An IDEV **Thematic Evaluation**



Independent Development Evaluation **African Development Bank**

From **experience** to **knowledge**...
From **knowledge** to **action**...
From **action** to **impact**

Mid-term Evaluation of the AfDB's Jobs for Youth in Africa Strategy 2016–2025

What did IDEV evaluate?

Independent Development Evaluation (IDEV) conducted a mid-term evaluation (MTE) of the African Development Bank Group's ("the Bank") Jobs for Youth in Africa Strategy 2016–2025 (JfYA Strategy). The JfYA Strategy aims to create 25 million jobs and positively impact 50 million youth (15–35 years of age) by 2025, through three strategic levers: Integration, Innovation and Investment. The MTE assessed the progress, identified lessons, and recommended adjustments to inform the remaining implementation period of the Strategy. The MTE covers the Strategy activities from June 2016 to December 2021, focusing on primary youth employment projects.¹

What did IDEV find?

Relevance

Overall, the Bank's JfYA Strategy was found relevant for addressing youth employment challenges across the African continent. The strategy and its projects/ programs are aligned with Regional Member Countries' (RMCs) development strategies, needs, and visions. However, the changing economic growth context, materialization of risks, and other design shortcomings were found to undermine the overall validity of the theory of change and the realism of set targets. The COVID-19 pandemic further delayed strategy implementation and affected economic growth and job creation.

Coherence

The Strategy aligns well with the Bank's corporate strategies and seeks to complement the efforts and ambitions of other development partners. The Bank has displayed a strong leadership role in donor coordination regarding youth employment and mobilized significant financial resources to support the implementation of the JfYA Strategy intentions. On the other hand, the evaluation found that some strategy interventions, for example, the introduction of a computational thinking program in secondary schools or the provision of student loans,

were not aligned with and feasible within the Bank's systems.

¹ Primary youth employment projects were defined as those that directly promote youth employment and employability and reflect this in their goals, objectives or results. Secondary youth employment projects do not define youth employment as an objective/result but have potential for creating jobs for youth. This category of projects is characterized by the presence of JfVA related indicators, like jobs created, youth trained, small and medium enterprises supported, and financing made available for investments in youth businesses.





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Effectiveness

The evaluation found that the Bank interventions were creating jobs and equipping youth. However, actual progress towards achievement of Strategy results and outcomes is difficult to establish due to monitoring and reporting gaps. Limited use of available data on actual direct jobs created for monitoring or reporting on the Strategy, and the lack of age-disaggregated data have also made it difficult to determine the proportion of jobs accruing to the youth. Additionally, with only 11.5% of primary youth employment projects completed during the evaluation period, it is too early to adequately capture the actual results in terms of jobs created, and other project outputs and outcomes. The evaluation noted that implementation varies across the three levers of Integration, Innovation, and Investment:

- Integration: Activities in this lever seek to equip the Bank and RMCs to address youth employment. Efforts to integrate youth employment considerations in Bank operations were ongoing despite the slow progress in internal systems strengthening. Of the 479 youth employment projects, 84% were managed by departments outside the dedicated Human Capital, Youth and Skills Development Department. Strengthening the RMCs' capacity to address youth employment was ongoing. While 70% of the sampled post-JfYA Strategy country strategy papers reference it, only 43% included a youth employment indicator.
- Innovation: This lever focuses on working with private and public sector partners to incubate, implement and scale up promising ideas for creating youth employment. The evaluation revealed that implementation of all activities is ongoing, but slower than expected. Projects under the flagship program models intended to contribute over 88% of the job creation targets are being adopted but not at the required scale. Unrealistic targets, financial constraints, and the COVID-19 pandemic affected the uptake and realization of the program results. The Innovation Lab is yet to become the knowledge generation and learning hub for scalable solutions.
- Investment: Activities under this lever aim to catalyze private and public sector resources to fuel job creation for youth. The evaluation found that only half of the six planned activities under the Investment Strategic Pillar are underway, but generating the necessary finance and stimulating private sector investment. However, their reach and impact on the youth is unknown as some of the programs lack youth-focused targets and/or outcome measurements. While the Bank increased its equity in the Africa Guarantee Fund,

and equity investments in venture capital funds through the Boost Africa Investment Program are on track, lines of credit through the Africa Small and Micro-Enterprise Program for on-lending to youth-led organizations have not materialized. On a positive note, the Bank is designing Youth Entrepreneurship Investment Banks to enhance access to financial and non-financial services for the youth.

