



IDEV

Independent Development Evaluation
Évaluation indépendante du développement

Mid-term Evaluation of the Jobs for Youth in Africa Strategy

Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI MDTF) Case Study Report

Thematic evaluations

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This case study report was prepared by Independent Development Evaluation (IDEV) of the African Development Bank Group (AfDB) with the support of the consulting firm “Genesis Analytics” as part of the mid-term evaluation for the Jobs for Youth in Africa Strategy (2016-2025).

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ACRONYMS

AAAP	Africa Adaptation Acceleration Program
ADF	African Development Fund
AFAWA	Affirmative Finance Action for Women in Africa
AfDB	African Development Bank
AHHD	Human Capital, Youth and Skills Development Department
AYAF	African Youth Agripreneur Forum
BDS	Business Development Services
COVID-19	Coronavirus Disease 2019
CSP	Country Strategy Paper
DFI	Development Finance Institution
DFID	United Kingdom Department for International Development
ESO	Enterprise Support Organizations
FCDO	Foreign, Commonwealth and Development Office (formerly DFID)
FIRM	Resource Mobilization and Partnerships Department
GCA	Global Centre on Adaptation
HIGH 5s	High Five Priorities
I-DICE	Investment in Digital and Creative Enterprises
IDEV	Independent Development Evaluation
IFAD	International Fund for Agricultural Development
ILO	International Labor Organization
IMF	International Monetary Fund
JfYA	Jobs for Youth in Africa Strategy 2016–2025
LAB	Innovation and Information Lab
LOA	Letters of Agreement
M&E	Monitoring and Evaluation
MSMEs	Micro, Small and Medium Enterprises
MDFI	Multilateral Development Finance Institution
NGO	Non-Governmental Organization
NIP	Nigeria Innovation Program
OC	Oversight Committee
OPGs	Operating Guidelines
PAR	Project Appraisal Document
PAREJ	Support Project for Resilience of Youth Enterprises in G5 Sahel Countries
PCR	Project Completion Report
PIU	Project Implementation Unit
PSD	Private Sector Development
RBF	Results Based Framework
RMF	Result Monitoring Framework

RMC	Regional Member Countries
SAYEB	Scaling-up and Accelerating Youth Entrepreneurship in Botswana
SAPZ	Special Agro-industrial Processing Zones Program
SEGA	Strategy for Economic Governance in Africa 20212025
SNDR	Operations Committee Secretariat & Quality Assurance Department
SNIF	Procurement and Fiduciary Services Department
SSA	Sub-Saharan Africa
TEF	Tony Elumelu Foundation
TEFEP	Tony Elumelu Foundation Entrepreneurship Program
ToC	Theory of Change
TYS	AfDB's Ten-Year Strategy 2013–2022
TRC	Technical Review Committee
UNDP	United Nations Development Programme
WB	World Bank
WEB	Women Empowered Businesses
YEI MDTF	Youth Entrepreneurship and Innovation Multi-Donor Trust Fund
YEIB	Youth Entrepreneurship Investment Bank

TABLE OF CONTENTS

ACRONYMS	iii
EXECUTIVE SUMMARY	vii
1. INTRODUCTION	x
1.2 The Jobs for Youth in Africa Strategy	1
1.3 Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI-MDTF)	1
1.4 Purpose of the YEI MDTF Case Study	2
1.5 YEI MDTF project portfolio	3
2. RELEVANCE AND COHERENCE OF THE YEI MDTF	4
2.1 Appropriateness and relevance of Theory of Change	4
2.2 Alignment with other initiatives within the JfYA Strategy	5
2.3 Alignment with donor interests and expectations	7
2.5 Relevance of the project portfolio	9
2.6 Instrument relevance	9
2.7 Attention to cross-cutting issues – A focus on gender	10
2.8 Attention to cross-cutting issues - A focus on climate change	12
2.9 Consideration of cross-cutting issues - A focus on the informal Sector	13
3. EFFICIENCY	14
3.1 Fund administration and management	14
3.2 Governance structure	15
3.3 Project selection process	16
3.4 YEI MDTF financial resources	17
3.5 Monitoring and reporting under the YEI MDTF	19
4. EFFECTIVENESS	23
4.1 YEI MDTF projects' portfolio results	31
4.2 External factors affecting YEI MDTF and project implementation	27
4.3 Ability to scale	28
5. SUSTAINABILITY	29
6. CONCLUSIONS	30
7. RECOMMENDATIONS	31

List of Figures

Figure 1: YEI MDTF portfolio	3
Figure 2: YEI MDTF current Theory of Change	4
Figure 3: YEI MDTF Portfolio Geographic Expansion	8
Figure 4: Selection process steps	16

List of Tables

Table 1: Number of projects per implementation area and status	9
Table 2: State of disbursement at 31/12/2020	18

EXECUTIVE SUMMARY

Independent Development Evaluation function (IDEV) of the African Development Bank Group (AfDB or the Bank) is conducting a mid-term evaluation of the Bank's Jobs for Youth in Africa (JfYA) Strategy (2016–2025) as part of its 2019–2021 work program approved by the Bank's Board of Directors. IDEV has procured the services of Genesis Analytics to support the evaluation.

As a component of the overall evaluation, this case study on the Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI MDTF), a grant vehicle under the Bank's JfYA Strategy, investigates the Fund's achievements, and its contribution towards the achievement of the JfYA Strategy overall.

Overarching findings and conclusions

Relevance and coherence of YEI MDTF

- **Establishment of YEI:** The YEI MDTF was established as a Trust Fund and is the only dedicated vehicle currently supporting the JfYA Strategy. There is unanimous agreement among stakeholders interviewed that a grant vehicle in the form of the YEI MDTF was necessary to support and catalyze the implementation of the JfYA Strategy, specifically focusing on entrepreneurship and innovation. The YEI MDTF remains highly relevant because the issue of youth employment remains a critical priority on the continent and has only worsened in recent times.
- **Theory of Change:** The Theory of Change (ToC) describes how the YEI MDTF is expected to contribute to the achievement of the JfYA Strategy objectives. The YEI MDTF impact statement (to increase youth employment and employability) is ambitious and perhaps too broad to facilitate the strategic deployment of the funds needed to have the greatest impact.
- **Strategic Alignment with Donors:** There is consensus across the donors consulted during this evaluation that the YEI MDTF responds to their strategic priorities for the continent.
- **Relevance of the Instrument:** The YEI MDTF is a grant instrument. Within the context of a development finance institution (DFI), grants have greatest impact when used to support other larger investments, or to undertake feasibility studies intended to catalyze greater opportunities. The portfolio of projects reviewed aligns with this view such that the projects with the greatest impact within the YEI MDTF are those that have stimulated further investment.
- **Geographical location of activities:** At the establishment of the Fund, a geographic focus on fragile countries, hotspots of migration, and those countries with enterprise support organizations (ESOs) at a mature stage. The focus for the first year of the Fund's implementation was on five pilot countries, and this was later expanded to 11 primary focus countries, with the possibility for other regional member countries to benefit from YEI funding, pending approval by the Donor Oversight Committee. The expansion of the geographical focus over the years was guided by the need to finance other relevant projects in RMCs. However, the emphasis was also on ensuring that the ESO ecosystem would be able to deliver on the Fund's activities and outcomes, always maintaining the lens of fragility and migration. In the past two years, the geographic focus has broadened to include Pan-African and sub-regional projects. Indeed, the YEI Secretariat indicated that the efforts made in existing target countries had not been sufficient to achieve the expected results and, hence, it was necessary to shift to a project approach, focusing the selection on regional projects rather than on a country geographic focus. To date, Pan-African projects represent 25 percent of the portfolio. Donors highlighted a concern regarding the changing geographic focus of YEI, given that projects have recently been approved in countries outside the donors' interests (i.e., Libya, Morocco and Tunisia).
- **Attention to cross-cutting issues:** Gender and climate change were identified as cross-cutting issues.
 - While gender considerations are integrated into proposals, these appeared to lose their importance during implementation. Indeed, despite the efforts to collect gender disaggregated

data, the evaluation further highlights a lack of documentation on gender analysis to identify barriers to economic opportunities and employment for young women in the overall YEI MDTF.

- Climate change was adopted as a cross-cutting issue from 2019. To date, only one of the 29 YEI projects focuses to a strong degree on this issue.
- It was anticipated that the YEI MDTF would support enterprise development in both the informal and formal sectors. Apart from research studies and other enabling environment interventions, direct support to informal businesses has been challenging in some contexts due to the difficulties of these businesses meeting the intervention-specific eligibility requirements.

Efficiency

- Fund administration: In the early years of the YEI MDTF, there were delays in establishing and securing the necessary capacity within the YEI Secretariat, affecting the roll-out of activities. However, recent progress has been made to address poor human resource capacity. The Fund is currently staffed with a combination of Bank staff and consultants. There has been high turnover of team members in certain roles, leading to disruptions to operations, administration, and ultimately in the progress of Fund activities.
- Fund governance structure: The YEI MDTF decision-making governance structure was found to be adequate for efficient decision-making processes.
- Project selection process: There are three methods to identify proposals: internal, external, and on demand. The most often used method to identify fundable projects is internal calls for proposals within the Bank, which stakeholders believe is more straightforward than on-demand and external proposals. Initially, it was anticipated that an external call for proposals was more appropriate since this encourages fair competition and consistent evaluation of implementing partners and projects. However, the process to bring in external partners has been challenging.
- YEI MDTF financial resources: The level of resources (USD 38.9 million) allocated to the YEI MDTF at its establishment does not appear to be commensurate with the ambitious objectives included in the ToC, especially in reaching the Fund's final objectives.
- Disbursement process: The evaluation highlights low disbursement rates and overall delays in disbursing funding. The reasons are mainly linked to the slow ramping-up of YEI MDTF human resources, the slow kick-off of activities, and the bulk of projects in the Fund's portfolio being at an infancy stage.
- Monitoring and reporting: Challenges in efficient monitoring and reporting by Grant recipients and the resulting challenges for the YEI Secretariat to collate and aggregate the data/results have been significant. In addition, challenges to reporting were linked to constraints in accessing raw data, the difficulty in conducting field missions due to COVID-19 restrictions and budget constraints, and the inappropriateness of reporting templates. Despite these challenges, efforts have been made to develop an online M&E tool and adapt templates at the Fund level to facilitate better monitoring and reporting.

Effectiveness

- YEI MDTF projects' portfolio results: YEI has been successful at expanding its portfolio in both size and geographic presence. All approved projects were found aligned with the intervention areas, although it is too early to evaluate the effectiveness of the projects. The completed projects include prize competitions, which are of limited scale but show effectiveness for the small number of participants involved, and seven research and study projects, of which two are reported by stakeholders to have been effective in catalyzing additional investment, but this next phase is in an early stage.¹
- To evaluate the progress made and the results achieved from the initiatives funded, the progress report submitted in the 2020 Annual Report was analyzed. Of the 11 indicators for which data were available,

¹ The two projects are: Feasibility studies for the Nigeria Innovation Program (I-DICE) and the Country Diagnostic Study for Special Agro-Industrial Processing Zones (SAPZ).

only four were reported to be on track against 2020 targets. However, with the exception of six projects, the remaining 23 projects are ongoing as of the most recent report available, and most results have yet to be achieved as per their expected target milestones.

- **Factors affecting the Fund's implementation:** The evaluation found that the YEI MDTF was effective in adapting to the changing environment, and the specific demands of the COVID-19 pandemic. Efficient re-adaptation of work plans and projects was facilitated by the strong relationships between implementing partners and the YEI Secretariat.
- **Ability to scale:** The evaluation found that the YEI MDTF has not financed scalable projects. However, it has had notable success in financing catalytic projects, e.g., the research and study projects, which resulted in unlocking funding within the Bank and other external sources.

Sustainability

- **Sustainability of projects:** The evaluation found that most projects lack exit strategies and post-implementation support mechanisms. It is acknowledged that some projects have alumni and mentorship services that enable continued engagement and networking between young entrepreneurs, but this is the exception rather than the rule in the portfolio. In addition, the evaluation found insufficient internal referral mechanisms that would have facilitated implementing partners to leverage further funding within the Bank.

Recommendations

Based on the findings and the general conclusions of this study, the following recommendations have been formulated, specifically aimed at accelerating the effectiveness and impact of the YEI MDTF.

