate Adaptation Accelerator (aka Deltacelerate)	Vietnam	Climate Adaptation in the Mekong Delta	Women's Agribusiness Climate Adaptation Accelerator	Non-random, stakeholder located in southern Vietnam	• New Energy Nexus • Air X • Ecoka • Hoa Dan Moc

Annex C – IPSP Common indicator data

According to the program's Monitoring, Evaluation, and Learning (MEL) Framework, IPSP assesses its impact using a set of portfolio-level indicators, known as common indicators, which are informed by data from its partnerships. These indicators align with the IPSP program logic and are analysed and reported every six months.

Partners supported by IPSP are required to create their own program logic and results frameworks that align with their business plans. In this process, partners established project-specific indicators to track progress, while also including two or more of IPSP's common indicators. The responsibility for data collection to support their results frameworks lies with the IPSP partnerships, who utilised their own data measurement systems. IPSP offered assistance for data collection in areas where partners may have less experience.

IPSP adopted a practical approach to measuring results, considering the complexities of attributing outcomes to its efforts while minimising burdensome data collection for partners. The primary method used for measuring attribution is called "Before and After Comparison with Opinion" (BACO). This method involves assessing the value of a partner's key indicators before the intervention (baseline) and after the intervention (end line). The difference between these two measurements indicates the change, which is then reported. Due to the absence of a counterfactual, IPSP verifies the reported changes through qualitative data gathered from impact groups, assessing whether the changes they experienced were a result of the projects.

In addition to consultations and document reviews, this evaluation also examined the results of IPSP's common indicators. A subset of these common indicators, as outlined in the MEL Framework dated September 2024, was identified and presented in Table 5 for this evaluation.

Table 5: IPSP common indicators used to inform this evaluation

Mapped IPSP EOPO	Common indicators	Description	Short name
EOPO1 – climate impact	Area (hectares) of land where sustainable business practices changed	IPSP accepted the methodologies developed by IPSP Partners to measure indicators of adaptation.	Hectares transformed
EOPO1 – climate impact	Tonnes of GHG emissions projected to be abated, mitigated or avoided by change in business practices (tCO2eq)	Partners who reported against this indicator developed methodologies that met the compliance standards of voluntary trading schemes like Gold Standard and Verra for carbon emissions reductions. These standards include quality assurance requirements that aligned with IPSP's MEL quality criteria. The projected reductions in greenhouse gas emissions (tCO2eq) were assessed over the project's lifespan, typically 20 years for carbon market projects. Partnerships must also be actively registered with a relevant standard.	Reduced CO2
EOPO2 – socio-economic impact	Number of workers accessing jobs as a result of IPSP	When measuring social benefits, partners were required to only claim the results from IPSP supported activities. Most of the jobs created or filled by IPSP partnerships related to additional employees at businesses directly funded by the IPSP program. In this case, a job is defined as Full Time Equivalent, which is equivalent of 240 days of work created per year. In cases where partners created part time roles, this would need to be converted to FTE.	New jobs
EOPO2 – socio-economic impact	Number of new suppliers benefiting from income generating opportunities	A supplier was defined as a household or entity providing a good or service to the business partner and someone who the partnership is aiming to benefit. Where suppliers were both supplying to partners and using products/services from partners, they were classified as suppliers only to avoid double counting of impact groups.	New suppliers

Mapped IPSP EOPO	Common indicators	Description	Short name
EOPO2 – socio-economic impact	Number of underserved consumers benefiting from access to products and services	Consumers were defined as anyone who benefited from the good or service provided by the IPSP partnership's business model. Consumers may either be a paying or non-paying user of a good or service, depending on the Partnership's business model. Only consumers directly involved in the IPSP supported partnership activities were counted.	New consumers
EOPO2 – socio-economic impact	Number of people with increased income	Many partnerships aimed to contribute to increased income of their suppliers, employees or consumers. This was achieved via cost savings or increased earnings accruing to Partners' impact group. Changes in earnings was primarily tracked via income received via sales or wages. Changes in savings was measured by tracking reduced input costs or lower cost of products.	People with increased income
EOPO3 – gender impact	Number of female leadership positions	-	Female leadership positions

Approach to analyse IPSP's common indicators

To consider IPSP's impact at a portfolio level, each indicator was summed across each project to calculate a total impact by:

- Grant round
- Partnership sector
- Partnership country.