Adequacy of resources and systems

The Bank has exceeded youth employment funding goals, investing UA² 5.16 billion in key primary youth employment projects, and mobilizing UA 2.8 billion from external partners. The USD 38.9 million Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI MDTF) has facilitated catalytic and innovative activities with significant employment potential. The development and roll-out of the <u>Joint Impact Model</u>, for estimating indirect jobs, is a notable achievement in results measurement. However, funding shortfalls affected critical areas like staff and RMC capacity-building, support appraisal and supervision, the Innovation Lab, and large-scale flagship activities. The human resources and management systems expected to support the JfYA as a Bank-wide strategy have not fully materialized.

Sustainability

The JfYA Strategy design was found to be strong on sustainability given its eco-system approach, attention to building institutional capacity and an enabling environment, and developing entrepreneurship and strategic partnerships for addressing youth employment concerns. The significant risks to sustainability included inadequate implementation of key elements of the Strategy and focus on youth beneficiaries, limited interventions to address access to finance for youth enterprises, and exogenous factors that affect overall macroeconomic stability and resilience.

What lessons did IDEV draw?

- Over-optimistic expectations around fundamental elements of a strategy, such as dedicated financing through a Special Fund, human resource allocation, and the establishment of required systems, can undermine progress.
- Governance structures supported by appropriate management tools, resources, and authority are essential for systematic coordination and oversight of Bank-wide strategies such as the JfYA Strategy.

- The right incentives paired with accountability can promote the integration of employment considerations across the Bank.
- Skills development, when coupled with access to finance and non-financial support, improves employability and youth entrepreneurship.
- Small-size grants can be effective in unlocking catalytic opportunities.

What did IDEV recommend?

The Bank was advised to:

- 1. Update the Strategy and its Implementation Plan based on current circumstances and resources:
 - a. Update the Theory of Change, Implementation Plan, and the targets for the remaining period of the Strategy, based on the findings from the MTE, current realities and available resources.
 - b. Review and update the risk mitigation measures and surveillance plans to guide necessary adjustments to the Strategy and Implementation Plan.

2. Strengthen Results Measurement and Learning:

- a. Advance the implementation of the Jobs and Skills Marker System with the necessary resources, technical assistance, and staff training to improve the quality, implementation, and measurement of youth employment outcomes across the Bank.
- Improve the quality and consistency of data measuring jobs for youth created across the Bank's operations, and enhance its ability to better demonstrate the results of the JfYA Strategy.
- Consider adopting a jobs indicator among the Bank's key performance indicators to provide incentives and accountability for job creation across Bank departments.
- Review the JfYA Strategy's results measurement framework, and accompany it with clear indicator

- definitions, measurement approaches, annual targets, roles and responsibilities, reporting procedures, and resource requirements to support data availability.
- e. Capacitate the Innovation Lab to generate evidence and become the Bank's center of excellence on youth employment, and entrepreneurship.
- 3. Continue to mobilize resources to support catalytic activities and high employment-creating projects. Expand the scale and scope of the YEI MDTF, in line with the new Trust Fund Policy 2021 to continue its catalytic work, including feasibility studies, research and project assessments, and seed financing for innovative activities that create jobs at scale.
- 4. Strengthen leadership and coordination of youth employment across Bank departments, building on existing resources and considering other Bank priorities.

What was the methodological approach?

The evaluation adopted a theory-based approach to assess the relevance, effectiveness, and potential for sustainability of the JfYA Strategy as of December 2021. A combination of quantitative and qualitative methods and tools, consisting of document reviews, key informant interviews, an online survey, country and program case studies, plus complementary portfolio, policy, project and benchmarking reviews were deployed to ensure data triangulation. Some of the challenges related to unavailability and/or variations in the quality of implementation and outcome data, and difficulty in reaching a larger cross-section of youth and attributing the outcomes to the JfYA Strategy given the Bank-wide approach to implementation.

What did Management respond?

Management welcomed the outcomes of IDEV's Mid-Term Evaluation of the Jobs for Youth in Africa Strategy 2016-2025, and affirmed the Strategy's relevance for addressing youth employment across the African continent. Management committed to refining and enhancing the Strategy's execution in line with the Bank's new Ten-Year Strategy and corporate results measurement framework; and implementing the other recommendations for greater development impact and scale.



About IDEV

Independent Development Evaluation (IDEV) at the African Development Bank carries out independent evaluations of Bank operations, policies, and strategies, working across projects, sectors, themes, regions, and countries. By conducting independent evaluations and proactively sharing best practice, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development results to the highest possible standards.

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