Finding	Recommendations
<p>The financial resources mobilized so far were assessed as not being commensurate with the overall level of needs and target objectives of the YEI MDTF. As the only financial mechanism dedicated to the JfYA Strategy, USD 38.9 million, which includes management costs of the Fund, falls short of the expected resources anticipated or needed to really catalyze the strategy and mobilize the Bank towards the true potential of the JfYA Strategy.</p> <p>The YEI MDTF has shown to be most effective at financing catalytic projects that will create a significant number of jobs, as opposed to directly financing projects. The YEI MDTF is currently funding a broad selection of projects, the aggregate of which is not particularly strategic or as catalytic towards the achievement of the JfYA Strategy as it might be.</p>	<p>1.1 The YEI MDTF should consider refining the theory of change, particularly the impact level, to focus the Fund's investment strategy better and prioritize potential projects going forward, as the funding available is more limited than the ambitions articulated in the impact.</p> <p>1.2 YEI could consider leveraging the new Trust Fund Policy of the Bank, approved in 2021. This would allow the YEI MDTF to issue other instruments in addition to grants (i.e., loans, guarantees, equities).</p> <p>1.3 Assuming a similar amount of funding is made available in the recapitalization, the YEI MDTF should focus on leveraging its strength, i.e., funding feasibility and research studies of innovative and catalytic initiatives to enable and facilitate the unlocking of funds for scaled job creation (e.g., project preparation).</p> <p>1.4 The YEI MDTF should continue to promote and develop relationships with other Bank departments/ initiatives (e.g., Affirmative Finance Action for Women in Africa [AFAWA]) such that there is a greater pool of catalytic and innovative opportunities identified and encouraged to apply for YEI MDTF grant funding thereby unlocking further financing for greater scale.</p>

<p>The YEI MDTF was established in 2017, but actual implementation of activities and disbursement of funding only kicked off effectively in early 2019. The YEI MDTF was slow to get started, largely due to difficulties in staffing up the YEI Secretariat.</p> <p>Staffing has continued to be a challenge over time, as the Fund has never been fully staffed as per the expectations of the organogram throughout its implementation. Nonetheless, YEI has reached a state where the required processes and people are in place and the Fund and its portfolio have traction and can build on these successes.</p>	<p>2.1 Secure a full complement of human resources (consultants and / or staff), with limited turnover in order to mitigate delays and institutional losses. YEI should investigate options to adapt guidelines by prioritizing long-term contracts to limit work disruption and delays during consultant contract renewal.</p> <p>2.2 Finalize Operational Guidelines (OPG) revisions to enable the Fund's efficient management and administration. The OPGs revision process, required to align them to the YEI MDTF's needs and characteristics, is ongoing since 2019, has been beset with delays.</p>
<p>Since the first call for proposals, the YEI MDTF has been successful at expanding its portfolio in both size and geographic presence. Although the overall process of portfolio expansion took longer than anticipated, it's 'back on track' with a current portfolio of 29 projects (including those already completed), and an additional six others in the pipeline either in preparation or already committed.</p>	<p>3.1 The YEI MDTF should continue to leverage internal calls for proposals as these were found more efficient in identifying appropriate projects. The method was found more straightforward and allowed for a shorter selection and approval process.</p> <p>3.2 Encourage internal bank departments to have external partners, particularly private sector partners, to ensure continuous innovation and market-orientation.</p>
<p>The integration of cross-cutting issues within the YEI MDTF project portfolio is considered moderate, especially for gender mainstreaming.</p>	<p>4.1 Elevate emphasis on gender integration during implementation. Detailed analysis should be conducted to support young women in differentiated and responsive ways. These differentiated challenges, needs and solutions should be reflected in research, analysis and program design to a greater extent.</p>
<p>Donors shared their concerns about reporting timelines not being respected and the lack of written updates about the annual portfolio status. This presents a serious risk to the relationship between the YEI Secretariat and the donors.</p>	<p>5.1 The YEI Secretariat should collaborate more closely with donors to ensure alignment on geographic focus, priority outcomes and targets, and how these parameters are applied for project prioritization.</p> <p>5.2 Improve communication and adhere to reporting timelines to further strengthen donors' confidence. The Secretariat should align with the reporting frequency agreed upon during the Fund's establishment.</p>
<p>The monitoring and reporting processes are insufficient at effectively generating information from an implementation progress, result measurement, or learning perspective.</p>	<p>6.1 Streamline the YEI MDTF's monitoring and reporting processes. Expected deliverables from individual grants and the Fund as a whole must be prepared in a timely manner to facilitate decision-making, course correction, and impact estimations. The Trust Fund should also advance the full deployment of the online M&E system.</p> <p>6.2 The YEI MDTF should support partners' capacity building to enable them to meet reporting requirements.</p>

1. Introduction

1. Independent Development Evaluation function (IDEV) of the African Development Bank Group (AfDB or the Bank) conducted a mid-term evaluation of the Bank's Jobs for Youth in Africa (JfYA) Strategy (2016–2025) as part of its 2019–2021 Work Program approved by the Bank's Board of Directors. IDEV procured the services of Genesis Analytics to support the evaluation exercise.
2. As a component of the overall evaluation, this case study on the Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI MDTF), a grant vehicle under the Bank's JfYA Strategy investigated the Fund's achievements, and its contribution towards the achievement of the overall JfYA Strategy.
3. This report includes: an introduction to the youth unemployment landscape and the context of this case study; a detailed discussion and analysis of the relevance and coherence of the Fund with respect to the JfYA Strategy; the efficiency of the processes leading the YEI MDTF; and an analysis of the effectiveness and sustainability of its operations. Lastly, overarching considerations and recommendations for the future are detailed in final sections.
4. A detailed description of our methodology and approach, as well as lists of stakeholders consulted and key documents, is contained in the main mid-term evaluation report.

1.2 The Jobs for Youth in Africa Strategy

5. The AfDB launched the JfYA Strategy 2016–2025 at its Annual Meetings in May 2016 in Lusaka, Zambia. It is the Bank's flagship youth employment strategy, aiming to drive inclusive growth on the continent and unlock the potential that Africa's youth represent. The Strategy's target is to create 25 million jobs and positively impact 50 million youth by 2025.
6. The JfYA Strategy aims to increase inclusive employment and entrepreneurship, strengthen human capital, and create durable labor market linkages by making use of three strategic intervention areas:
 - **Integration:** Applying a youth employment focus across the Bank's projects, investments and work with Regional Member Countries (RMCs). This is expected to be achieved through an increased focus on youth employment in the Bank's plans, projects, staff training, and systems, and through increased Bank influence and support in RMCs.
 - **Innovation:** Working with private and public sector partners to incubate, implement and scale promising ideas for creating youth employment.
 - **Investment:** Catalyzing private capital to stimulate the youth employment and entrepreneurship ecosystem. The Bank intends to use existing instruments to fund the JfYA model projects and program funding, as well as leverage co-financiers to bring in more investments.

1.3 The Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI MDTF)

7. The AfDB Board approved the launch of the Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI MDTF) in November 2017, to mobilize resources from donors to support growth of the entrepreneurship ecosystem in Africa and help create jobs for its youth.
8. The YEI MDTF was established with the aim of contributing to the achievement of the JfYA goals, focusing on entrepreneurship in market segments and sectors where the majority of Africans earn their living (including agriculture, manufacturing, and information and communication technology [ICT]), and tackling gender disparities in economic opportunities by targeting women entrepreneurs. Its **objective** is to scale

interventions of the Bank's JfYA Strategy through grant disbursement, aiming to empower youth-led start-ups and micro, small and medium enterprises (MSMEs), both in the formal and informal economy.

9. The YEI MDTF has three main areas of emphasis that are believed to support increased entrepreneurship on the continent: (i) **business development services**; (ii) **enabling environment**; and (iii) **research and feasibility studies**.
10. The initial funding for the YEI MDTF was mobilized from the Danish and Norwegian Ministries of Foreign Affairs. The initial contribution in 2017 amounted to about USD 11 million. In 2018, the Fund attracted further funding from Italy (about USD 3 million), the Netherlands (about USD 17 million) and Sweden (about USD 8 million).² The commitments from the various donors, amounting to USD 38.9 million, were allocated in tranches until 2021, providing resources to the Fund until the end of 2022.
11. The YEI MDTF had an initial lifespan of five years, expected to end in 2023. However, in 2020, the initial period of implementation was extended from 2023 to 2025, to align with the JfYA Strategy lifespan. To ensure the operationalization of the Fund at its full capacity and continuity beyond 2025, as well as alignment with the new Bank-wide Ten-Year Strategy (TYS) 2023–2033,³ it was agreed during the annual donor Oversight Committee (OC) meeting in December 2021 that the YEI MDTF Secretariat would submit a plan for replenishment towards mid-2022.
12. During the December 2021 meeting, the approach, strategic shift, and different target scenarios of the fund were discussed, as well as the YEI MDTF's future operations. The portfolio analysis revealed that, by December 2021, the Fund had committed almost all of its funding (96 percent) made available between 2017 and 2021 on projects (including completed, ongoing, approved and committed projects for 2022), management fees, fund management, monitoring and communication. The most recent donor's contribution is USD 5.5 million for 2022.
13. However, the expected value of replenishment required was unavailable during the consultations.

1.4 Purpose of this YEI MDTF Case Study

14. Within the context of the overall JfYA mid-term evaluation, this YEI MDTF case study plays an important role in assessing the progress, results and milestones achieved up to now by the only dedicated funding vehicle created under the JfYA Strategy to support its activities.
15. This case study comes at a critical juncture in the future of the YEI MDTF. The Fund is currently revising its operating guidelines⁴ and seeking replenishment, also more broadly in the context of the Bank's Trust Fund Policy adopted in 2021⁵ that allows for Trust Funds similar to the YEI MDTF to utilize a much broader set of instruments.
16. Given this context, it is necessary to reflect on the original intention of the YEI MDTF established as one of the vehicles to scale the JfYA Strategy.⁶ The YEI MDTF's funding is a fraction of the expected funding. This evaluation was conducted midway through the lifespan of the JfYA Strategy, and the discussion on replenishment of the YEI MDTF was ongoing. Given the time at which the case study was conducted, it is premature to expect to fully realize some of the anticipated results of the Fund.

² At one point it appeared that the United Kingdom was interested, however; according to stakeholder engagements, this never materialized after the shift from DFID to FCDO.

³ The strategy is currently under development.

⁴ The revision process has been ongoing since 2019.

⁵ The African Development Bank Group Trust Fund Policy 2021, available [here](#). The key change introduced by this policy has been that previously, trust funds could only leverage grants as an instrument but now, non-grant instruments such as loans, guarantees and equity can be offered. Previously, only Special Funds could leverage this broader instrument set.

⁶ From the Document for the Establishment of the Multi Donor Trust Fund to Support Implementation of the Jobs for Youth in Africa Strategy: "*The proposed YEI will help scale up interventions of the JfYA Strategy which fully aligns to the Bank's Ten-Year Strategy and High Five priorities (High 5s)*".

17. The purpose of this case study is twofold: (i) to contribute to the overall mid-term evaluation of the JfYA Strategy; and (ii) to use the data and evidence to inform the ongoing discussions regarding replenishment of the Fund.
18. The case study investigated the performance of the Fund and the extent to which the objectives are being met. The case study was based on the analysis of data collected through desk review of documents, and interviews with relevant Bank staff and Trust Fund donors, implementing partners, and selected youth beneficiaries, through an online survey, for a sample of completed activities.

1.5 YEI MDTF Project Portfolio

19. The current YEI MDTF projects portfolio consists of 35 projects, including completed, approved, ongoing, in preparation and committed projects, amounting to 73 percent of overall donors' commitment (i.e., USD 38.9 million). The number of projects by status is shown in Figure 1.

Figure 1: YEI MDTF Portfolio



20. From Figure 1 above, this case study analyzed 29 projects, namely completed (6), ongoing (15), and approved (8) projects (representing the 62 percent of donors' commitment and 85 percent of the overall value of the portfolio), as these were considered the most appropriate to determine: (i) project contribution to the achievement of the JfYA Strategy, thus referring to the effectiveness of the fund implementation; and (ii) the efficiency of decision-making and approval processes. Committed and in-preparation projects (15 percent of the portfolio's value) were not considered for the purpose of the case study, as they were still too early in the decision-making process, and the corresponding documentation had not been finalized.
21. The overall value of the project portfolio reviewed is USD 24,986,968, with the minimum value of project being USD 250,000, mostly research and study projects, with the maximum value of projects being USD 5,000,000. However, only two projects exceeded USD 1 million in value, with an average grant size of USD 861,000. There are two outliers, one at USD 5 million⁷ and one at USD 4 million.⁸
22. A summary of the projects reviewed for this case study is presented in Annex 1.

⁷ Tony Elumelu Foundation Entrepreneurship Program.

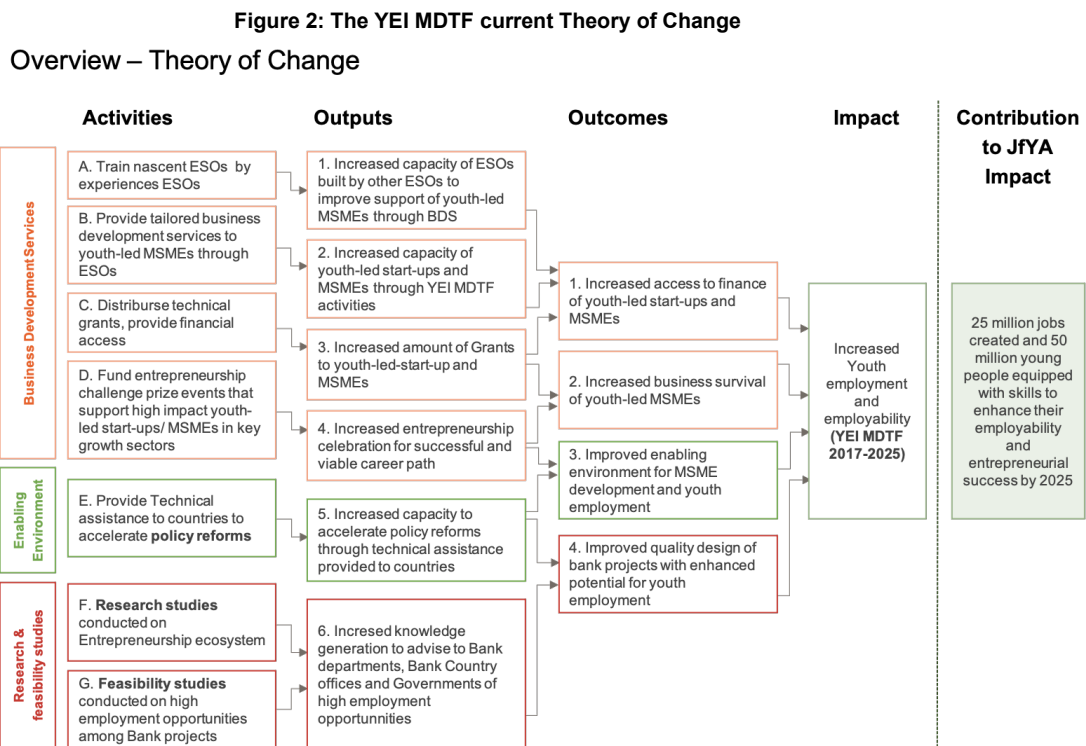
⁸ Support Project for Resilience of Youth Enterprises in G5 Sahel Countries (Parej).

- 23. The evaluation was based on the assessment of each evaluation question against the corresponding DAC⁹ evaluation criteria of: relevance and coherence, efficiency, effectiveness, sustainability, and emerging lessons.
- 24. The methodological limitations include issues with the availability of outcome data (e.g., project-level reports); the accuracy and validity of the data; and the availability of stakeholders (i.e., Multilateral Organizations, NGOs, Project Implementation Units). In addition, the 2021 Annual Report containing the most recent performance data was still unavailable as of June 30, 2022.