Where the indicator could be disaggregated by gender (e.g. number of new jobs), the proportion of women beneficiaries was calculated by dividing the women-based results over the total result (for each indicator).

The evaluation notes that each partnership operated on different levels of investment by DFAT and the partner. Therefore, to better acknowledge this, the results have been scaled by calculating each indicator's result as 'impact per AUD10,000 of total investment'. The calculation involved:

- Summing all investments across different grant rounds, partnership sector and partnership countries
- Using the above sums as the denominator to scale each indicator's results
- Multiplying the result by AUD10,000.

The table below outlines the totals used as the denominators to calculate the scaled indicator results.

Grant round

Variable	Investment total
COVID Recovery	17,609,578
Green Recovery	7,606,500
Carbon Markets	7,263,868
Climate Adaptation	4,260,540
Grand round total	36,740,486

Partnership sector

Variable	Investment total
Tourism	514,948
Health	3,675,215
Education	1,440,245
Logistics & Manufacturing	1,662,965

Variable	Investment total
Agriculture	21,454,595
Fisheries	2,582,300
Financial Services	2,620,235
Forestry	953,000
Clean Energy	1,836,982
Partnership sector total	36,740,486

Partnership country

Variable	Investment total
Samoa	4,030,408
Philippines	1,600,000
Nepal	3,054,500
Timor-Leste	1,275,531
Fiji	4,913,701
Vietnam	19,130,908
Sri Lanka	724,165
Bangladesh	2,011,272
Partnership country total	36,740,486

Annex D – Documents from sampled partnerships reviewed for this evaluation

The main documents reviewed to inform this Evaluation Report are:

- IPSP Investment Design Document
- IPSP (phase 2) Annual Reports from 2020 to 2023
- IPSP six-monthly progress reports for 2023 and 2024
- IPSP Monitoring, Evaluation and Learning Framework (version September 2024)
- BPP Completion Report
- BPP Partner Survey (conducted by IPSP in 2025)
- Phase 1 BPP Partnerships Key Insights
- Vietnam Learning Event Report
- Call for Carbon Markets Partnerships in Vietnam: Lessons from Selection and Launch
- Documents from grant round selections:
 - COVID-19 recovery (Country Selection Minute and Selection Panel Summary Minute)
 - Green Recovery for Vietnam (Shortlisting Memo and Selection Panel Summary Minute)
 - Carbon Markets (Round Concept Note, Shortlisting Memo and Selection Memo)
 - Climate Adaptation (Concept Note, Shortlisting Memo, Selection Panel Summary Minute Deltacelerate Concept Note)
- Spreadsheet of IPSP Partnerships provided to the evaluation on 29 April 2025
- Spreadsheet of IPSP common

The following table presents the documents relating to the partnerships that were sampled for the evaluation.

Partnership project	Documents reviewed
Sustainable and affordable paygo biodigesters in Bangladesh	• ATEC BPP DFAT - Business Plan • ACE Partnership - ATEC Bangladesh DFAT BPP • Final_ATEC Completion-report_Phase-2-COVID recovery-FINAL • ATEC - DFAT Close-out Workshop Notes_FINAL • ATEC_results_summary
Digital wallet and payment acceptance platform for women-led micro and small businesses in Fiji	• Business Partnerships Proposal: Driving Financial Inclusion: Digital Banking and Payment Acceptance for Female MSMEs in Fiji • Updated narrative report [FP x ygap] BPP Duapay • DuaPay Close Out Summary of Discussion • Digital wallet_results_summary • 20240219 BPP Close Out meeting. pptx
Skilled Jobs Samoa	• 3. WE Ltd Business Plan - FINAL 2020 BPP proposal (2) • BPP Final Narrative Report • Social and Commercial Impact Study – BPP • BPP_DFAT-Close Out Report - We Mana • Skilled jobs_results_summary
Developing aquaculture for local markets	• Business Plan-BPP_8th March 2021_Final • Updated Final_Report_Shreenagar_Se • BPP_DFAT-Shreenagar-STEMSEL Partner Closeout Discussion • Developing Aquaculture_results_summary • Close out meeting_Presentation
Connecting commercial drivers to customers in rural Sri Lanka	• BUSINESS PLAN PICK MY LOAD (PML) SRI LANKA BPPSL499 • BPPSL499 - Full Application • BPPSL499 – Summary • Completion report template - PickMyLoad comments final version • Connecting commercial drivers_results_summary
Biochar for carbon removal and improved livelihoods in Vietnam	• BPP Business Plan Biochar in the Mekong Delta vF.1 • BPP Business Plan - Extension Annex BPPVCM054 • Completion-report-template_Phase-2-CarbonMarkets_V2 NG • Biochar_results_summary

