



# UNLEASHING AFRICAN ENTREPRENEURSHIP INITIATIVE

## INDEPENDENT EVALUATION REPORT

### PHASE 1 (2010-2011)

<b>Project Codes</b>	<b>Umbrella code:</b> RAF/09/06/DAN <b>TC Symbols</b> RAF/10/50/DAN & RAF/10/51/DAN
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## LIST OF ACRONYMS AND ABBREVIATIONS

aBi	Agri-Business Initiative
B2B	Business-to-Business
BDS	Business Development Services
BSPS	Business Sector Programme Support
Coop Africa	Cooperative Facility for Africa
CPO	Country Priority Outcome
DKK	Danish Kronor
DWCP	Decent Work Country Programmes
EAC	East African Community
EPA	External Payment Authority
FAA	Finance & Administration
FKE	Federation of Kenyan Employers
GET	Gender and Entrepreneurship Together
H.E.	His Excellency
ILLC	Improving Labour Law Compliance Program
ILO	International Labour Organization
IPEC	International Program on the Elimination of Child Labour
JP-WCEEE	Joint Programme-Wealth Creation, Employment and Economic Empowerment
<i>Kazi Nje Nje</i>	A Kiswahili slogan meaning “ <i>Employment Available Out there in Entrepreneurship</i> ”
KV 2030	Kenya Vision 2030
M&E	Monitoring & Evaluation
MDGs	Millennium Development Goals
MSMEs	Micro, Small and Medium Enterprises
NCDC	National Curriculum Development Centre
NDP	National Development Plan
<i>Operesheni Motto wa Nyika</i>	<i>A Kiswahili slogan meaning “Operation Wild Fire”</i>
OSWs	Open Space Workshops
ROAF	Regional Office for Africa
SMART	Specific, Measurable, Attributable, Realistic & Time-Bound
SME	Small and Medium Enterprises
SNAP	Support for National Action Plan
SPROUT	Summary Project Outline
TDV 2025	Tanzania Development Vision 2025
TOT	Training of Trainers/Teachers
UAE	Unleashing African Entrepreneurship Initiative
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDAP	United Nations Development Assistance Plan
USD	United States Dollar
USH	Uganda Shillings
WEDGE	Development Women’s Entrepreneurship and Gender Equality
Y2Y Fund	Youth-to-Youth Fund
YEF	Youth Entrepreneurship Facility
YEN	Youth Employment Network
YES-JUMP	Youth Employment Support-Jobs for the Unemployed & Marginalized young People

## **ACKNOWLEDGEMENT AND DISCLAIMER**

This report entails an Independent Mid-Term Evaluation of the Unleashing African Entrepreneurship-Youth Entrepreneurship Facility. The Evaluation Mission comprised **Stanley Karuga** of Market Economies Development (Kenya Ltd) Ltd who was the team leader and Author of this report. In Tanzania, the Team Leader was accompanied by two other members-**M/s Kimi Hibri Pedersen** (representing the Ministry of Foreign Affairs of the Government of Denmark) who also assisted the Team Leader in assessing the extent of implementation of the recommendations made by the ILO/Danida Review Mission of August 2010; and **Dr. Samuel Nyantahe** who assisted the Team Leader on aspects related to relevance and strategic fit of the Facility to national policies of the Government of Tanzania and other development initiatives of that country. In Uganda, the Team Leader was accompanied by **Daniel Joboba** who assisted the Team Leader in assessing aspects related to relevance and strategic fit of the Facility to relevant national policies of the Government of Uganda other development initiatives in that country. The Team Leader greatly appreciates their support.

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Although the author made every effort to interpret and reflect as accurately as possible, the information and data provided by the various respondents, views expressed in this report are those of the author and **not** the YEF Team and the Government of Denmark. Any errors of omission or commission that may be found in the report are entirely the responsibility of the author.