2. Relevance and Coherence of the YEI MDTF

25. This chapter outlines the appropriateness and relevance of the YEI MDTF ToC by analyzing how it aligns to the JfYA (Section 2.1). It closely examines the alignment with other initiatives within the JfYA Strategy and more broadly within the Bank (Sections 2.2 and 2.3). Section 2.4 of the chapter critically analyses YEI MDTF alignment with donors’ strategic priorities for the continent and the extent to which their initial expectations have been met, the relevance of the project portfolio (Section 2.4) assessed within the scope of YEI, and the relevance of the instrument (Section 2.6), which enables exploration of whether the YEI MDTF’s modality of delivery is appropriate given the identified objectives. Sections 2.6, 2.7 and 2.8 analyze the extent to which cross-cutting issues such as gender, climate change and the informal sector were considered in the YEI MDTF-funded projects and the value added to interventions.

2.1 Appropriateness and relevance of the Theory of Change



Source: Shared by the YEI Secretariat and redrawn by Genesis.

26. The original YEI MDTF ToC¹⁰ articulates three implementation areas, each of which identifies activities to be funded via the YEI MDTF, as follows:

⁹ OECD Development Assistance Committee.

¹⁰ Represented in Figure 1.

- a. **Business development services (BDS)**, which includes activities such as training of ESOs, providing tailored business development services to youth-led MSMEs, and the disbursement of technical grants to ensure financial access and the funding of entrepreneurship challenge events.
 - b. **Enabling environment**, with activities focusing on technical assistance to fast-track policy reforms in countries.
 - c. **Research and studies**, including two sets of activities, where funds are provided for studies to understand different entrepreneurship ecosystems with the intention of seeding ideas and catalyzing investments across the Bank for employment opportunities at scale.
27. From the activity level all the way to the impact, the components are interrelated, building towards the **ultimate impact of 'increased youth employment and employability'** in line with **the JfYA Strategy's impact**. Indeed, the two are linked with a dotted line showing the contribution of the Fund's results to the JfYA Strategy by 2025.
28. **However, the expected impact articulated in the YEI MDTF ToC appears to be ambitious** for a Fund with limited resources and a limited time period, covering three different intervention areas and a multitude of possible projects, given the breadth of the categories.

2.2 Alignment with other initiatives within the JfYA Strategy

29. As described in the previous section, the YEI MDTF aligns well with the JfYA Strategy, as its funded interventions are expected to contribute to the overall objective of the Strategy. In addition, the main end-beneficiaries' target corresponds with the JfYA beneficiaries. According to document reviews and stakeholder inputs, **the YEI MDTF was established as a facility to support and catalyze the implementation of the JfYA Strategy, specifically focusing on entrepreneurship and innovation**. The stakeholders confirmed that the Fund is still relevant, as youth employment remains a critical priority for the continent and has only worsened in recent times due to the COVID-19 pandemic.¹¹
30. Beyond the fundamental and operational alignment, there are specific initiatives within the broader JfYA Strategy that leverage human resources and collaboration: (i) the Innovation and Information Lab; (ii) Enable Youth Flagship Program; and (iii) Special Agro-industrial Processing Zones Program (SAPZ) Flagship Program.
31. The alignment between the **YEI MDTF and the Innovation and Information Lab (Lab)** is explicitly stated in the document establishing the Fund, which highlights that the YEI MDTF will promote the Youth Innovation Lab within the JfYA Strategy and provide grant resources that will help to enhance the bankability and effectiveness of youth owned MSMEs.
32. Both the YEI MDTF and the Lab promote activities in capacity building, awareness creation towards best practices, and leveraging existing interventions with the intention of improving the entrepreneurship ecosystem. The mandate of the Lab is to support the youth employment and entrepreneurship ecosystem by incubating new ideas and building the evidence base.
33. **Synergies and approaches to joint working have been built and are expected to be mutually exploited going forward**. This collaboration includes: the sharing of resources and information; the support of the Lab in creating a strong pipeline of projects for the YEI through its incubation process; and the access and use of ESOs mapping generated by the Lab. However, there is scope for increasing the collaboration, and making it more systematic and efficient.

¹¹ A deep dive on this is detailed in the effectiveness section.

34. The two project teams (the YEI Secretariat and the Lab team) have a collaborative relationship since they share the same human resources (procurement and communication consultants) and have weekly meetings to ensure that their activities are coordinated and explore forthcoming opportunities consistently.
35. Empowering Novel Agri-Business-Led Employment (**Enable Youth**) is one of the AfDB's flagship programs designed to address the youth unemployment challenges in Africa. Enable Youth aims to empower youth as "agripreneurs" at each stage of the agribusiness value chain by harnessing new skills, technologies, and financing approaches so that they can establish viable and profitable agribusinesses. The African Youth Agripreneur Forum (AYAF) and the **AgriPitch Competition is an annual event of the Enable Youth Program** that has been held four times since 2017 to support agriculture and development on the continent towards improved food and nutrition security and, in so doing, contribute to job creation, income generation, and improved livelihoods for youths in both urban and rural areas. **AgriPitch received funding contributions from the YEI MDTF in 2019, 2020 and 2021** in support of the annual AgriPitch Competition, and in line with the youth entrepreneurship mandate of the YEI MDTF.
36. The agriculture sector is critical for job creation and economic growth on the continent. Special Agro-industrial Processing Zones (SAPZs) is a flagship program within the JfYA Strategy that intends to play a major role in bringing about agricultural transformation and building the capacity to produce large stocks of marketable food products for local and global markets.¹²
37. The YEI MDTF financed the "*Country Diagnostics for Special Agro-Industrial Processing Zones for Productivity, Competitiveness and Job Creation in Kenya and Uganda*" in 2019, a project within the context of developing potential projects for SAPZ funding. The project completed a series of diagnostic studies to identify the opportunities for high employment sectors in the two countries. Stakeholders engaged indicated that funding for such preparatory and diagnostic research is not easy to come by within the various Bank mechanisms, and thus the alignment with the YEI MDTF's employment and entrepreneurship mandate facilitated the completion of the research, which is expected to be used to prepare project concepts to unlock other funding for implementation.
38. However, stakeholders reported a lack of communication between the YEI MDTF and other Bank initiatives (e.g., Affirmative Finance Action for Women in Africa [AFAWA] and Coding for Employment), resulting in a reduction in the likelihood of funding and supporting Bank-wide catalytic and innovative opportunities. Coordination across the Bank was also found to be less than ideal, given that the objective of the YEI MDTF and the JfYA Strategy is to leverage across Bank initiatives. Some minimal engagements were evident, but there is room for more coordination and leverage in the future.
39. As a component of the broader JfYA Strategy, and as more fully documented in the main technical evaluation report, YEI is found to be aligned with other strategies of the Bank that empathize with youth employment and entrepreneurship. Specifically, the Bank's Ten-Year Strategy (TYS) emphasizes job creation and provides clear scope and relevance for the JfYA Strategy as a Bank-wide priority. **The TYS has a specific focus on achieving inclusive growth through decent jobs** and enhancing economic opportunities for youth. This alignment is important in ensuring that all of the Bank's activities are contributing towards the same objectives. **Furthermore, the JfYA Strategy aligns with and is complementary to the other strategies in that it enacts and elaborates the focus on youth employment and employability, which is not highlighted in the aggregate of other mandates.** The JfYA Strategy is equally aligned and integrated in the cross-cutting sectoral strategies of the Bank, including the [Private Sector Development Strategy 2013–2017](#), the [Financial Sector Development Strategy 2014–2019](#), the [Fragility and Building Resilience in Africa Strategy 2022–2026](#), and the [Strategy for Economic Governance in Africa 2021–2025 \(SEGA\)](#). There are notable areas of convergence between these strategies, specifically the focus on human capital development (including skills development), the

¹² AfDB SAPZ Brochure, 2021.

recognition of the importance of the demographic dividend and harnessing its benefits, and the prioritization of private sector-led growth through private sector development (PSD).

2.3 Alignment with donor interests and expectations

40. **The YEI MDTF was found to respond well to multi-donors' strategic priorities.** Stakeholder engagements revealed a broad alignment between the YEI MDTF's objectives and their respective strategies on the continent (i.e., youth employment strategies), as well as the various activities they were involved in to support youth entrepreneurship more broadly. Despite changes in some donors' policies and priorities, supporting youth employment remains an important issue and thus the continued relevance of the Fund to donors.
41. There is a notable variance between the broad objectives of the Fund, and the targets of the JfYA Strategy as a whole. On one hand, the JfYA Strategy has a target to reach (i.e., create 25 million jobs, and equip 50 million youth), but the YEI MDTF has been rooted around a more general objective without specific targets. The YEI MDTF target is seen to be the result of the cumulative projects' outcomes. **The evaluation reveals that this difference has not fully been understood by donors, thus creating a misalignment on the realistic mandate of the YEI MDTF.**
42. Donors expressed their interest in funding activities in the AfDB's African Development Fund (ADF) window countries,¹³ with a focus on hotspots for migration countries (i.e., Category A of the AfDB classification for ADF recipient countries). However, they expressed concern regarding the approval of projects outside these priority countries. For instance, in 2021, one project was approved in Libya, and projects were also committed to Morocco and Tunisia.¹⁴
43. When the YEI MDTF was established, it was expected that the Fund would primarily focus on fragile and transition states (as per the ADF definition) and those countries where economic migration is prevalent. This decision was in response to the determination of the initial donors to concentrate interventions within a set of pre-identified countries, namely: Ghana, Nigeria, Togo, Mali, and Zimbabwe. The selection of these five initial countries was the result of a triangulation methodology that took into account fragility, migration hotspot countries and countries with ESOs at a mature stage, to meet the Bank's financing standards.
44. The YEI MDTF opened a call for proposal in late 2018, to identify high potential opportunities across the continent¹⁵ and it received a number of proposals, including from countries outside the initial scope of the fund (i.e., Democratic Republic of Congo [DRC], Ethiopia, Côte d'Ivoire). The results of the first call for proposals maintaining first and foremost a fragility and migration lens, led to proposals from nascent ESOs or those with limited capacity to deliver on the YEI MDTF's target objectives, and limited capacity to meet the Bank's stringent financial and reporting requirements. The YEI MDTF management team therefore recommended leading the country selection for 2019 by putting a stronger emphasis on the existence of ESOs with the ability to deliver on the Fund's activities and outcomes, while attempting to maintain the lens of fragility and migration.
45. Based on the combination of these criteria, a desktop review was conducted to identify potential countries that could meet the requirements of the YEI MDTF. With an understanding of countries' ecosystems and actors, the YEI MDTF extended support outside the pilot countries to also fund Guinea, Malawi, Uganda, Kenya, South Sudan, Tanzania and Rwanda. The new list of countries factored in the eligibility of other RMCs to access the Bank's Trust Fund resources based on OC approval.

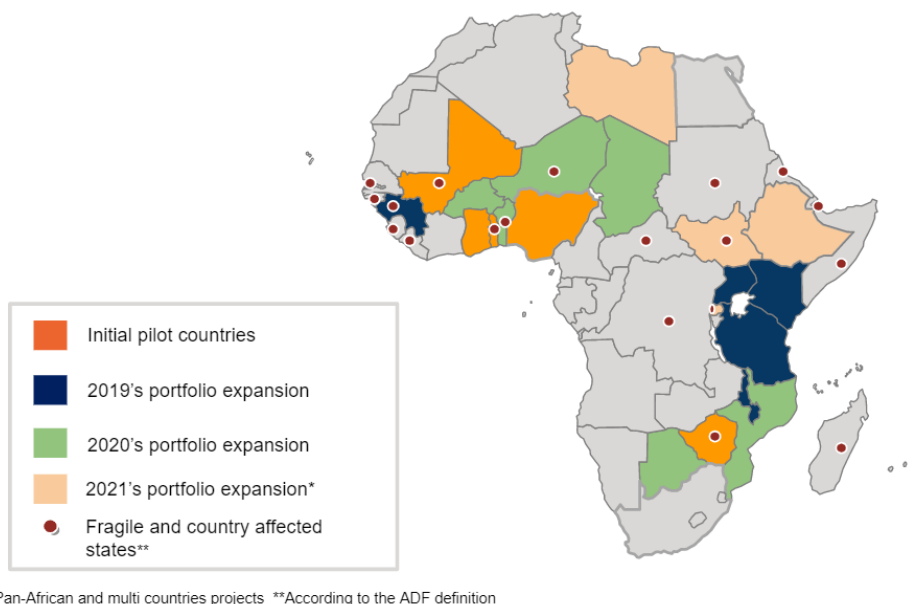
¹³ The African Development Fund is the concessional window of the AfDB. It comprises, to date, 32 contributing countries and benefits 37 countries. The list of recipient countries can be found [here](#). In the list of countries, 19 of them are categorized as fragile and conflict-affected state.

¹⁴ Respectively: Libya youth migration and employment project and Reversing Migration Flows in Morocco and Tunisia by Creating Good Quality Jobs at Home through Scalable Interventions to Promote Entrepreneurship and the Development of MSMEs.

¹⁵ More details on project selection process are given further below

46. In the past two years, the YEI Secretariat has acknowledged that the efforts made in existing target countries have been insufficient to achieve the desired traction and hence it was necessary to shift to a project approach, focusing the selection on project attributes and alignment with the YEI MDTF's objectives, rather than on a geographic focus. The YEI Secretariat aimed to follow a more opportunistic and flexible approach where promising projects with high potential for job creation could be supported (as long as they were aligned with YEI objectives).¹⁶ In this vein, the YEI Secretariat decided to adopt a regional approach, with the objective of maintaining a minimum regional focus despite including more countries. The regional focus was later encouraged by donors such as Italy to target vulnerable regions such as G5 Sahel. The regional approach led to calls for proposals in West, East and Southern Africa, with a continued focus on fragile countries and economic migration hotspots. Stakeholders interviewed confirmed that the main reasons for the adoption of the regional approach were, on the one hand, the cross-cutting nature of the drivers of conflict and migration, and on the other hand the fact that a regional approach provides more opportunities for operating at scale. Today, the active portfolio (referring to ongoing and approved projects) has eight multi-countries projects¹⁷ and four Pan-African projects.
47. The portfolio's expansion is depicted in Figure 3.

Figure 3: YEI MDTF portfolio geographic expansion



48. Currently, nine countries out of 11 are outside the donors' priority list of countries. In addition, Pan African projects represent 25 percent of the current project portfolio. Clearly, while the initial geographic focus was pertinent during the project application and screening process, this criterion has now diminished with the granting of so many exceptions. As a result, there is skepticism regarding the Fund's current geographic strategy, especially the 2022 project commitments to Tunisia and Morocco, which are not priority countries.