Partnership project	Documents reviewed
Advanced vertical farming for climate, lives and landscapes in Vietnam	• BPPVN033 Business-Plan ORLAR v2 • 1. BPPVN033 Selection Panel Summary_final • 20230418 Letter_Orlar extension • Orlar BPP Six-Monthly-Progress-Update-Jul 2024 FINAL • Advanced Vertical Farming_results_summary
Sustainable cricket farming	• BPPVN032 Business Plan scaling up cricket_revised • 1. BPPVN032 Selection Panel Summary_final • BPPVN032 Cricket Close Out Summary of Discussion • BPP Partnership progress update (3) • Crickets_results_summary
Scaling Climate Resilient Mangrove Shrimp Farming in the Mekong Delta	• Options for Scaling Finance for Integrated Shrimp and Mangrove conservation in Ca Mau Province • BPPCAM-Six-Monthly-Progress-2 Update Apr to Nov 2024 • Symmetry_results_summary • Symmetry Impact Measurement Plan_Results 12 months (Gender) • Annex 1 SVS_profile
Creating sustainable livelihoods through climate-adaptive crops	• BPPCAM023-MCF-Business Plan-October 2nd-Final • BPPCAM-Six-Monthly-Progress-Update_July24_Dec24. Update11.2.2024 • MCF IMP 2024 ENGLISH_12 months (003) • MCF_results_summary • Healthcheck summary_Bulrush_V2
Women's Agribusiness Climate Adaptation Accelerator (aka Deltacelerate)	• WomenAgri_BizClimateAccelerator_Proposal • BPPCAM-Six-Monthly-Progress-Update_ • 211024 NEXVN Healthcheck Notes • Deltacelerate_results_summary • Deltacelerate_Final ME

Annex E – Stakeholders consulted

Online

Group	Organisation/stakeholder
DFAT	• Assistant Secretary, Blended Finance Unit • Director, Economic Implementation Section, Southeast Asia Economic, Communications and Analytics Branch • Australian High Commission Independent State of Samoa • Australian high Commission in Sri Lanka (former staff contracted by Palladium but embedded at Post)
Partnerships	• ATEC Bangladesh • Fintech Pacific • We Mana • Shreenagar Agritech • Diesel and Motor Engineering PLC • Raise Partners • Symmetry
IPSP	• Team Leader • Vietnam Portfolio Manager • Partnerships Broker

In-person

Group	Organisation/stakeholder
DFAT	• Australian Consulate-General in Ho Chi Minh City, Vietnam • Australian Embassy in Vietnam (Hanoi)
Partnerships	• New Energy Nexus (Deltacelerate) • AirX Carbon (Deltacelerate) • Cricket One • Orlar • Mai Anh Dong Thap • Ecoka (Deltacelerate) • Mekong Conservancy Foundation • Hong Thuy Livelihood Cooperative • South Vina Shrimp • Vietnam Sustainable Shrimp Association • Hoa Dan Moc
Local authorities	• Hoa Tu 1 Commune People's Committee • Hoa Tu 1 Commune Women's Unions • Lam Hai Commune People's Committee • Bien Tay Forest Management Board • Lam Hai Commune Women's Union • Long An, Dong Thap and Ca Mau Provincial Authorities

Annex F – Figure alt text list

Alt text for Figure 1: IPSP's selection process

Six-step process flow with icons and labels:

1. Preparation—complete survey form;
2. Discussion—participate in focus group discussion;
3. Validation—complete validation survey form;
4. Analysis—conduct survey data analysis;
5. Workshop—participate in validation workshop;
6. Finalisation—finalise and submit report.

Alt text for Figure 2: Overview of the IPSP Phase 2 partnerships (excluding Off-Grid Grant round)

Infographic summarizing 29 partnerships with total funding of \$36.8 million, including \$13.2 million from DFAT and \$23.6 million from partners.

Number of partnerships by status:

- 8 implementation,
- 6 wrap up,
- 15 closed.

Partnerships and funding by country in million dollars:

- Vietnam (\$7.3 DFAT, \$11.8 partner),
- Fiji (\$1.1 DFAT, \$3.8 partner),
- Samoa (\$1.3 DFAT, \$2.7 partner),
- Nepal (\$1.4 DFAT, \$1.6 partner),
- Bangladesh (\$1.3 DFAT),
- Philippines (\$0.8 DFAT, \$1.0 partner),
- Timor-Leste (\$0.5 DFAT, \$1.0 partner),
- Sri Lanka (\$0.4 DFAT, \$0.3 partner).

