The Small and Growing Business (SGB) Evidence Fund

The Small and Growing Business (SGB) Evidence Fund is a joint effort of the International Growth Centre (IGC) and the Aspen Network for Development Entrepreneurs (ANDE). It aims to use practitioner-researcher collaboration to develop a leading repository of knowledge on interventions that stimulate growth of small and growing businesses (SGBs) through improvements in firm productivity and performance, and insight on the economic and social impacts of SGB growth. This research initiative will cover interventions that aim to address constraints to capital, labour, and efficiency – the key factors determining productivity growth – and aims to understand the impact productivity gains have on job creation, job quality, and poverty alleviation. An overview of the existing evidence in this area and the SGB Evidence Fund's research agenda can be found here. By pairing rigorous research with practical needs, the SGB Evidence Fund will accelerate learning in the sector and inform and influence the thinking and practice of researchers, policymakers, practitioners, and funders on the most effective ways to support SGB growth.

For purposes of this research initiative, SGBs are defined as commercially viable businesses with five to 250 employees that have significant potential and ambition for growth. They are more than livelihood-sustaining small businesses but, unlike many medium-sized firms, frequently lack access to the financial and knowledge resources required for growth. They typically seek growth capital from $20,000 to $2 million. SGBs have a significant role to play in accelerating economic development – they create jobs, as well as goods and services that benefit all sectors of society. SGBs create a pro-growth business environment and instil a spirit of entrepreneurship that can transform the economic structure of developing countries. They also promote shared prosperity, which is essential to the growth of the middle class, and inclusive, sustained growth that enables developing countries to achieve their long-term economic goals.

The SGB Evidence Fund's thematic focus in 2021

We welcome proposals on any topic related to growth and productivity of SBGs in any geographic area. In 2021, we are particularly interested in projects that focus on:
- the effectiveness of business accelerators and incubators
- the effects of peer learning, mentoring, and other information sharing mechanisms among firms
- the effect of new models of finance on SGB growth, in particular the impact of different types of capital on different SGB segments (see this report for an example of a finance segmentation framework)
- programmes that link SGBs to procurement by the public sector or large private firms
- the role of management training in improving productivity and SGB growth
- the effectiveness of SGB support interventions to drive gender equality
- the economic and social impact of SGB growth, including job creation, poverty alleviation, and social benefits from access to beneficial products or services

Targeted projects would: (i) offer insight into the specific programme design components of accelerator/incubator programmes that lead to higher success rates in different contexts, and (ii) examine the different effects of selection approaches on the one hand and post-selection support interventions on the other.

www.theigc.org/sgb-evidence-fund

Project proposals should aid in our understanding of if and how accelerators/incubators lead to higher survival rates or faster growth of SGBs and identify which components of the bundle of services offered by accelerators/incubators are most important in generating positive outcomes. Because our aim is to generate policy-relevant knowledge, projects must be based on designs that allow credible causal estimates and that consider how specific outcomes depend on the context in which the accelerator/incubator operates. Research in this area will need to address the challenges posed by variation in the bundle of services offered across accelerator and incubator programmes, and the difficulties in separating out the effect of selection approaches on the one hand, and components of the bundle of services used to support firms (which may include group training programmes, individualised consulting, network development, peer-to-peer learning, and mentoring) on the other hand. This research may also examine not only aggregate benefits to supported SGBs but also the distribution of these benefits among different SGBs, as recent work on accelerators indicates a large proportion of benefits going to a small number of participating SGBs.[1]

A high-level overview of survey data gathered by the Global Accelerator Learning Initiative (GALI) on over 13,000 ventures applying to over 175 accelerator programmes can be consulted to prompt proposal thinking in this area, and the anonymised dataset is available for download for interested researchers. This dataset may enable researchers to develop relevant contextual benchmarks for their findings or to identify trends that can be further tested through a new research proposal.

Practitioner-researcher matchmaking

To aid in the development of new practitioner–researcher collaborations, we organise annual matchmaking events between practitioners running programmes that support the growth of SGBs and researchers interested in private sector development. One geographic-specific matchmaking event will be held each year focused on a defined topic. However, proposals from all geographic regions and on all topics within the SGB Evidence Fund's ambit are eligible for submission to the open call for proposals.

The first matchmaking event was held in Kenya, the second in India and we plan on holding the third in Latin America in 2021.

Call for proposals

The next call for proposals will close on 30th April 2021, with projects developed through the matchmaking event and other collaborations eligible for submission.

The submission template and further information is available here.

For more information, please contact Rania Nasir (r.nasir1@lse.ac.uk).

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[1] See: Lall, Saurabh and Roberts, Peter, *Observing Acceleration* (2019), available at
https://www.palgrave.com/la/book/9783030000417