¹⁶ As it will be analyzed in Chapter 3, this approach has been successful in approving projects that provided fast and timely delivery as opposed to projects approved via internal calls for proposals, who often took more than 6 months to sign their LOA

¹⁷ Multi country projects are widespread within the same region (ex. G5 Sahel project implemented in West Africa), or can be across regions, as for example the Research studies on entrepreneurship ecosystem development in Mali, Togo, Ghana, Guinea, Nigeria and Zimbabwe.

2.5 Relevance of the project portfolio

49. The analysis of the relevance of the YEI MDTF portfolio was critical to better understand the rationale for funding projects aiming to contribute to the objectives of the YEI MDTF and more broadly to the JfYA Strategy.
50. **Projects within the portfolio are funded according to the implementation areas.** Nine out of 29 projects belong to more than one implementation area. These 'hybrid' multi-pronged projects are increasingly frequent. The table below highlights the number of projects per implementation area and the status of implementation.

Table 1: Number of projects per implementation area and status

Implementation Area	Total Number of projects	Approved	Ongoing	Completed	Total value/% of fund
Business Development Services	9	1	4	4	USD 8.8 million / 35% of fund
Business Development Services and Enabling Environment	8	5	3	-	USD 10.8 million / 43% of fund
Enabling Environment	5	2	3	-	USD 2.7 million / 11% of fund
Studies and Research	6	-	4	2	USD 1.7 million / 7% of fund
Studies and Enabling Environment	1	-	1	-	USD 1.0 million / 4% of fund
Total	29	8	15	6	
Total value/% of fund	USD 25 million / 100%	USD 7.3 million / 29% of fund	USD 11.6 million / 46% of fund	USD 6.1 million / 24% of fund	

51. **Approved projects are aligned with the ToC and the YEI MDTF objectives.** The evaluation highlighted the relevance of the projects at an aggregate level, as they are in line with the current activities outlined within the ToC. They are expected to contribute to the achievement of the overall YEI MDTF result.
52. **The approved projects represent a further geographical expansion of the YEI portfolio,** with one project being approved in late 2021 in Libya. Key informants described this approval as an exception, given the conflicts that have characterized the country in recent years, and the need to strengthen the opportunities for youth in Libya. The Libya project was the first project approved in North Africa (2021).

2.6 Instrument relevance

53. Currently, the YEI MDTF is the only dedicated youth employment financing vehicle under the management of the JfYA team.¹⁸

¹⁸ While other financing vehicles exist under the different JfYA strategic levers, they are under the direct management of those offices. Boost Africa, for instance, is under the management of the intermediation and financial inclusion division.

54. The YEI MDTF's funding approach constitutes a key principle that it is a grant-only fund,¹⁹ with two funding priorities: (i) youth-led start-ups in businesses with high potential social impact, value addition and prospects for economic transformation; and (ii) a focus on female youth-led start-ups to advance the agenda of closing the gender gap in youth employment opportunities.
55. In the context of Development Finance Institutions (DFIs), grant-only funds are typically used and are seen as effective for catalytic efforts, to seed and test new initiatives or offer technical support as opposed to direct delivery programs. Grants, as one of the instruments available to DFIs, appear to be limited tools to ensure the sustainability and long-term impact of initiatives.²⁰ This is also the case for the YEI MDTF: as we will see below, although it was used to fund a variety of direct delivery and enterprise-support programs, it seemed to have been most relevant and value-adding in financing catalytic projects, rather than directly funding initiatives that create a significant number of jobs.
56. This case study is timely within the Bank ecosystem, since a new [Trust Fund Policy](#) was introduced in 2021. The new policy allows alternative funding mechanisms to be adopted beyond grants, such as loans and guarantees. Indeed, the opportunity created by the new Trust Fund Policy of loan provision would allow for different types of engagement and commitment from implementing partners, given the repayment requirements, which would also allow the YEI MDTF to consider more specific financial products in the form of guarantees and equities. Overall, an increase in the range of financial products available, together with an increase in the value of the Fund to help entrench it as the Bank's dedicated youth vehicle, would improve the Bank's achievement of its targets for job creation for youth.
57. As discussed in Section 4.3, the YEI MDTF has been most efficient and effective at supporting project preparation using its grant funding. According to stakeholders engaged, there is currently limited appetite within the Bank to finance feasibility studies with an emphasis on employment. Project preparation facilities dedicated to supporting feasibility studies do exist. However, they are largely dedicated to major investment projects and there is little inclination for projects related to youth employment. Another IDEV evaluation suggested that the Bank focus on using partnership projects primarily through Trust Funds to supplement the Bank's resources whenever necessary for project preparation, feasibility studies, technical assistance, or economic and sector work.²¹

2.7 Attention to Cross-cutting Issues – A focus on gender

58. **The YEI MDTF has an objective to tackle gender disparities in economic opportunities and entrepreneurship.** Therefore, all projects funded by the YEI MDTF should focus either: (i) on the selection of ESOs/PIUs that have capacities in gender-responsive programming in addition to their business development services (BDS) capacities; and/or (ii) ensure capacity building of PIUs by the MDTF/AfDB to better support their capacity to deliver gender-responsive programming. In addition, projects should have specific targets for female beneficiaries and/or supported businesses should prioritize or have targets for women-led/women-owned businesses.
59. Gender appears to be integrated or highlighted in project proposals. However, there is insufficient evidence of strategies or intentional planning to address barriers to women's inclusion beyond simply allocating target percentage of beneficiaries. **The evaluation found a lack of documentation on gender analysis to identify barriers to economic opportunities and employment for young women in the overall YEI MDTF,** as well as targeted planning or implementation of gender mainstreaming in specific projects. The lack of assessment of specific barriers and how these can be addressed could compromise the effectiveness and realism of targets, as activities are not well informed by specific assessments.

¹⁹ Prior to 2021, Trust Funds were established as grant vehicles, and therefore, the YEI MDTF is a grant-only fund.

²⁰ Financing for Sustainable Development Report 2021. United Nations. Available here

²¹ Evaluation of the Partnerships of the AfDB (2008–2019). Summary Report. Available [here](#)

60. Furthermore, stakeholders reported that, while gender was highlighted within project proposals, this was not sufficiently emphasized during the actual implementation. This can be partly explained by the context of project implementation, permeated by social norms, household chores, or lack of skills, that prevent women from being engaged in projects. In contexts where women entrepreneurs represent only 20 to 30 percent of the targeted population, setting an arbitrary target of 50 percent of women beneficiaries is unrealistic and reflects a lack of informed gender programming, especially if the project lacks tailored interventions to support women entrepreneurs. Programs must be designed to address gender issues upfront according to the guidance given by the Gender Team within the Bank. Therefore, from a gender integration perspective, changes need to be made to the design of projects rather than simply setting percentage targets.
61. Despite the challenges encountered, the YEI MDTF has been trying to collect gender disaggregated data as part of its data collection tools (described in the Efficiency chapter). The 2020 Annual Report notes that the YEI MDTF team acknowledged that, while gender mainstreaming is necessary, it has not been adequately addressed. Consequently, the team worked closely with the Bank's Gender Team to leverage its resources and expertise in gender mainstreaming.

FOCUS BOX 1 | Tony Elumelu Foundation (TEF) Entrepreneurship Program Project

The Tony Elumelu Foundation Entrepreneurship Program (TEFEP) is a 10-year, USD 100 million commitment to identify, train, mentor and fund 10,000 African entrepreneurs. The goal is that the 10,000 entrepreneurs will create 1 million jobs and generate USD 10 billion in additional revenue on the continent.

The YEI MDTF allocated USD 5 million to scale up the TEFEP outreach by supporting 1,000 entrepreneurs (50 percent of whom are expected to be women) with seed capital, in countries of fragility or migration hotspots.

The objective was to reach at least 50 percent female beneficiaries but, despite the extensive outreach, only 36 percent of the entrepreneurs were female. TEF explained that there are cultural and sometimes religious barriers to the participation of women in entrepreneurial pursuits and applications for programs such as the TEFEP. To that end, the TEFEP deployed the following communication efforts to deliver on the desired outcome of 50 percent gender representation: (i) email publicity via targeted women communities and societies; (ii) social media promotions targeting female audiences; (iii) digital promotions targeting female audiences; (iv) gender-specific calls to action via newspapers and banners; (v) flyers and posters; and (vi) influence marketing.

A review of project documents revealed that, while efforts were made to increase women's participation, the actions implemented by the TEFEP only addressed the barriers of access to information with the attempt of attracting more female entrepreneurs to apply, but did not address the nuance of cultural and religious barriers in these environments, or any of the more complex aspects that influence and affect women entrepreneurs.²²

²² It should be noted that addressing these particular barriers is beyond the mission of the YEI MDTF-funded projects.

FOCUS BOX 2 | AgriPitch 2020 Project²³

AgriPitch targeted women entrepreneurs via identifying 'Sustainable Nutrition and Gender Inclusivity in Africa's Agri-Food Systems' as the theme and collaborated with partners, including the UN Women and the Bank's Gender Department.

In 2020, the Women Empowered Businesses (WEB) category was added to the other two categories in 2020 (Start-ups and MSMEs), as a result of lessons learned from the previous editions of the event, in which women's participation was low. The WEB is a separate category that includes women who lead MSMEs and Start-ups.

While female ownership was a key consideration of the competition, only 53 submissions in the WEB were received, against 470 applications for the Start-up category and 91 for the MSMEs category. Of the applications from WEB, only 45 percent attained the score required to be shortlisted. This meant that, in the overall long-list of 150 companies, only 24 women-owned businesses were included.

A review of the application process found that the majority of female-owned businesses were less competitive in relation to the application criteria compared with their male counterparts, with shortcomings being observed in: (i) the sustainability of the business model; (ii) proven traction; and (iii) investor readiness.

These findings bring into question whether the competition actively provided an opportunity for female agripreneurs in an inclusive manner, or whether the target is simply a label, and the competition parameters remain male-dominated rather than ones that are inclusive of considerations to promote and support women-owned businesses. For example, five women-owned businesses that would have made it into the final were disqualified on the basis of age, which may suggest that the criteria are less accommodative of women's work-family balance in early adulthood. However, it should also be noted that a number of male-owned businesses included gender inclusivity in their business models and overall female employment was high.

Overall, of the 25 participants, only seven were women and only two in the category "women-empowered businesses" received a prize out of the six cash grants available.

62. Based on these lessons, the YEI MDTF made a commitment to more deliberate efforts to target young women beneficiaries in projects in its 2021 work plan, including funding programs only accessible to women to ensure high levels of inclusion. The 2021 Annual Report was unavailable at the time of writing this case study, hence it was not possible to determine to what extent changes were made as a result of the commitment to gender mainstreaming in the 2020 Annual Report.

2.8 Attention to cross-cutting issues - A focus on climate change

63. Donors reiterated that the YEI MDTF, in addition to focusing on women, should also track **green MSMEs and green jobs as another cross-cutting theme**. Despite the fact that this was not originally mentioned in the official document establishing the Fund, it was raised by donors in late 2019, given its importance in the changing context of the continent, and the priorities of the respective donors. Africa is the most vulnerable continent to climate change impacts, affecting economic development, livelihoods, and the health and well-being of populations.
64. The 'Empowering Youth for Entrepreneurship and Job Creation in Climate Adaptation and Resilience' project in partnership with the Global Center on Adaptation (GCA) was approved in 2020 (however, this is still only in its early stages). More details are available in the Focus Box 3.

²³ AYAF AgriPitch Competition Submission & Selection Review, submitted by Asoko Insight to YEI Secretariat in December 2020.

FOCUS BOX 3 | Empowering Youth for Entrepreneurship and Job Creation in Climate Adaptation and Resilience in partnership with the Global Center on Adaptation (GCA)

The Youth Adapt Project is one of four flagships under the approved Africa Adaptation Acceleration Program (AAP), a joint program of the Bank and the Global Center on Adaptation (GCA). The project, approved in 2020, aims to mobilize USD 772 million to boost sustainable job creation through support to entrepreneurship and youth-led innovations in climate change adaptation and resilience in Africa.

Some specific activities are financed through the YEI MDTF include: a competition that took place in 2021, from which 10 winners were announced at COP26 in Glasgow of which seven were women. The winners received a grant of USD 100,000 and were supported by a 12-month incubation and mentorship program from February 2022. However, despite the project having been approved two years ago, it remains at an early stage.

2.9 Consideration of cross-cutting issues - A focus on Informal Sector

65. According to reviewed documents establishing the YEI MDTF, the Fund aims to empower youth-owned start-ups and youth-led MSMEs, both in the formal and informal sectors. However, one of the challenges of including informal MSMEs is the legality of providing support to non-registered businesses, particularly funding. The clarity of formal versus informal businesses varies between countries and this poses a challenge for a regional program from a consistency standpoint.
66. Consistent with the above, the document review and stakeholder engagements did not reveal any special focus on youth-led MSMEs working in the informal sector in projects concerning BDS implementation areas. This is a critical consideration, given that BDS programs and competitions often have minimum requirements, a common one being that the business is 'formally registered', and therefore these services and opportunities are unavailable for the informal sector. This is explained by the fact that, while the goal of BDS activities is to support growth of MSMEs that will potentially scale up and create jobs, informal businesses are usually micro businesses with little potential for the creation of decent jobs. In addition, one of the Fund's indicators is the number of MSMEs that have accessed financing, outside the grants issued directly through YEI. To achieve this outcome, implemented activities have a target of formally registered businesses only.
67. Given the nature of the projects funded by the YEI MDTF, two out of three implementation areas (enabling environment, and research and studies) have the opportunity and potential to target the informal sector. Both studies and research projects, as well as enabling environment projects, have integrated this cross-cutting issue within their scope.
68. Research projects, by their nature, investigate the different enabling environments and specific challenges faced. These studies recognize the existence of highly extended informal sectors in different countries. Findings from these projects presented an analysis of the informal sector and how it contributes to youth employment.
69. Similarly, enabling environment projects, given the nature of these projects and the technical assistance accorded to the governments to accelerate policy reforms, need to take into consideration the existence and influence of the informal sector. The informal sector was taken into consideration in three out of five current proposals²⁴ for enabling environment projects.
70. This evaluation concludes that, to fully address available jobs opportunities on the continent, it is important to recognize the critical role that the informal sector plays in the employment sector. This recognition also needs to be reflected to a greater extent in research and analysis, as well as program design.