Partnerships and funding by sector in million dollars:

- Agriculture (\$7.6 DFAT, \$13.8 partner),
- Health (\$1.1 DFAT, \$2.6 partner),
- Financial (\$0.6 DFAT, \$2.0 partner),
- Fisheries (\$1.1 DFAT, \$1.5 partner),
- Clean Energy (\$0.7 DFAT, \$1.2 partner),
- Logistics (\$0.7 DFAT),
- Education (\$0.6 DFAT, \$0.8 partner),
- Forestry (\$0.4 DFAT, \$0.6 partner),
- Tourism (\$0.3 DFAT, \$0.3 partner).

Alt text for Figure 7: Outline of IPSP's supply chain integration

Supply chain flow diagram with stages Producer, Manufacturer, Warehouse or distributor, and Retail or end consumer. Two projects titled "Creating sustainable livelihoods through climate-adaptive crops" are shown with blank text boxes under each stage for project details.

Alt text for Figure 8: Ranking of IPSP's support for partners, % represent the percentage of 17 survey respondents that ranked a particular support from 1 to 6. (Survey question - What aspects of BPP support did you find most helpful? Place in order of importance)

Stacked bar chart showing rankings for six categories.

- Financial support (co-investment): 94% ranked 1, 6% ranked 2.
- Connections to the Australian Government: 41% ranked 1, 18% ranked 2, 18% ranked 3, 18% ranked 4, 6% ranked 5.
- Profiling of your business via BPP: 6% ranked 1, 18% ranked 2, 24% ranked 3, 6% ranked 4, 24% ranked 5, 24% ranked 6.
- Learning opportunities with other BPP partners: 24% ranked 1, 18% ranked 2, 35% ranked 3, 18% ranked 4, 6% ranked 6.

- Technical support provided by BPP: 6% ranked 1, 35% ranked 2, 18% ranked 3, 18% ranked 4, 24% ranked 5.
- Support/training on inclusive business approaches: 6% ranked 1, 6% ranked 2, 24% ranked 3, 18% ranked 4, 47% ranked 6.

Alt text for Figure 9: % of 17 survey respondents by DFAT's contribution to the partnership beyond funding. (Survey question - What contribution did DFAT bring to the BPP partnership beyond funding (tick all that apply?))

Bar chart showing percentages for skills or knowledge needs:

- Connection to networks 65%,
- Gender expertise to strengthen social and commercial 53%,
- Skills to capture or measure social impact 47%,
- Business or sector knowledge 47%,
- Program management experience 47%,
- National or global recognition 41%,
- Impact knowledge of safeguards standards and practices 0%,
- Other 0%.

Alt text for Figure 10: Percentages of 17 survey respondents that reported continuing the business model after the partnership ended. (Survey question - Since the partnership ended, have you made additional investments in the business model?)

Bar chart showing responses to business model investment with

- 6% No,
- 6% Partially, and
- 88% Yes,

with note that 67% of the Yes group have made additional investments into the business model.

Alt text for Figure 11: % of 17 survey respondents that made additional investments by source of investment(s). (Survey question - If you have secured finance, what was the investment source? (tick all that apply))

Bar chart showing sources of funding with percentages:

- Grant/philanthropy 60%,
- Commercial bank 40%,
- Friends and relatives 10%,
- Community/cooperative bank 10%,
- Development bank/concessional finance 10%.

Alt text for Figure 12: Visual timeline of IPSP's partnerships

Timeline chart titled "IPSP Partnerships Timeline" showing multiple partnership projects across different time periods from H1 2021 to H2 2025.

Projects are categorized by themes indicated with colored bars: blue for COVID-19 Recovery and Vietnam Green Recovery, green for Carbon Markets, and orange for Climate Adaptation. Each project has a horizontal bar representing its duration with labeled statuses: Closed, Wrap Up, and Implementation. Projects include topics such as online bookings for small tourism operators, pathology lab in Samoa, sustainable seaweed production, mental health, digital payment platforms, coffee farming, carbon markets access, nature-based solutions, climate-resilient shrimp farming, and climate-adaptive crops. The timeline shows staggered start and end dates and ongoing or completed project statuses within each category.