**Stanley Karuga**

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## EXECUTIVE SUMMARY

### 1.0 BACKGROUND AND CONTEXT

Youth unemployment is a serious and growing challenge in developing countries, especially in the African continent. It is no doubt a real threat to socio-political and economic stability in Kenya, Uganda and Tanzania. The on-going spontaneous socio-political turmoil in some countries in North Africa and Middle East clearly demonstrate the magnitude of the problem and risks associated with challenge. Some of the underlying causes include lack of supportive business environment; lack of entrepreneurial culture; lack of requisite entrepreneurship skills; lack of access to affordable finance; lack of evidence-based information upon which policy makers can make informed decisions; and limited involvement of the youth in matters pertaining to their livelihood.

It is against this back drop that the Youth Entrepreneurship Facility of the Unleashing African Entrepreneurship Initiative was launched by the Danida-led Africa Commission in January 2010 following its final report of May 2009. The Facility is a five year programme (2010-2014) which is divided into phase 1 covering two years (January 2010-December 2011) and phase 2 covering three years (January 2012-2014). The Facility whose activities covers Kenya, Uganda and Tanzania, was officially launched in January 2010. The main objective of the Facility is *“to contribute to the creation of decent work for young Africans both as means of self-employment and as job creation for others”*. This objective is being pursued through six inter-related and complementary project components: (i) Promoting Entrepreneurship Culture; (ii) Entrepreneurship Education; (iii) Business Development Services for out-of-school Youth; (iv) Access to Finance for Young Entrepreneurs; (v) Youth-to-Youth Fund; and (vi) Promoting Evidence-based Advocacy. The Facility anticipates the following five immediate outcomes: (i) Improved attitudes towards entrepreneurship among young women and men; (ii) The education system produces more entrepreneurial graduates; (iii) Youth start and improve their business; (iv) Youth organizations deliver innovative youth entrepreneurship solutions; and (v) Youth employment policy makers and promoters make evidence based decisions for better resource allocation and program design.

The Facility is funded by the Government of Denmark with an overall budget amounting to DKK 119 million (approximately US\$ 23 million). Although jointly implemented by the ILO and YEN Secretariat, the ILO and YEN have the primary responsibility for components 1-4 and components 5 and 6 respectively. At the time of project approval in December 2009, the ILO sub-components had a budget allocation of DKK 79.35 million (approximately US\$ 15.4 million), while the YEN sub-components had a budget of DKK 39.65 million (approximately US\$ 7.7 million). However, due to the depreciation of the DKK against the US dollar, the total budget was eroded by approximately US\$ 450,000 effectively reducing it US\$ 22.55 million.

### 1.1 Present Situation of the Project

January 2010 was the official commencement date for the implementation of the Facility following the final report of the Africa Commission in May 2009 and subsequent signing of relevant protocols between the ILO and the Government of Denmark in December 2009. At the time of this Evaluation, the project had operated for 17 months. However, while an inception phase of six months had been envisioned, 3 months were actually spent in recruiting staff, setting offices and procuring the first bunch of office and transport facilities, effectively leaving only 3 months for the project inception phase. In essence therefore, the project has technically speaking been under implementation for only 11 months.

### 1.2 Purpose, Scope and Clients of the Evaluation

This Evaluation is taken in accordance with two key provisions (i) The Agreement between the Government of Denmark and ILO which stipulated that an Independent Evaluation to assess progress made during Phase 1 (2010-2011) would be undertaken before approval Phase 2 (2012-2014); and (ii) The ILO Evaluation Policy adopted by the Governing Body in November 2005. The overall objective of the Evaluation is to analyse progress made towards achieving anticipated project outcomes; identify lessons learned; and to make recommendations for improved delivery of quality and timely outputs, achievement of outcomes during the remaining period of the project and possibly during phase 2. The primary clients of the evaluation include the Government of Denmark, the governments of Kenya, Tanzania and Uganda, ILO constituents, the ILO and the YEN as well as other relevant stakeholders; ILO offices and staff (Dar es Salaam, Regional Office for Africa –ROAF, Pretoria; and ILO departments at the Head Quarter.