²⁴ *Crowdfunding in the East African Community Project; Youth Employment Technical Assistance Project (PATEJ) in Guinea; Strengthening Ghana's Financing Pillars of the Entrepreneurship Ecosystem*

71. To support all projects and grant recipients in the integration of cross-cutting issues, one consideration could be the emphasis on operational research, including some learning dialogues with partners around the challenges in integrating cross-cutting issues, and strategies for addressing them.

3. Efficiency

72. Chapter 3 discusses broad areas affecting YEI MDTF process efficiency, notably: Fund administration (Section 3.1), the YEI MDTF governance structure (paragraph 3.2), the project selection process (Section 3.3), the YEI MDTF financial resources and the disbursement process (Section 3.4), and the monitoring and reporting process (Section 3.5).

3.1 Fund administration and management

73. The YEI MDTF is conceived as an integral catalyst in the implementation of the JfYA Strategy and, therefore, its administration sits under the Human Capital, Youth and Skills Development Department (AHHD), and falls under the responsibilities of the Jobs for Youth in Africa Strategy Coordinating Unit (Jobs Team) that was approved by the Bank's Board of Directors in November 2017.
74. Following the Bank's regulations regarding the establishment of multi-donor Trust Funds, a decision was made to recruit external consultants to ensure the roll-out and daily management of activities of the YEI MDTF. The Fund's dedicated staff are responsible for managing YEI MDTF's activities, and works under the supervision of the Bank's Jobs Team.
75. YEI MDTF activities are guided by a set of operating guidelines (OPGs) on the objectives, scope, eligibility criteria, implementation arrangements, governance and management of the YEI MDTF.
76. The OPGs were found to be lacking sufficient detail in some respects. Specifically, they did not provide clear guidance on the different processes necessary for: (i) Bank-executed; and (ii) non-Bank-executed projects,²⁵ including processes such as due diligence, contracting, disbursement, and monitoring and reporting. This was particularly relevant for non-Bank-executed projects.
77. The confusion around OPGs also resulted in delays in implementation, as it was challenging to have projects approved. Projects approvals were on hold between June and November 2019. Some Bank-executed projects were not approved by the steering committee and the selection process had to be resumed from the beginning.
78. The OPGs have been under revision since 2019 and their implementation is expected to improve the identified challenges to increase implementation efficiency. Stakeholders determined that the revision process delays were due to staff turnover and changes in the members of the Technical Review Committee (the TRC is the primary group responsible for the revisions and explained further below).
79. The YEI Secretariat was established in 2019, one and half years after the approval of the Fund. This was a significant delay, undoubtedly affecting the timely roll-out of activities and ultimately the achievement of results. Initially, the YEI Secretariat was composed of the Task Manager (Bank staff) and a team of consultants comprising a Fund Manager and a Monitoring and Evaluation (M&E) Officer. This initial team was supported by Bank staff who were charged with supporting the development of the Fund in addition to their daily workload. Over the years, the YEI Secretariat has expanded to include a Project Portfolio Officer, a Procurement and Administrative Officer and a Communication Officer. The initial staffing was insufficient to ensure that the timelines of operations could be met, as well as the development and implementation of YEI MDTF activities.

²⁵ The distinction between the two modalities is explained in the Project Implementation paragraph.

80. Throughout the past three years, there have been several staffing disruptions affecting operations, administration and, ultimately, the progress of the Fund's activities. These include vacant positions, as well as frequent staff turnover, both of the AfDB Task Manager and YEI Secretariat staff and consultants. As at the writing of this report, the positions of Procurement, Administrative and Communication Officers remain unfilled.
81. The choice to have a consultant-staffed Secretariat is one of the factors that led to high turnover throughout the implementation period. Consultancy contracts are seen as a difficult mechanism for acquiring long-term staff resources, as they have to be renewed on a regular basis, making the process time-consuming and particularly unattractive to qualified staff, because of the lack of job security and visibility within the Bank. As a best practice, establishing and managing funds need human resources with a long-term outlook that cannot be provided under an annual contract.
82. In conclusion, **the evaluation found that delays in staffing up the YEI MDTF Secretariat and unfavorable Bank policies have affected continuity in human resources for the Secretariat, thereby affecting implementation capacity and progress.**

3.2 Governance structure

83. The governance structure of the YEI MDTF rests with the Bank's Board of Directors,²⁶ an Oversight Committee (OC), and the Technical Review Committee (TRC). The latter two were established at the end of 2018. Both committees include Bank representatives.
84. The governance structure of the YEI MDTF is clear and the roles are explicitly defined in the document establishing the Fund, as well as the OPGs.
85. The composition of the TRC includes representatives from different Bank departments, including the Resource Mobilization and Partnerships Department (FIRM), and the Procurement and Fiduciary Services Department (SNIF) ensuring that diversified inputs are taken into consideration when approving projects. The multidisciplinary nature of the TRC ensures: (i) that the project implementation arrangements are compliant with Bank rules and procedures; and (ii) that important elements to youth entrepreneurship and employability are being addressed. For example, during stakeholder engagement, a gender specialist on the TRC affirmed that her participation on the committee was aimed at keeping an eye on gender-related issues.
86. **Stakeholders consulted appeared to be generally satisfied with the Oversight Committee (OC) decision-making process.** Donor members of the OC reported that they did not have a specific interest in reviewing technical merits of projects, as this was understood to be a TRC responsibility. However, they were interested in having more time to engage and validate proposed projects. This validation process would ideally include engaging their national counterparts to better understand the project context, enabling greater coherence with country programs, and identifying additional opportunities for increased relevance and impact.
87. Since 2019, eight TRC meetings have been held. The OPGs do not specify the expected frequency of TRC meetings. Stakeholders reported that TRC meetings were only convened once a minimum number of proposals had been received.²⁷ However, TRC members interviewed indicated that the time allowed to review proposals was only sufficient for a high-level revision, and not as detailed an exercise as might be desirable. This is a critical point, as less than rigorous proposal reviews can result in the approval of improper projects and in the introduction of risks into the projects themselves, impairing efficiency.

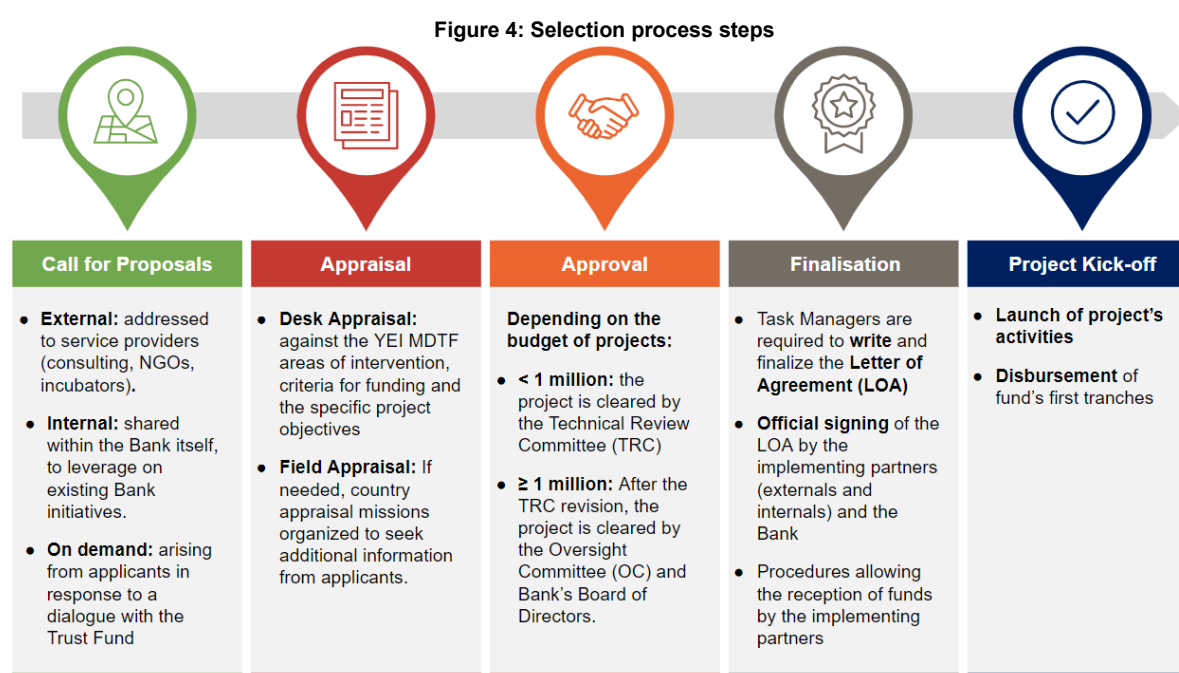
²⁶ It is important to note that, of all the projects reviewed by the governance committees to date, only two of them have required Board of Directors approval.

²⁷ There is currently no rule on the number of proposals to be collected before convening a meeting.

88. Furthermore, this delay constrained the efficiency of the TRC meetings, a fundamental decision-making step within the MDTF governance structure. The number of projects to be cleared in each meeting was very high, requiring time and effort, and resulting in a long lead time from project preparation until approval, and ultimate project commencement.
89. While the efficiency of the TRC decision-making process could be improved, the TRC remains an important and relevant governance structure, as its composition ensures sectoral oversight and ensures integration of elements across sectors.

3.3 Project selection process

90. The process leading to project selection is described in Figure 4.



Call for proposals:

91. At the establishment of the YEI MDTF, potential implementing partners were identified through an **external call for proposals (external to the Bank)** as determined by the YEI Secretariat to promote fair competition, while evaluating implementing partners and projects. However, this approach proved to be **time-consuming** due to the large number of applications received, as well as the lengthy conversations held with preselected candidates. For example, **the YEI Secretariat received 161 proposals** in the call for proposals launched in Ghana, Nigeria, Togo, Mali, and Zimbabwe, to identify implementing partners. The screening process was laborious for the Secretariat, working under capacity at that stage.
92. In addition to the large number of proposals received, other factors related to unclear stated selection criteria, the lack of clarity in the OPGs on what to prioritize in project revisions, as well as inappropriate project application templates and screening tools, all contributed to an inefficient project screening process. Delays in the selection process resulted in delayed project implementation, and progress towards YEI MDTF indicators.
93. Given the administrative burden experienced from the first call for proposals in 2019 and aiming to follow a more opportunistic and flexible approach where promising and ready projects with high potential for job

creation can be supported,²⁸ in 2020, the YEI Secretariat adopted an internal call for proposals (internal to the Bank) and a demand-led approach.²⁹ The implementation of this approach on the one hand made it easier for the Secretariat to handle the proposal application process, while on the other hand it was successful in approving projects that provided fast and timely delivery, compared with approving projects through external calls for proposals.³⁰

Appraisal process:

94. Stakeholders unanimously approved the internal selection process as efficient in leading to a pipeline of fundable projects to be reviewed and approved by the TRC. It is also facilitated by clear and defined eligibility criteria. However, the evaluation found that a robust mechanism for determining which projects had the potential to scale to most-significant results was lacking. The existence of such a mechanism would have added value to the approval process, thus improving both the efficiency and effectiveness of the decision-making process.
95. For accountability purposes, the overall appraisal process is documented in the Project Appraisal Report (PAR) and subject to an internal review by the Internal Working Group.³¹ Overall, stakeholders' engagements with TRC members indicated that the appraisal process appeared to be efficient.
96. Task Managers found the first contact with the YEI Secretariat helpful in refining proposals to suit YEI objectives. The YEI Secretariat was found to be supportive by providing timely feedback on required improvements to the proposal to meet the requirements of the next phase of selection.

Approval, finalization and project kick-off:

97. The approval process is guided by specific selection criteria that assess the contribution of project proposals to the YEI MDTF and JfYA Strategy objectives. These selection criteria are documented in the OPGs. Stakeholders' engagements confirmed that the selection criteria were sufficiently relevant and ensured alignment with the overall objective of the YEI MDTF and the JfYA Strategy. Overall, the approval process seemed to move at a pace that facilitated the kick-off and implementation of activities.
98. However, stakeholders noted that Bank procedures required to officially kick off externally implemented projects, e.g., obtaining signatures of Letters of Agreement (LOAs) can be particularly time-consuming for external recipients. Securing signatures to LOAs from these organizations was reported to be challenging given the hierarchical structure of certain implementing partners (especially public authorities and governments, for whom the process of signature is particularly long) and given that the majority of them are unfamiliar with the Bank's procedures and requirements. More details are provided under the disbursement discussion below.

3.4 YEI MDTF financial resources

Adequacy of financial resources

99. The financial resources of USD 38.9 million (covering both grant fees and management costs) mobilized under the YEI MDTF seems insufficient in relation to the ambitious objectives of the AfDB and its JfYA Strategy intentions on youth employment and entrepreneurship at scale.

²⁸ As long as they still align with YEI objectives.

²⁹ On-demand proposals arise from applicants in response to a dialogue with the Trust Fund. The formal procedure to select on-demand proposals is the same as the one for competitive calls, and can be assessed in line with the selection and approval process described below.

³⁰ Indeed, internal recipients do not need to sign a LOA, which has been proved to be a time-consuming requirement. More details on the process are given in the following paragraphs.

³¹ This is subject to changes in the new version of the OPGs.

100. Stakeholder engagements, however, affirmed that there are efforts to replenish the Fund from existing donors, given that at present no resource mobilization strategy is in place to attract more funding from new stakeholders.

Disbursement

101. The YEI MDTF's disbursement officially started in 2019. In 2018, the YEI MDTF levels were low and no large disbursements were made except to pay for two short-term consultants to conduct proposal reviews and shortlist implementation partners. Details of the disbursements are presented in Table 2.

Table 2: State of disbursement as at end 2020 (USD)

Year	2019	2020
Disbursement on Projects	278,725	5,886,838
Disbursement on Management of the Fund	213,882	505,082
Total Disbursement	492,607	5,723,308
Total Amount of the Fund Allocated per year	15,707,087	10,043,779
Disbursement Rate (%)	3%	56%

102. It was not possible to evaluate progress made to end-2021, due to the lack of updated information on disbursements. It is worth noting that donor representatives interviewed in April 2022 reported concerns over the delayed receipt of the 2021 Annual Report, and further indicated that delayed reporting was a consistent experience.

