

## Concept Note: Impact OVO

### OVO's mission

Entrepreneurs for Entrepreneurs (OVO) empowers small and medium-sized businesses in low and middle-income countries, driving economic growth and employment. By connecting, directly or by ngo-projects Belgian companies and business angels with local ventures in Africa and developing countries, OVO promotes sustainable projects through knowledge transfer and financing. Through its mission, OVO creates direct and indirect impact in Africa, making it essential to map out and measure the impact we are creating to continue driving meaningful change.

### Focus Sustainable Development Goals

OVO integrates the United Nations (UN) Agenda 2030 and the African Union (AU) Agenda 2063 into its support framework through the SDG assessment tool and Impact Indicator Tool. These tools are used during the development of business growth plans, where OVO coaches and experts collaborate with projects to assess their influence on various SDGs and the key priorities outlined in Agenda 2063—whether positive, neutral, or negative. Adjustments are then identified to maximize positive impacts and mitigate negatives, ensuring that OVO's efforts align with both global and continental development goals.

To ensure strategic alignment, OVO determines focus SDGs and Agenda 2063 priorities that resonate with its mission and vision, as proposed by the Management Team, reinforcing OVO's commitment to advancing both sustainable development and Africa's transformative agenda.

#### SDG 1: No Poverty

##### Goal 1: A Prosperous Africa, based on Inclusive Growth and Sustainable Development

Through targeted financing and coaching, OVO empowers SMEs to expand their operations, thereby generating new formal employment opportunities and reducing unemployment rates in underserved communities. Additionally, OVO enhances the economic capabilities of local entrepreneurs through initiatives like training, mentorship, and market access, enabling SMEs to develop sustainable business models.

#### SDG 8: Decent Work and Economic Growth

##### Goal 4: Transformed Economies and Job Creation

By providing targeted financing, coaching, and technical support, OVO stimulates sustainable economic growth while addressing poverty by creating formal employment and decent job opportunities that directly improve livelihoods in underserved communities. Through capacity-building initiatives like training and mentorship, OVO helps SMEs develop sustainable business practices, improve workplace safety, and foster productive work environments. By supporting local ownership and strengthening local financial institutions, OVO enhances access to banking, insurance, and financial services, promoting financial inclusion and resilience in the regions it serves. By nurturing entrepreneurship and supporting marginalized groups, including women and youth, OVO promotes formal and decent job creation, economic diversification, and overall prosperity among these target groups in the regions it serves.

## SDG 12: Responsible Consumption and Production

### Goal 7: Environmentally Sustainable and Climate-Resilient Economies and Communities

OVO encourages the adoption of circular economy principles among the SMEs it supports, advising on sustainable practices like minimizing waste, reusing materials, and improving resource efficiency. Additionally, OVO promotes the integration of technology to enhance these practices, leveraging innovations that enable smarter resource management and eco-friendly production methods. OVO ensures these technologies remain accessible and effective for the communities it serves. Through education and guidance, OVO empowers entrepreneurs to adopt and implement sustainable technologies, fostering environmental stewardship and ensuring long-term economic sustainability within their communities. By focusing on improving global resource efficiency in consumption and production, OVO helps decouple economic growth from environmental degradation, paving the way for a more sustainable future.

## SDG 17: Partnership for the Goals

### Goal 19: Africa as a Strong, United, Resilient, and Influential Global Player and Partner

OVO forms strong partnerships with local and international stakeholders in Belgium (and beyond) and focus countries to maximize project impact. These collaborations leverage diverse expertise and resources, enhancing organizational effectiveness through knowledge exchange and innovative solutions. By working closely with businesses, NGOs, government and educational institutions, and communities, OVO strengthens local entrepreneurship, promotes sustainable economic growth, and facilitates technology transfer, all while advancing inclusive and sustainable development globally. Additionally, OVO stimulates formal and decent employment by ensuring that entrepreneurs pay legal social security contributions and legally fixed taxes on profit as soon as profit is generated. By doing this, OVO emphasizes the importance of strengthening local governments in mobilizing domestic financial resources and using those resources to deliver essential public services, such as comprehensive social security coverage, security services, and infrastructure improvements like quality motorways and public transport.