### 1.3 Approach and Methodology of Evaluation

The approach was participatory while the methodology comprised: (i) literature review key relevant documents; (ii) field interviews key stakeholders across all the three target countries (see list of respondents in Appendix 2) and (iii) field level observations. Lack of adequate time was the biggest constraint faced by the team in the sense that there were only 4 days allocated to each country for field interviews.

## 2.0 MAIN FINDINGS

Overall, the project has performed quite well despite reduced financial resources emanating from foreign exchange loss due to the unprecedented depreciation of the Danish Kronor against the USD; multiplicity of components (6) and diversity of stakeholders and the regional nature of the project.

### 2.1 Relevance and Strategic Fit with other Development Initiative

The overall objective and activities of the Facility are fundamentally relevant to the needs of the youth who are the target beneficiaries; and development agenda of the ILO constituents and a host of other development partners. Just for demonstration purposes one respondent stated as follows:

*"The YEF project is not like many other donor projects that come to solve symptoms of our ailing and under-performing economies. It is a project that came to solve what has been our single most important cause of our socio-economic and political problems....unemployment especially for the youth and our negative cultural attitude towards entrepreneurship as a means of livelihood". Every young person leaves school looking for paid employment. By being involved in the project, our young people are now beginning to understand we can make better livelihood starting our own business. More often than not, millionaires emerge from running successful businesses, not employment".*

*Respondent (Tanzania Youth Coalition)*

Activities of the Facility are also strongly relevant to development aspirations of not only national governments in the target countries but also a wide range of donor funded projects and programmes. .

### 2.2 Validity of Project Design

Project design was logical and coherent. In this respect, the Mission noted the significant amount of background work that had been undertaken prior to project commencement including analyses of labour markets and employment dynamics and consultations with stakeholders. For example, between April 2008 and late 2009, the Africa Commission had facilitated no less than 17 separate consultations fora with Governments, private sector, civil society organizations and youth organizations across the three target countries; the ILO jointly with YEN had also undertaken fairly detailed and consultative employment and labour market problem analyses of in the target countries which came out in the form of SPROUT in November 2009; the design of the Facility also made use of priorities previously identified by ILO constituents in the context of Decent Work Country Programmes-all targeting youth entrepreneurship. In addition, the YEF team had undertaken more work during the early stages of the project including country-specific studies in June 2010- focusing on youth and unemployment; and consultations in the form of "Open Space Workshops" in each of the countries which had large attendance.

The YEF project has fairly well unbundled activities, outputs, outcomes and indicators. The project log frame identified fifteen (15) outputs which have plausible causal relationship with the five (5) immediate outcomes of the project. Anticipated project outcomes are also well placed to feed into the realization of broader development goals of a wide spectrum of stakeholders including national governments and development partners, namely; generating employment opportunities, improving job quality, social dialogue and protection which also contribute to the broader agenda of decent work.

The main factors which positively influenced the project included (i) Quick and effective "buy-in" by a wide cross section of stakeholders-primarily due to relevance of interventions to target beneficiaries and other stakeholders; (ii) Recruitment of qualified and committed project staff with demonstrated team work spirit; (iii) Innovativeness on the part

of the YEF team involving partnership with key stakeholders; and iv) significantly effective backstopping from Geneva and Pretoria. The main factors which negatively influenced the project included: (i) Depreciation of DKK against the USD resulting in foreign exchange loss (ii) Slow financial and administration procedures primarily due to lack of adequate verification staff at the ILO Dar es Salaam Office.