103. The reasons for low disbursement were identified as:

- a. **Delayed operationalization and staffing on the YEI MDTF**, which deferred decision-making and, consequently, the approval and disbursement of funds on projects.
- b. **Time-consuming procedures for initiating projects** that ended up causing delays in the consequent disbursement. **Some of the key challenges that resulted in delays** included: (i) issues of misalignment of the Bank's procedures and rules with the implementing partners (examples are included in Focus Box 4); (ii) lengthy procurement procedures around recruitment of external stakeholders; and (iii) external factors such as countries' instability or changes within national government. Delays encountered during kicking-off activities meant that disbursements often did not occur until the second year of the project. The majority of projects were started in 2020 and were ineligible to receive second tranche funds, ultimately slowing disbursements.

FOCUS BOX 4 | Local Content Development Program for Youth-Led and Women in Business MSMEs in Mozambique (MOZ YWEB StartUP Program)

The objective of MOZ YWEB StartUP Program is to support the nascent entrepreneurship ecosystem and young population to take advantage of the country's large investments in various sectors. In line with the objective, the expected program benefits include reduced unemployment rate and vulnerability among African youth, reduced youth poverty through improved quality of life for them.

The project was approved in early 2020, but it encountered a number of challenges during the kick-off resulting in substantial delays in the actual launch, funds disbursement and ultimately implementation. Due to restrictions from the Central Bank of Mozambique, opening of the US dollar bank account required for the implementing partner to receive YEI funds was delayed. It took almost one year to ensure the first disbursement. The process to set up the Project Implementation Unit (PIU)—a requirement for all recipient executed projects—took more than one year and entailed several back-and-forth episodes with Task Managers before approval.

- c. Stakeholder consultations highlighted errors in the initial disbursement projections presented in the annual plan that implied that projects would be fully disbursed during their approval year and not over the life of the project. This has since been corrected and clarified with the donors, **allowing for a more realistic projection of annual disbursements.**

3.5 Monitoring and reporting under the YEI MDTF

- 104. A Monitoring and Evaluation framework, accompanying the Operational Guidelines, was developed at the outset of the Fund, outlining the necessary guidance and requirements. According to the document reviewed, the YEI Secretariat is responsible for the monitoring, evaluation and reporting of activities of the YEI MDTF.
- 105. In 2019, two years after the establishment of the Fund, a detailed M&E plan was elaborated and put in place to support implementation, achievement of results and reporting. The plan guided grant recipients (both external and internal implementers) in monitoring activities and corresponding output and outcomes for YEI MDTF-funded projects. Specific data-collection and reporting templates were also provided to ensure consistency in reporting approach.
- 106. The YEI MDTF M&E plan has four components:
 - a. An online M&E system: a tool expected to operationalize the YEI MDTF M&E plan, tracking data against the indicators to support reporting (discussed further in paragraph 3.5.3);
 - b. A Theory of Change (ToC) also discussed in Chapter 1;
 - c. The log frame: the tool reflecting the ToC as a results chain outlining the Fund's activities, outputs, outcomes and impact;
 - d. Quantitative indicators and qualitative data: the component detailing the 18 quantitative indicators contained in the log frame. According to the M&E plan, indicators should be monitored continuously through routine collection and analysis of data to track progress of activities against work plans. The plan also requires primary and secondary collection of data to support reporting.
- 107. Data collection is expected to occur on time to support quarterly reports, annual reports, and project completion reports. Ensuring data quality is a primary responsibility of grant recipients with oversight from the YEI MDTF M&E consultant, who is expected to conduct field visits to support data verification and encourage the use of reliable data.

108. Reports are prepared and submitted by grant recipients quarterly, annually and at project completion. This is an integral part of the comprehensive oversight process and is used by the YEI Secretariat to assess the Fund's performance and provide information on the extent to which its objectives are achieved.

109. The following subchapters analyze the efficiency of the above-mentioned M&E process.

3.5.1 YEI log frame and indicators

110. The YEI MDTF log frame was developed together with the ToC, and was aligned accordingly. The log frame includes 18 quantitative indicators, 10 at the output levels, six at the outcome and two at the impact level, in line with the impact pathways detailed in the ToC. However, most of the indicators, even those at the outcome and impact levels, are in reality output-level indicators.

111. These indicators do not adequately cover the three workstreams, and do not adequately cover outcome and impact results. For example, the indicators for the research and studies workstream are currently not relevant, nor do the current indicators adequately capture the catalytic nature of the Fund as it relates to many of the projects that are funded.

112. Progress made by the Fund against the indicators was first captured in the 2020 Annual Report. Of the 18 indicators, 11 (61 percent) were reported against varying levels of progress. In addition, a significant error in the impact data reported exposes quality assurance weaknesses, thereby undermining overall data quality.

113. As reported in the 2020 Annual Report published by the YEI MDTF, the TEFEP reported having created 18,750 jobs as a result of the YEI-MDTF USD 5 million grant provided (this was also the total number of jobs reported by the YEI MDTF in aggregate). However, it was assessed that the calculation of the number of jobs created under the TEFEP was erroneous. Of the 1,000 young entrepreneurs that participated in the TEFEP, only 250 responded to the questionnaire/impact assessment survey. This response rate of 25 percent is fair, but the extrapolations that were derived from the sample illustrate an over-estimation of the number of jobs created and also a gap in quality control between the grantee and the publication. Specifically, of the 250 respondents, 148 indicated that they had created jobs, with 102 beneficiaries reporting that they had each created three jobs on average. Extrapolating this means that 102 beneficiaries created around 306 jobs in total. The report then indicates that the remaining 46 beneficiaries reported creating "an average of 8 to 28 jobs each". This statement is problematic for several reasons. If the analysis is based on ranges, the range should not be this wide. A range based on averages severely undermines the accuracy of the reporting. Nevertheless, even in the best-case scenario of this range, assuming that 46 beneficiaries created 28 jobs each, this implies a total of 1,288 jobs. Therefore, 148 firms created a total of 1,594 jobs (306 + 1,288). Extrapolating this figure based on 25 percent response rate with a sample that is representative of the population, one could estimate that 1,000 TEFEP beneficiaries created 6,376 jobs at most (i.e., $1,000/250 * 1,288$)—a figure that is well below the 18,750 that is reported in the 2021 Annual Report.

3.5.2 Monitoring and reporting by grant recipients

114. Reporting by grant recipients is done according to a quarterly, annual and project completion cycle. Reporting templates for each report, i.e., the quarterly report (QR) and final Project Completion Report (PCR) were developed and shared with implementing departments and partners.

115. At the time of this evaluation,³² only one-third (5/15) of the ongoing projects were at a mid- or later stage. Out of 15 ongoing projects, only four had complied with the required reporting processes and timelines. Out of the six completed projects, only two³³ had the full set of required reports (includes QRs and PCRs).

³² February 2022.

³³ AgriPitch 2019 and Tony Elumelu Foundation.

For the case of the two completed studies and research projects,³⁴ the final reports were not available (due to the nature of the projects itself, as explained below). Similarly, for the most recent prize competition project (AgriPitch, 2020), the PCR was unavailable. The YEI Secretariat noted that it was still waiting to receive results and data on the impact of the interventions on beneficiaries.

116. **The reporting templates, while allowing for analysis of activities performance, including reasons for deviations, did not link current performance to the achievement of project outcomes and overall YEI outcomes, or the assess cumulative performance over time.** Project reports were found to report on activities implemented in the corresponding reporting period, but not to evaluate the performance or the achievement of outputs and outcomes over time.
117. Reporting templates require that additional documents be provided to prove the progress made at activity level (i.e., financial statements, written work programs, training brochures/outlines, photographs) and use relevant short-term outputs from the Results Based Framework of the project proposal to provide data on real achievement. While in most project reports the attachments for activities were included, the evaluation noted that the majority of project reports did not have a logical framework updated with outcome level data.
118. **Monitoring and reporting tools are only available in English** and therefore not accessible for implementation and supervision teams operating in the Lusophone and Francophone countries.³⁵ Due to the lack of translated versions of the monitoring tools, teams on the ground in non-Anglophone countries found it challenging to report adequately.
119. Similar to other Trust Funds, YEI operations are not reported via the SAP reporting system but through a separate Trust Fund Management System. This implies that YEI-funded projects have specific reporting requirements that are different from other projects implemented within the Bank. Consequently, the Task Managers who are used to a standard set of reporting requirements are required to apply different reporting practices and systems for YEI MDTF project(s). Task Managers interviewed reported that they found the YEI monitoring system time-consuming, as it requires filling information in Excel and Word formats, while more efficient reporting platforms and processes exist within the Bank.
120. Some of these challenges are being addressed through the development of a new YEI MDTF M&E system implemented in early 2022. This includes the development of new QR templates and attendant data collection methodologies, and the requirement of Task Managers to align project results-based framework indicators with the YEI MDTF. The progress reporting template were updated in February 2022 to align with the Bank's Operations Committee Secretariat & Quality Assurance Department (SNDR) to use a results-based approach to track progress of project activities against work plans, and capture data and performance against targets at the output, outcome and impact levels. The template also captures challenges, lessons learned, disbursement against targets, communications, next steps and provides guidance on the sharing of photos, etc. It is anticipated that the utilization of new adapted tools will allow for better monitoring of activities and the actual evaluation of the achievement of outcomes against overall YEI results. In addition, the new system requires Task Managers to submit data sources in each report, allowing for quality checks and verification. Task Managers reported that the YEI Secretariat has conducted training to familiarize them with the new tools and reporting expectations.
121. The Bank through the SNDR has released new guidelines on developing ToC, Results-Based Frameworks (RBFs) and M&E plans, which are expected to improve the quality of design, focus on results and impacts, and improve the monitoring of projects within the Bank. Training and guidance will be made available to Task Managers. Changes within the Bank will also reflect positively on the YEI MDTF M&E system.

³⁴ Feasibility studies for the Nigeria Innovation Program (I-DICE) and Country diagnostic studies for Special Agro-Industrial Processing Zones (SAPZ) in Uganda and Agricultural Transformation Clusters (ATC) in Kenya.

³⁵ This is in the pipeline to be corrected.

122. In the past, the M&E Officer had limited access and time availability for field monitoring activities, engaging only with Task Managers and not directly with implementing partners. This affected the accuracy of data gathered and the overall reporting. While some of this quality assurance is expected to be undertaken by Task Managers, this did not happen as consistently as expected. As a result, there were instances where there were errors in the reported data,³⁶ and it was impossible to determine at which point the errors had occurred, who was meant to identify them and/or how to address them. In addition, the halting of field missions, due to COVID-19 restrictions and budget constraints, together with communication gaps, affected the monitoring processes, and the learning processes in particular.
123. This particular interface between Task Managers, the M&E Officer, and grant recipients should not prevent the M&E Officer from providing adequate support to PIUs and performing an assessment of data quality.

3.5.3 Online monitoring system

124. Since the Fund's establishment, **the intention has been to develop an online monitoring dashboard** that allows for online and on-demand report generation for donors, Task Managers and external stakeholders. This is an additional element to the project reporting system described above. Given the multitude of stakeholders working on the YEI MDTF, an online dashboard is perceived as contributing towards an efficient and easily accessible reporting system, creating live dashboards on project and Fund implementation.
125. To facilitate more efficient reporting, the YEI MDTF collaborated with the relevant Bank departments to develop business requirements for the online system. The YEI MDTF was one of the first Trust Funds at the Bank to develop such a digital solution for monitoring and reporting. The platform was launched in August 2021 and, since then, the YEI Secretariat has been capturing data in the system to operationalize it. However, **the system is still in the development and pilot phase, and full deployment and implementation is delayed until now.** Given the early stage of the platform's development, the evaluation has refrained from commenting on the online platform and dashboard.

3.5.4 Reporting to donors

126. Donors receive an Annual Report with Financial Statements that provide an overview of funds received and disbursed and progress of the MDTF's implementation as part of the reporting commitments of the Fund. Once the online monitoring system is finalized, donors will be able to access an online dashboard on the Fund's achievements and progress.
127. To date, the Fund has produced and shared reports for 2018, 2019 and 2020. At the time of the evaluation, the 2021 Annual Report (due by May 2022) had not been finalized and shared with the donors. Donors engaged shared their concern about timelines not being respected and the lack of written updates about the annual portfolio status. This presents a serious risk to the relationship between YEI Secretariat and the donors. Donors expressed a desire to receive reports on time to have a better understanding of the Fund's achievements and inform their decisions regarding replenishment.
128. At the establishment of the YEI MDTF, one requirement from donors was to publish M&E results on the International Aid Transparency Initiative (IATI) platform. This process started in 2020 with the formatting of data into IATI requirements/standards. Publication of these results is now planned for September 2022. The delays are reportedly due to external factors, such as the Bank IT system being unable to publish data.

³⁶ As reported for the TEFEP calculation.

4. Effectiveness

129. Effectiveness assesses the extent to which projects (both ongoing and completed) funded under the YEI MDTF are achieving or likely to achieve their intended objectives. This chapter starts with an assessment of YEI's portfolio results (Section 4.1), continues with an analysis of the factors hindering the achievement of YEI MDTF objectives (Section 4.2) and concludes with Section 4.3, which analyzes the ability to scale the YEI MDTF, also assessing whether funded interventions have already scaled or can be scaled.
130. The evaluation team conducted an online survey to collect the perspectives of the youth beneficiaries, as well as to triangulate the data reported. Two sets of beneficiaries were selected to participate in the surveys, i.e., the TEFEP and AgriPitch competition participants. The decision around the selection of respondents was driven by the fact that the two projects were completed, and had a considerable number of participants that could share their experiences from attending the TEFEP and AgriPitch competitions. The survey findings are presented below in Focus Box 5.

4.1 YEI MDTF projects' portfolio results

131. As noted previously, the case study assessed 29 projects as follows: completed (6), ongoing (15) and approved (8) projects.

4.1.1 Project implementation

132. From an implementation standpoint, projects are either implemented via external implementation partners (recipient) or via internal Bank departments. The current portfolio stands at 12 Bank-executed projects and 17 recipient-executed ones.
133. **All approved projects align well with the priority intervention areas of the YEI MDTF.** The main factor supporting this alignment is the engagement between the YEI Secretariat, Task Managers, and implementing partners during the formulation stage of projects.
134. The evaluation investigated, to the extent possible, the results achieved to date and the potential impact of these projects in the long term, and their contribution to job creation. Based on the project concept notes, all the approved projects are expected to have an impact on job creation and will identify quantitative indicators to measure these expected achievements.