## Impact indicators OVO: Focus KPI's

To effectively align with OVO's mission and the UN's targeted SDGs, it is crucial to establish measurable Key Performance Indicators (KPIs) for these focus areas. These focus KPIs can be determined once the specific SDGs are identified. Considering OVO's limited resources and the broad scope of its activities, it is vital to develop SMART KPIs—Specific, Measurable, Achievable, Relevant, and Time-bound—to ensure efficient tracking and impact assessment.

### **KPI 1: Number of decent jobs created through OVO-supported projects.**

The KPI "Number of decent jobs created through OVO-supported projects" directly addresses SDG 1 target 1.1, "No Poverty," which includes the official goal to **eradicate extreme poverty by 2030 for all people everywhere**, currently measured as people living on less than \$1.90 a day (2020 standard). By creating decent (fair financial reward and social security coverage) jobs, OVO contributes to reducing the proportion of the population living below the international poverty line, providing stable income and economic opportunities that are essential for lifting individuals and communities out of extreme poverty.

## KPI 2: Number of decent jobs created specifically for women through OVO-supported projects

The KPI "Number of decent jobs created specifically for women through OVO-supported projects" addresses SDG 8, "Decent Work and Economic Growth," by promoting gender equality in the labor market and ensuring that women have access to quality employment opportunities. This aligns with the target of **achieving full and productive employment and decent work for all, including equal pay for equal work** (Target 8.5). By focusing on job creation for women, this KPI supports economic inclusivity, enhances overall productivity, and contributes to sustainable economic growth by empowering a significant and often underrepresented segment of the workforce.

## KPI 3: Number of decent jobs created specifically for youth ( $\geq 16$ years and $< 35$ years), whilst obstructing child employment through OVO-supported projects

The KPI "Number of decent jobs created specifically for youth ( $\geq 16$  years and  $< 35$  years)<sup>1</sup>, whilst obstructing child employment through OVO-supported projects" addresses SDG 8, "Decent Work and Economic Growth," by focusing on increasing employment opportunities for young people, a crucial demographic (especially for Africa!) for sustainable economic development. This KPI aligns with Target 8.6, which seeks **to significantly reduce the proportion of youth not in employment, education, or training**. By creating decent jobs for youth, OVO-supported projects help build a skilled and motivated workforce, driving economic productivity and growth. Additionally, by explicitly obstructing child employment, this KPI ensures that young people enter the workforce at an appropriate age, supporting their long-term development and the broader goal of decent work for all.

## KPI 4: Gross/margin/year per employed person generated by OVO-supported projects

The KPI "Gross margin per employed person generated by OVO-supported projects" addresses SDG 8, "Decent Work and Economic Growth," by measuring the economic productivity of labor within these projects. This KPI reflects the efficiency and value creation of each job, directly supporting Target 8.2, which emphasizes **achieving higher levels of economic productivity through diversification, technological upgrading, and innovation**. By focusing on the gross margin per employed person, OVO can assess how effectively its projects contribute to sustainable economic growth, ensuring that the jobs created are not only numerous but also productive and economically beneficial.