### 2.3 Project Achievements and Effectiveness

Despite staff limitations (in relation to the scope of the project) and financial constraints following the foreign exchange loss the project performed quite well. For example: **Under immediate outcome 1**, An estimated cumulative total of 10,546 young people have been reached resulting in increased awareness about entrepreneurship; 17 partnerships with a wide range of organizations have been established; 28 entrepreneurship culture promotion events have been undertaken; 621 business ideas/plan competitions have been received; 115 business plans have been submitted; and three (3) awards to winners and runners up have been given with the value of the award averaging USD 2,000 each. **Under immediate outcome 2**, Curriculum training materials with more than 336 hours of entrepreneurship education have been developed; ILO's well tested Know About Business programme which has been the basis for curriculum development has substantially been enlarged from the 120 standard hours to 336 with many additional topics; and training of teachers is expected to start during the second half of 2011 while training of entrepreneur graduates in the case of Uganda is expected to start in February 2012. **Under immediate outcome 3**, a total of 76 partnerships with organisation-based BDS providers have been established; 11 training of trainer workshops have been conducted; 14 workshops for existing and potential entrepreneurs have been conducted; 7 BDS products have been developed; 117 Trainers/BDS consultants have been capacitated; 355 youth have been trained and are now accessing BDS. **Under immediate objective 4**, six "Call for Y2Y Fund Proposals" have been floated resulting in a total of 819 applications for the first round; 85 long proposals have been received of which about 61% were selected for final competition stage; 9 training workshops have been delivered-with total attendance of 215; 3 Y2Y showcase events have been held; 86 applicant organizations have received technical assistance; 25 grants have been given-averaging USD 14,788 per grantee-approved, agreements signed and packages implemented; 20 grantees are currently receiving on-site technical assistance; 61 partnerships (mentors and service providers) and 7 grantee projects are on-track. **Under immediate outcome 5**, One evaluation clinic has been conducted with total attendance of 60 stakeholders and with all participants signing up for on-line group site; four (4) evaluation plans have been drafted; a total of USD 181,416 seed funding was disbursed during the first half of 2011; 16 quality applications have been received for evaluation clinics; and 2 impact evaluations were initiated and shared during the first half of 2011.

The YEF project has well defined outputs which have strong causal relationship with anticipated outcomes. However, not all outputs were delivered according to work plans and a number of them have had to be postponed to Phase 2. Inadequate funds-following the foreign exchange loss-was the main underlying reason for this, though limited human resources also contributed to some extent. The quality of outputs has generally been good as attested by various respondents. In this regard, beneficiaries of particularly entrepreneurship culture change campaigns indicated great satisfaction with the outputs of the project. The Mission also noted that evaluation clinic satisfaction rate was in the order of 95%. According to information gathered from the YEF implementation team and triangulated with the back Facility stoppers in Geneva and Addis Ababa, backstopping has been fairly good.

### 2.4 Efficiency of Resource Use

The current YEF staffing comprises 10 technical members including the Evaluation Specialist in Geneva and 7 support staff. The Mission's observation is that the whole team is not only technically qualified in their respective areas of expertise, but also exhibit tremendous passion and commitment to their work. Both the technical and support staff also strongly embrace the spirit of team work as well as knowledge sharing. These staff members are strategically allocated in the best way possible so as to delivery on the planned outputs. The Mission was not able to carry out in-depth "value for money" audit or investigation but based on field level observations, it is felt that the YEF team has been quite prudent in the way they use financial resources of the project. In this regard, it is worth mentioning that the national teams have proactively aimed at sharing offices with other ILO project and or UN projects/organizations. Additionally YEF project has also managed to leverage and attract a notable amount of external financial resources including € 100,000 from the BASF foundation; US\$ 300,000 from the Jacobs Foundation; and, US\$ 140'000 from KCDF under the current Y2Y Fund partnership in Kenya.



## **2.5 Effectiveness of Management Arrangements**

The Facility is managed under matrix organizational set up and structure under which YEN component managers have two reporting lines including one to the YEN manager as the direct technical supervisor and manager of the YEN sub-budget and component 5 and 6 and another one to the CTA as the head of the Facility, manager of components 1-4 and the daily manager of Facility staff in Dar es Salaam, Nairobi and Kampala (with delegated supervisory responsibilities to the international expert based in Nairobi as well as to national coordinators). Thus both managers have to agree to the work undertaken under the YEN components and are both involved in the development of joint work plans and activities as well as the regular performance appraisal of staff. While the Mission observed that this management arrangement has not posed any problems so far, and that neither the ILO nor YEN sees the need for change, the Mission fully concurs with the views of the joint ILO/Danida Review Mission of August 2010 which strongly recommended the need for clarification of the management set-up, the overall authority and responsibility be formalized as soon as possible. A Memorandum of Understanding between ILO and YEN is recommended as the basis for clarification on overall project responsibility.