4.1.2 Ongoing projects

135. At the time of the evaluation, **10 out of the 15 ongoing projects were still at an early stage of implementation,³⁷ and the remaining five at a mid- to late stage.** The evaluation considered early-stage projects to be those for which LOAs have been signed, but where official kick-off activities have been delayed for various reasons. Mid- to late-stage projects are those that have started and are able to report, at least partially, against the progress made.
136. The expected timeline for each project depends on the nature of the project itself. Assessment, studies and research are usually expected to be completed within six months, while enabling environment projects usually take longer, with up to three years of project implementation. Depending on their nature, the BDS projects assessed were found to vary between one and two years.³⁸ The review of project documents, together with reporting from Task Managers during stakeholder engagements, highlighted that delays average one additional year.

³⁷ The stage of projects was evaluated through the desktop review of project information provided by the YEI Secretariat including quarterly and annual reports, as well as feedback from relevant Task Managers.

³⁸ YEI Secretariat noted this was up to four years, however; this is not in the OPGs.

137. Based on the data and reports available, it was possible to assess five projects:

- **Two projects are research and studies:** *Research studies on entrepreneurship ecosystem development in Mali, Togo, Ghana, Guinea, Nigeria and Zimbabwe; and Feasibility Study on Youth Entrepreneurship Investment Banks for Africa (YEIBA)*. These projects are not direct delivery or implementation projects by nature, and thus do not have a direct impact on job creation. Rather, the value of research and studies, besides informing the Bank's operations, lies in the catalytic nature in unlocking dialogue, stakeholder engagement, and laying the groundwork that generates significant funding to address specific issues.³⁹ A complicating aspect is that the reporting for research and studies does not require the submission of quarterly reports. Given the relatively shorter time frame of research and the relatively straightforward nature of implementing studies, only PCRs are collected. This means that it is difficult to assess the compliance with procedures, the timely implementation of the projects, and the challenges encountered in their implementation. However, these projects are continuously monitored by the Project Portfolio Officer to ensure timely implementation. The YEI Secretariat is in touch with SNDR throughout the process.
- **Youth Adapt: Empowering Youth for Entrepreneurship and Job Creation in Climate Adaptation and Resilience**, a project aiming to boost sustainable job creation through support to entrepreneurship and youth-led innovations in climate change adaptation and resilience in Africa. The project, at the time of evaluation, was still in the process of securing the letter of agreement between the Bank and the implementing partner (GCA) to access funds to implement the Youth Adapt Solutions (Youth Adapt) Challenge. Despite this administrative delay, the project had already launched some of its activities in September 2021, publishing a call for applications, inviting interested youth-led businesses across Africa to submit their adaptation solutions for the competition. After screening of applications, 20 enterprises were shortlisted and winners were announced during COP26 in Glasgow. The last quarterly report available did not provide any progress on the project indicators.
- The **Africa Guarantee Project**, which provides support to MSMEs in five countries, does not have an up-to-date report available (the 2021 Annual Report was not submitted). This was probably due to the fact that, between March and October 2021, the project was on hold due to a break in the contract with AGF. The YEI Secretariat reported that the current crisis in Mali affected the implementation of the project. Stakeholder engagements confirmed that the first disbursement was received, but that reporting was delayed, thus also delaying the second tranche and leading to the stalling of the project.
- The **Post AfricavsVirus Challenge (Ideathon)**, the project was implemented in collaboration with the Lab. The report shows that the project is on track to deliver the expected results, and its objectives and indicators are in line with the YEI MDTF objectives.

4.1.3 Completed projects

138. Completed projects fall under the implementation areas of BDS, and research and studies. More details are provided in the following paragraphs.

Business Development Services

139. BDS projects in the framework of the YEI MDTF were mainly prize competitions to contribute to the objectives of increasing access to finance, survival, and improving the enabling environment for MSME development and youth employment.

³⁹ More details are given in the following Section 4.3.

FOCUS BOX 5| Youth beneficiary perspectives

Concerning the survey results from the TEFEP participants, questions were asked to test the reach of the outcomes linked to: access to finance once the project concluded, increased networking with other entrepreneurs within the enabling environment, and increase in team size as a result of the participation in the intervention.

Access to finance:

When asked whether, since the participation to TEFEP, entrepreneurs found it easier to raise finance, the majority of respondents (52 percent) agreed with this statement, while 27.6 percent disagreed. The impact on business on increased access to finance is mitigated between respondents, and an evaluation conclusion is difficult to draw.

Survival and improving enabling environment:

When TEFEP participants were asked if, since the participation to the event, they felt closely connected to the African entrepreneurship landscape, the majority of respondents (33.8 percent) answered yes. This is part of the improving enabling environment element, as the connection between entrepreneurs in the ecosystem is likely to increase networking opportunities and allows for partnership that could be vital to the businesses. Similarly, 55 percent of respondents stated that, thanks to the TEFEP project, they were able to build beneficial relationships with other entrepreneurs within the TEF ecosystem.

The survey analyzed access to markets for participants. Asked if by using the TEFEP tools provided they experienced increased access to new markets and clients, the majority of respondents agreed (43.4 percent agreed and 16.7 percent strongly agreed).

Increase in youth employment

More than half of the participants (51.5 percent) affirmed that, in the two years of their participation in the TEFEP, they had recruited between one and five employees. However, 13 percent of respondents did not add any members to their teams. In addition to this, 38.7 percent of respondents affirmed that their teams are composed of more than 75 percent of young people (aged between 18 and 35 years old).

A survey was run for AgriPitch participants, to evaluate the impact of the intervention on the growth of the business, financial access, increase in management skills, and increase in team size. Half of the respondents participated in the 2019 event, and the other half in the 2020 competition. The responses are analyzed with respect to the specific outcomes of the YEI MDTF, as it was reported for TEFEP results.

Access to finance:

When asked whether, since participation in the two AgriPitch competitions, entrepreneurs found it easier to raise finance, the majority of them (50 percent) agreed with this statement, while only 12.5 percent disagreed. Similarly, 43.7 percent of respondents affirmed that since participating in the AgriPitch competitions, they have experienced an increase in the average amount of investors' funds. Respondents who won the competition affirmed that: *"Because we were among the winners, we received a cash prize that contributed to bridging the financing gap we had at the time"*.

Survival and improving enabling environment:

Since the participation in the competition, 75 percent of respondents increased their network with entrepreneurs in the ecosystem. The increase in network led, for 20.5 percent of respondents, to an increase in the number of clients, sales and to an increased efficiency in running operations effectively. Results show that the participation in the competition supported entrepreneurs in increasing the ability to explain their products to their demand, better understanding the position of the business within the target market. One of the respondents affirmed that *"I learned a lot of things including financials, leadership, marketing strategies, business opportunities and discussing the challenges and opportunities of youth in my country in comparison with youth from other countries."* Indeed, among the winners of the final probe, 13 percent affirmed an increase in profitability. According to the survey, participation in the AgriPitch event enabled entrepreneurs to survive during the COVID-19 pandemic. Indeed, 50 percent of respondents believed that their participation in the AgriPitch competition empowered them with the skills to be resilient during the COVID-19 pandemic.

Increase in youth employment and business size

While 37.5 percent of respondents affirmed having increased their teams of one to five employees since their participation in the competition, 31.2 percent of the respondent affirmed that the increase was not linked to the participation to the AgriPitch itself. It is important to note that 18.7 percent did not actually know if the two things were interlinked. Indeed, only 6.25 percent of the winners who participated in the survey affirmed that the funds received contributed to the increase in the size of their businesses.

140. While the competition participants' responses were generally positive, **the evaluation raised concerns about the relevance of prize competitions activities:**

- **Though competitions indirectly serve a wider role of promoting entrepreneurship as a successful career path among the youth, they initially reach only a limited number of participants, limiting their potential impact and scale.** For example, for the AgriPitch competitions, an average of 22 participants took part in the pitching sections with only six winners in each round (for about USD12,000 of prize money). Though these competitions have a knock-on effect on job creation, the results and impacts have been difficult to establish due to challenges in accessing data from the participating entrepreneurs.
- Furthermore, interviews stated that **challenge prizes were not identified as a priority of the donors.**

Research and Studies

141. A number of studies were funded by the YEI MDTF to increase knowledge of the entrepreneurship environment, and assess the feasibility and viability of upcoming projects. One of the challenges faced by RMCs is information gaps on innovative and transformative youth employment initiatives. In addition, stakeholders engaged noted that, within the Bank, there is limited appetite to finance feasibility studies. These gaps can be filled by research and feasibility studies in terms of identifying priorities, design elements, and mapping potential partnerships among other knowledge providers. **The value added of research and feasibility studies is that they facilitate the development and financing of large investments, leveraging both Bank finance and external funding**, which can then lead to job creation and better employability. However, the concern is that the YEI MDTF results chain is overly ambitious and does not adequately recognize that the pathway from research and studies to impact is complex and can take longer than anticipated.
142. Out of seven research and studies projects reviewed to date, two have unlocked financing for implementation and roll-out within alternative Bank mechanisms. Evidence of this can be found in:
- a. The conclusion of the *Feasibility studies for the Nigeria Innovation Program (I-DICE)* project, finally approved in November 2021 and is expected to generate 77,720 direct jobs and 772,700 indirect jobs.⁴⁰
 - b. The approval of two SAPZ projects in late 2021, to be implemented in Nigeria and Senegal. According to stakeholders, the approval of these two projects in West Africa was supported by the findings and conclusions presented in the *Country Diagnostic Studies for Special Agro-Industrial Processing Zones (SAPZ)*.
143. Overall, there is good alignment of approved projects with the YEI MDTF objectives. However, the delays experienced in ongoing and completed projects showed mixed results in terms of effectiveness. Prize competition projects have their limits against the scale of what the Bank is trying to achieve (i.e., 25 million jobs) and in terms of their contribution to YEI objectives. Research and study projects have however helped to catalyze and motivate the funding of projects with greater potential for scale.
144. To evaluate the progress made and results achieved from the initiatives funded, the progress report submitted in the 2020 Annual Report was analyzed. Of the 11 indicators for which results data are available, only four were reported to be on track against the expected results for 2020. Other data quality concerns were noted in previous sections (see the TEFEP example). The online reporting system is expected to enable better compilation, aggregation, and analysis of data across all YEI-funded activities.

⁴⁰ Investment in Digital and Creative Enterprises (I-Dice) Program, Program Appraisal Report. November 2021.

4.2 External Factors affecting YEI MDTF and project implementation

145. The mid-term evaluation aimed to define the challenges and opportunities encountered in the implementation of YEI MDTF-funded interventions and provide reasons for why expected results were or were not achieved. Some of these factors have already been discussed in the preceding sections.

4.2.1 Effect of the COVID-19 pandemic on the YEI MDTF and its grant recipients

146. With the spread of the **COVID-19 pandemic** globally and across the continent, it was necessary for the YEI Secretariat to reassess its annual work plan to determine what could realistically be delivered within the constraints caused by the pandemic.

- a. To ensure the continued implementation of active projects during the pandemic, YEI engaged with implementing partners to better gauge the feasibility of continued implementation. Stakeholder engagements highlighted that, in many instances, partners were able to leverage digital tools to pivot towards remote training for BDS projects and provide access to online resources to end-beneficiaries. This enabled partners to continue making progress on their activities.
- b. In the case of research and studies projects, travel restrictions limited the ability to conduct field missions for data collection for the *Country diagnostic studies for Special Agro-Industrial Processing Zones (SAPZ) in Uganda and Agricultural Transformation Clusters (ATC) in Kenya*, which led to delays in implementation, although no projects were canceled. Evidence of this is reported in Focus Box 6.
- c. In April 2020, a revised work plan was presented to the OC, proposing an alignment of YEI-funded projects with the Bank's efforts to respond to the COVID-19 pandemic, in particular the Bank's Rapid Response Facility. The goal was to ensure that YEI not only aligned with, but also amplified, the Bank's efforts. In line with this, the **AfricavsVirus Challenge** and the **Support Project for Resilience of Youth Enterprises in G5 Sahel Countries (PAREJ)** projects were approved.
 - **AfricavsVirus Challenge** is a Bank initiative aiming to exploit the creative talent and innovation among African youth as assets to co-create COVID-19 solutions to save lives and livelihoods in Africa.
 - **Support Project for Resilience of Youth Enterprises in G5 Sahel Countries (PAREJ)** is part of the Bank's COVID-19 response, which launched a USD 10 billion COVID-19 Response Facility and issued USD 3 billion in debt to raise financing to help the continent confront the pandemic.

FOCUS BOX 6 | Country Diagnostics for Special Agro-Industrial Processing Zones for Productivity, Competitiveness and Job Creation in Kenya and Uganda

The project is the result of a YEI MDTF internal call for proposals to fund feasibility studies in support of the preparation, evaluation and appraisal for high employment projects. As a result, in late 2019, the Country Diagnostics for Special Agro-Industrial Processing Zones for Productivity, Competitiveness and Job Creation in Kenya and Uganda was approved.

The diagnostic study, aiming to identify potential and existing risks to building a sustainable SAPZ and ATC in Kenya and Uganda, started in March 2020. It involved data collection activities in Uganda. The COVID-19 outbreak affected the implementation of these activities as, given Uganda's mobility restrictions and the closing of borders, consultants were evacuated. The consulting firm was therefore unable to conduct its data collection activities on the ground as originally planned and had to shift to a virtual modality of work. The initial changes to the work plan and method of work led to delays in the implementation of activities, and the project deadline was extended to ensure the delivery of final results.

The flexibility of the implementing organization coupled with adaptation of the project to the changing environment enabled completion and sharing of the final deliverables with the YEI Secretariat.

Many projects are still being evaluated, delaying the unlocking of new funding. However, in late 2021, two new SAPZ projects were approved thanks to the report and findings of the YEI-funded projects.⁴¹

147. From the operational point of view, the YEI MDTF's response to the COVID-19 pandemic was strong, demonstrating flexibility and capacity to adapt to change. The prompt response is an example that highlights the usefulness of the risk management and mitigation measures in place. However, delays in implementation due to restrictions at the country level were incurred.