## KPI 5: Kilograms of waste eliminated per year per kilogram of product produced or service provided, through prevention, reduction, reuse, and recycling efforts by OVO-supported projects

The KPI "Kilograms of waste eliminated per year per kilogram of product produced or service provided, through prevention, reduction, reuse, and recycling efforts by OVO-supported projects" addresses SDG 12, "Responsible Consumption and Production," by directly measuring the efficiency and sustainability of resource use. This KPI aligns with Target 12.5, which aims **to**

<sup>1</sup> Using 35 as the upper barrier instead of 24 allows the KPI to address the broader challenges young adults face in securing stable, decent employment, as many continue their education or transition into the workforce well into their early 30s. This approach also aligns with global and regional definitions of youth, ensuring that OVO's projects inclusively support a wider age range in achieving sustainable economic growth and decent work.

substantially reduce waste generation through prevention, reduction, recycling, and reuse. By tracking the amount of waste eliminated relative to the output of products or services, this KPI helps ensure that OVO-supported projects are minimizing environmental impact and promoting sustainable production practices, stimulating circular economy and the overall goal of responsible consumption and production.

#### KPI 6: Number of new partnerships formed for resource sharing, knowledge exchange, or technology, leveraging the OVO network.

The KPI "Number of new partnerships formed for resource sharing, knowledge exchange, or technology, leveraging the OVO network." addresses SDG 17, "Partnerships for the Goals," by promoting collaboration and resource sharing, which are essential for achieving the 2030 Agenda. This KPI supports Target 17.16, which emphasizes **the need to enhance the global partnership for sustainable development by encouraging multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources**. By facilitating additional partnerships through access to its network, OVO amplifies the impact of its projects, enabling greater cooperation between businesses, NGOs, government entities, and other stakeholders. These collaborations strengthen the capacity of local initiatives, drive innovation, and enhance the effectiveness of sustainable development efforts.

### Output indicators OVO

In addition to impact-focused KPIs like this, OVO also measures a range of output indicators, which provide an overview of its activities and network at a central level. These output indicators include metrics such as:

- *Number of projects coached*
- *Number of projects financed*
- *Number of volunteers engaged*
- *Number of OVO members*
- *Number of partnerships established*

While output indicators measure the immediate results of OVO's activities, such as the number of partnerships formed or volunteers involved, impact indicators assess the long-term effects and outcomes of these activities, such as the economic growth or sustainability improvements generated by the partnerships. The distinction lies in the focus: output indicators track the scale and reach of OVO's operations, while impact indicators measure the actual changes and benefits resulting from those operations. Both are essential for comprehensive reporting, as output indicators give a snapshot of organizational activity and network engagement, whereas impact indicators reveal the deeper societal, economic and environmental impacts of these efforts.

## Measuring Impact at OVO

To effectively measure impact, OVO has established an Impact Cell composed of dedicated Impact Assessors. Given current resource limitations, our approach focuses on initial steps using both quantitative and qualitative measurements to gauge our progress.

### Quantitative Measurement:

Quantitative assessment will center on the SDG Impact Indicator Tool, emphasizing the identified KPIs and measuring the evolution over the course of the project:

- *Number of decent jobs created through OVO-supported projects.*
- *Number of decent jobs created specifically for women through OVO-supported projects*
- *Number of decent jobs created specifically for youth ( $\geq 16$  years and  $< 35$  years), whilst obstructing child employment through OVO-supported projects*
- *Kilograms of waste eliminated per year per kilogram of product produced or service provided, through prevention, reduction, reuse, and recycling efforts through OVO-supported projects*
- *Amount of social security contribution paid by year and tax on profit paid by year through OVO-supported projects*
- *Number of other partnership established by the projects by OVO network through OVO-supported projects*

These KPIs will be integrated into our regular reporting cycles, ensuring consistent monitoring. Data collection points include: application stages, start and end of coaching (and start of financing), periodic assessments (every 12 months), intermediate report and upon final loan repayment. By systematically collecting this data, we will develop a robust database to track and analyze impact over time.

### Qualitative Measurement:

Qualitative assessment can involve external evaluators or impact assessors within OVO conducting impact assessments. This includes interviews and other qualitative methods to gather insights into the broader impacts of our initiatives. The Impact Cell will spearhead the development and implementation of qualitative assessment frameworks, ensuring comprehensive evaluation of our projects' outcomes and societal benefits.