Project monitoring and evaluation systems are in place and the Facility management team has been collecting relevant data regularly and normally recording it in the form of a score cards. The Mission has three main issues in relation to monitoring and evaluation. (i) That there are no M&E personnel and the data is currently corrected and collated by project implementation staff-which could raise the question of authenticity of reporting; (ii) That data is corrected and recorded bi-annually which in the view of the Evaluation Mission is rather long; (iii) That the results framework indicators are not disaggregated to country level which may blur accountability at the national level.

While the current number of technical staff is arguably small in light of the size, geographical spread and complexity of issues being addressed the YEF team is ably handling the project's activities but may increasingly become overburdened as roll out begins to take place. However, the current lack of adequate verification staff at the ILO Dar es Salaam is emerging as a set back to faster administration and financial processes and the Mission feels that there is need for an additional verifier.

## **2.6 Impact Orientation and Sustainability**

The two most important elements of measuring project effectiveness include achievement of intended impact and efficacy of project sustainability. While the Mission is of the view that the overall project objective, outputs and activities have very high chances of steering the project towards realizing the intended impacts, the Facility is yet to develop comprehensive exit, anchorage and sustainability strategies-and this should be done as soon as possible. Closely related to the issue of sustainability and anchorage is the need to strengthen the capacity of National Advisory Committees (important fora for taking the Facility's agenda forward) and also to ensure that the youth are adequately and genuinely represented in the committees.

## **3.0 MAIN LESSONS LEARNED**

Based on literature review, field interviews and observations by the Evaluation Mission, three main emerge:

1. That relevance of interventions to stakeholders play a crucial role in enhancing effective "buy-in" and subsequent political and social support to project implementation;
2. That in the context of the target countries, entrepreneurship culture change for the youth by itself is just one of the key elements towards success in youth employment and entrepreneurship development and should always be combined with three other elements, namely (i) facilitation of access to finance-which itself is in fact a BDS function; (ii) promoting culture change on the part of financial service providers-that is the supply side; and (iii) promoting enabling business environment especially policy and regulatory framework.
3. That foreign exchange losses where project budget is denominated in one currency and actual expenditure incurred in another currency should always be explicitly built in as part of risks and assumptions;

## **4.0 MAIN RECOMMENDATIONS**

1. **The YEF management team to review the results framework (log frame)** and disaggregate project output and outcome indicators to national level which should be in accordance with national level intervention prioritization activities and likelihood of attaining planned outputs and achievements.;
2. **Project performance score cards at the national and regional level be produced on quarterly-basis instead of bi-annual basis**-to facilitate more effective and timely project management;
3. **The YEF management team to develop terms of reference and competitively recruit an M&E specialist** who should be stationed in Dar es Salaam but responsible for data collection, analysis and reporting across the three countries.
4. **The YEF management team to explore mechanisms aimed at shortening the period taken to process proposals** under Component 3 (BDS) and Component 5 (Y2Y)-and do so where possible without compromising the quality of outputs.
5. **The YEF management to develop and implement a strategy for sustainable engagement of local micro-financial service providers** towards fulfilment of Facility's agenda under Component 1, 3 and 4.
6. **The YEF team to immediately develop a comprehensive project sustainability strategy** which could if necessary comprise bundled component, product or service-specific sustainability strategies.
7. **The YEF team to step up efforts towards establishing (where this has not been done), strengthening and institutionalizing NACs** in all the three countries and to proactively pursue adequate and genuine incorporation of youth and youth entrepreneurship organizations in the NACs.
8. **The administrative and financial position in the ILO Dar es Salaam Country office for Tanzania, Kenya, Rwanda and Uganda that is currently funded by the project should be given verification responsibilities** as soon as possible so as to overcome the current bottleneck relating to financial and administrative processes;
9. **The ILO and YEN to sign a Memorandum of Understanding to the effect of the understanding contained in Facility's response to the ILO/Danida Mission of August 2010**-namely; *"The Facility manager, as the head of the Facility, is responsible for general management and thus also alignment of all six components, as well as daily management of staff in the Facility (apart from one international staff based at the YEN Secretariat in Geneva). Should conflicts arise then the Facility Manager is the overall responsible as per the organizational set up"*.
10. **The YEF management team to work out budgetary requirements for phase 2 before the end of phase 1 in December 2011**-taking into account priority areas by component and activities and by country (which will require building on the on-going project prioritization exercise);
11. Given that the project has performed quite well (with only 11 months being the effective implementation period since 6 months was used as the inception phase), and given that the Facility already laid sufficient ground work for rolling out, the **Evaluation Mission recommends that the Government of Denmark approve Phase 2 of the project (2012-2014) subject to concrete steps being undertaken in accordance with recommendations 1-8 above.**