4.2.2 Other factors affecting Fund implementation

148. The YEI MDTF targets fragile countries on the continent. This objective entails an inherent challenge, as working in fragile countries exposes interventions to endogenous shocks, including greater political and economic volatility. In addition to this, security issues can affect the consistent and effective implementation of projects as planned.

149. One example of the challenges faced is the project *Support the Ecosystem Development of MSMEs/MSMIs in Mali*, which encountered delays as a result of a political and security crisis since 2018 to date, significantly affecting the proper functioning of the project.

150. Political instability and inconsistencies can affect the launch of projects when working with government partners, as agreements between the respective government and the Bank need to be signed. For instance, internal changes without proper succession caused a delay of the *Local Content Development Program for Youth and Women-led MSMEs* in Mozambique, due to challenges finalizing and signing the necessary agreements.

151. Ultimately, when working within fragile contexts, implementation challenges are expected, and the earlier the potential risks in each project can be foreseen and mitigated, the more effective implementation will be.

4.3 Ability to scale

152. As described in the first chapter, the YEI MDTF was conceived to catalyze JfYA interventions to contribute to the achievement of the Bank's ambitious targets.

153. **Donors consulted expressed concerns with the prolonged period of time taken to establish the Fund**, initiate implementation, and allocate funds. The delays in setting up the YEI Secretariat led to further

⁴¹ It is however important to note that no evidence of this was shared with the Genesis Team to triangulate this information.

delays in implementation, which meant that results also lagged expectations. This was further exacerbated by reporting delays, which raised donor concerns about implementation progress.⁴²

154. Findings from portfolio analysis did not identify any current projects with large-scale near-term potential to create jobs in and of themselves.⁴³, although some were identified as having the potential to support scaling and job creation:

- a. Research and feasibility studies: These projects support the identification and concept development of projects that are intended to leverage large financial resources, both within the Bank and from external sources. The case of the **Nigeria Innovation Program** is an example that led to the unlocking of funding and co-financing opportunities within the Bank and from other donors (Focus Box 7). A Youth Entrepreneurship Investment Bank feasibility study will lay the groundwork for YEI initiatives in several countries, with potential to catalyze impact and create jobs.

FOCUS BOX 7| Feasibility studies for the Nigeria Innovation Program (I-DICE)

The feasibility study, financed through the YEI MDTF, was undertaken to conduct research into the intervention areas identified under the various pillars of the program, with the main objective of solidifying the design of a scalable and high-impact, inclusive, cost-effective and sustainable program.

The selected consulting firm, through desktop and field research, assessed the adequacy and operational effectiveness of four program areas of the Nigeria Innovation Program (NIP), designed interventions across the four pillars detailing costing, economic viability and expected impact, and developed an M&E framework to track progress and measure the actual versus expected impact of the interventions.

The final deliverable was successfully used to inform the decision to approve the Nigeria Investment in Digital and Creative Enterprises (iDICE) Program in Nigeria, in November 2021, which **unlocked USD618 million**.

- b. Supporting Innovation and Learning Evidence - The Post AfricavsVirus challenge (Ideathon) project, included in the YEI MDTF portfolio, presents a collaboration between the Fund and the Lab in supporting initiatives that are explicitly intended to pilot, test and build evidence on promising new models and best practices to be disseminated to other stakeholders. These efforts, however, need to place greater emphasis on the production and dissemination of knowledge and evidence post-pilot innovation.
- c. As stated in previous sections, the level of resources (USD38.9 million) allocated to the YEI MDTF at its establishment was not commensurate with its ambitious objectives and the level of needs. The portfolio was mainly used for smaller projects with budgets generally under USD1 million. The size of the grants allocated to finance initiatives limited the ability of projects to scale, unless conceptualized as research/studies, in which case they had the potential to catalyze further funding from other sources.

5. Sustainability

155. There six completed projects as of May 2022, none of which provides the opportunity for a fair assessment of sustainability.

- a. With respect to Prize Competition projects, sustainability of the intervention was assessed to be limited, given that after the event there is no strategy (i.e., continued training, funding, linkage to further investors, etc.) to ensure long-term impact for the winners. Only two projects (e.g., the TEFEP and AgriPitch) are equipped with alumni networks, which aim to support the

⁴² As of May 30, 2022, no 2021 Annual Report had been made available.

⁴³ The G5 Sahel project has received US\$4 million in funding is targeting 2,500 jobs. However, this is not considered to be 'large scale'.

continuous sharing of knowledge with project beneficiaries. In addition, follow-up and impact assessments on the long-term results of the interventions were difficult to execute, as reported by the YEI Secretariat. One attempt to follow up with participants to assess the long-term effect of their participation in the Challenge events received a low response rate to surveys sent out to grant recipients, making it impossible to assess the impact of these interventions.

- b. It is expected that YEI-funded research and feasibility studies aimed at catalyzing larger-scale and more impactful interventions will be key in identifying scalable, systemic and sustainable results.

156. In terms of promoting better exit strategies, and setting up for scale and sustainability, projects that are internal projects embedded within Bank operations have a greater potential.

157. Some limitations regarding the potential sustainability of YEI-funded projects were identified during the stakeholder engagements, as follows:

- **Lack of project exit strategies.**⁴⁴ The review of documents shows that there are no exit strategies or sustainability plans expected from the grant recipients. The identification of an exit strategy or 'next steps' for projects would support greater sustainability and long-term results for partner institutions and end-beneficiaries.
- **Unresponsiveness of past participants.** Specifically, with regard to feedback from end-beneficiaries, it was noted that once projects have been completed, end-beneficiaries are reticent in sharing updates on how their businesses were progressing and how the YEI intervention had impacted their growth. The YEI Secretariat reported that grant recipients in the past two years had attempted follow-ups with end-beneficiaries,⁴⁵ but with unsuccessful results.
- **Lack of an internal Bank referral mechanism.** The existence of an internal referral mechanism would ensure coordination with other initiatives within the Bank to leverage additional funding to support project achievements or leverage greater scale. If such a mechanism were in place, it would serve as an opportunity for YEI-funded initiatives to seek support from other departments or complexes in the Bank promoting the One Bank approach.
- **Lack of overall economic growth and a business-friendly environment.** Businesses operate within a market environment, jobs exist (and are created) within a market, and business growth and stability are achieved in a supportive enabling environment, leading to economic growth. The past three years have been particularly difficult for the global economy, and a number of countries in particular, and businesses have had to exist within challenging economic conditions that have exacerbated political instability.

6. Conclusions

158. The YEI MDTF was established in 2017, but actual implementation of activities and disbursement of funding kicked off effectively in early 2019. The YEI MDTF was slow to get started, largely due to difficulties in staffing up the YEI Secretariat.

159. Staffing has continued to be a challenge over time, as the Fund has never been fully staffed as per the expectations of the organogram. Nonetheless, YEI has reached a state where the required processes and

⁴⁴ Exit strategies should clearly describe how project activities, outputs, and outcomes will be phased out, and when appropriate, handed over to another stakeholder that will maintain/continue the project activities and outputs once funding has stopped.

⁴⁵ Forty-four percent of respondents to the survey for this case study confirmed that the AgriPitch competition team provided follow-up support and services following the completion of the competition.

substantive staff positions are sufficient to enable implementation. The Fund and its portfolio have built traction and can build on these successes.

160. Since the first call for proposals, the YEI MDTF has been successful at expanding its portfolio in both size and geographic presence. Although the overall process of portfolio expansion took longer than anticipated, it is now "back on track" with a current portfolio of 29 projects (including those already completed), and an additional six others in the pipeline, either in preparation or already committed.
161. The financial resources allocated by donors was assessed as not being commensurate with the overall level of needs and target objectives of the YEI MDTF. As the only financial mechanism dedicated to the JfYA Strategy, USD 38.9 million, which includes management costs of the Fund, falls short of the expected resources anticipated or needed to catalyze the Strategy and mobilize the Bank towards meeting the true potential of the JfYA Strategy.
162. Gender, climate change, and the informal sector were identified as cross-cutting issues in the selection and approval of relevant projects. The extent to which cross-cutting issues are integrated within the YEI MDTF project portfolio is considered moderate. In the case of gender mainstreaming, while the gender issue was consistently articulated in proposals, it appeared to lose importance during implementation in the absence of evidence-based targeted interventions for reaching excluded young women.
163. The YEI MDTF responded to donors' strategic priorities, yet concerns were raised regarding the geographic expansion of the project's portfolio outside the priority list of countries. Currently, nine countries out of 11 are outside this list (i.e., fragile and hotspot of migration countries).
164. Donors also shared their concerns regarding reporting timelines not being respected and the lack of written updates on the annual portfolio status. This presents a serious risk to the relationship between the YEI Secretariat and donors.
165. Sustainability of projects appears to be limited, given the nature of projects (i.e., prize competitions or direct ESO support), the lack of project exit strategies, and the lack of an internal Bank referral mechanism that could transfer completed projects to other initiatives supported within the Bank.
166. In terms of the comparative advantage of the YEI MDTF, the evaluation concludes that support for catalytic seed-projects that result in the leveraging of financing and create a significant number of jobs has been the most impactful. The financing of research and feasibility studies has resulted in improved project design, and unlocked funding opportunities both within the Bank and from external sources.

7. Recommendations

167. Based on the findings and general conclusions of this study, the following recommendations are proposed to enhance the effectiveness and impact of the YEI MDTF.
168. **The YEI MDTF should consider refining the theory of change, particularly the impact level**, to focus the Fund's investment strategy better and prioritize potential projects going forward, as the funding available is more limited than the ambitions articulated in the impact.
169. **YEI could consider leveraging the new Trust Fund Policy of the Bank, approved in 2021.** This would allow the YEI MDTF to issue other instruments in addition to grants (i.e., loans, guarantees, equities).
170. Assuming a similar amount of funding is made available in the recapitalization, **the YEI MDTF should focus on leveraging its strength, i.e., funding feasibility and research studies of innovative and catalytic initiatives to enable and facilitate the unlocking of funds for scaled job creation (e.g., project preparation).**

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171. **The YEI MDTF should continue to promote and develop relationships with other Bank departments/ initiatives** (e.g., Affirmative Finance Action for Women in Africa [AFAWA]) such that there is a greater pool of catalytic and innovative opportunities identified and encouraged to apply for YEI MDTF grant funding thereby unlocking further financing for greater scale.
172. **Secure a full complement of human resources (consultants and / or staff), with limited turnover in order to mitigate delays and institutional losses.** YEI should investigate options to adapt guidelines by prioritizing long-term contracts to limit work disruption and delays during consultant contract renewal.
173. **Finalize Operational Guidelines (OPG) revisions to enable the Fund's efficient management and administration.** The OPGs revision process, required to align them to the YEI MDTF's needs and characteristics, is ongoing since 2019, has been beset with delays.
174. The YEI MDTF should **continue to leverage internal calls for proposals** as these were found more efficient in identifying appropriate projects. The method was found more straightforward and allowed for a shorter selection and approval process.
175. **Encourage internal bank departments to have external partners, particularly private sector partners,** to ensure continuous innovation and market-orientation.
176. **Elevate emphasis on gender integration during implementation.** Detailed analysis should be conducted to support young women in differentiated and responsive ways. These differentiated challenges, needs and solutions should be reflected in research, analysis and program design to a greater extent
177. **The YEI Secretariat should collaborate more closely with donors** to ensure alignment on geographic focus, priority outcomes and targets, and how these parameters are applied for project prioritization.
178. **Improve communication** and adhere to reporting timelines to further strengthen donors' confidence. The Secretariat should align with the reporting frequency agreed upon during the Fund's establishment.
179. **Streamline the YEI MDTF's monitoring and reporting processes.** Expected deliverables from individual grants and the Fund as a whole must be prepared in a timely manner to facilitate decision-making, course correction, and impact estimations. The Trust Fund should also advance the full deployment of the online M&E system.
180. The YEI MDTF should **support partners' capacity building to enable them to meet reporting requirements.**

Annex 1 – Summary of Projects Reviewed for the Evaluation

Status	Number of projects	Project	Overall budget (USD)
Completed	6	<ul style="list-style-type: none"> - Agripitch competitions (2019,2020) - Africa Investment Forum 2019 - Tony Elumelu Foundation Project - Feasibility study for the Nigeria Innovation Programme - Country diagnostic studies for Special Agro-Industrial Processing Zones (SAPZ) and Agricultural Transformation Clusters (ATC) in Kenya and Uganda 	6,073,584
Ongoing	15	<ul style="list-style-type: none"> - Africa Guarantee Fund support to SMEs in 5 countries - Research studies on entrepreneurship ecosystem development in Mali, Togo, Ghana, Guinea, Nigeria and Zimbabwe - Strengthening Ghana's financing pillar project, - Support the ecosystem development of MSMEs and MSMEs in Mali - Post AfricavsVirus challenge (Ideathon) - Youth employment technical assistance project (PATEJ) in Guinea - Multinational - Support Project for Resilience of Youth Enterprises in G5 Sahel Countries (PAREJ) - Local Content Development Program for Youth and Women-led MSMEs – Mozambique, - Feasibility Study on Youth Entrepreneurship Investment Banks for Africa (YEIBA). - Fashionomics Africa Online Masterclasses and Pitching Days competitions. - Deploying Digitization and Trade for Resilience Building in West Africa: Posturing Youth-led SMEs for the AfCFTA - YOUTH ADAPT: Empowering Youth for Entrepreneurship and Job Creation in Climate Adaptation and Resilience - Agripitch 2022 - Youth Employment and Employability in Burundi's Agribusiness Project - Zimbabwe, Ethiopia and Kenya ILO youth labour market information project 	11,585,989
Approved	8	<ul style="list-style-type: none"> - Scaling-up and Accelerating Youth Entrepreneurship in Botswana (SAYEB) - Enhancing E-Commerce Environments for Youth Employment and Food Security (3E4Y&F) - Libya youth migration and employment project - FHF Housing Finance and Integrated Skills Development Project - TVET and Entrepreneurship (TVETE) Project - "Youth Enterprise Development and Capacity Building Project" - Zimbabwe youth and women empowerment project – phase II - Crowdfunding in the East African Community 	7,327,395
Total	29		24,986,968