## 1.0 INTRODUCTION

### 1.1 Brief Overview of Project Background

The Africa Commission is a Danish-led initiative whose aim has been to find new and innovative strategies for creating job opportunities for youth in Africa. The Commission advocates for re-focusing the agenda for international development cooperation with Africa through a set of policy recommendations and *five initiatives* targeting youth employment creation through private sector-led growth and improved competitiveness of African economies. The *Unleashing African Entrepreneurship Initiative* (UAE)-hereafter referred to only as the Initiative-is one of five initiatives<sup>1</sup> launched by the Danish-led Africa Commission following its final report of May 2009. The Initiative is a five year programme (2010-2014) funded by the Government of Denmark with an overall budget allocation amounting to DKK 119 million (approximately USD 23 million). The Initiative was designed in response to the Africa Commission's call for initiatives that would refocus the development agenda for Africa and contribute to realising the potential of Africa's youth. The Africa Commission was led by the Prime Minister of Denmark and consisted of heads of state from select countries in Africa – including H.E. President Kikwete of Tanzania - representatives from the private sector, from academia and from international development agencies and development banks, including the World Bank and the African Development Bank. The Africa Commission asked the International Labour Organization (ILO) and the Youth Employment Network (YEN) to jointly implement the "Youth Entrepreneurship Facility" (YEF)-hereafter referred to only as the Facility-under the Initiative focusing on Kenya, Uganda and Tanzania. Both the ILO and YEN responded promptly and jointly prepared a concept note followed by the project document (Summary Project Outline-SPROUT) which was approved by the Government of Denmark in December 2009. This was followed by signing of an agreement between the Government of Denmark, the ILO and YEN. Since January 2010 (though effectively from April 2010), the ILO and YEN have jointly been implementing the Facility in partnership with the national Governments of the three focal countries referred above and also a range of private and civil society organizations.

### 1.2 Rationale of the Initiative

Youth unemployment is a serious and growing challenge in developing countries, especially in the African continent. The on-going spontaneous socio-political turmoil in some countries in North Africa and Middle East clearly demonstrate the magnitude of the problem and risks associated with challenge. The problem is no doubt a real threat to socio-political and economic stability in Kenya, Uganda and Tanzania. As clearly brought out in the project document (SPROUT), some of the key underlying causes for underemployment and unemployment include: (a) *lack of conducive business environment*-primarily arising from economic mismanagement; unresponsive policy and regulatory framework as well as infrastructural constraints; (b) *lack of entrepreneurial culture*-with most of the youth shunning self-employment and instead viewing paid-employment with much greater esteem; (c) *lack of requisite entrepreneurship skills*-given the limited entrepreneurship-oriented training in the formal educational system; (d) *lack of access to affordable finance*-with banks shying away from financing start-up and youth-owned and managed enterprises especially in the informal sector; (e) *lack of evidence-based information*-to accurately inform on effective and sustainable strategies towards youth unemployment problems; and (f) *limited involvement of the youth in matters pertaining to their livelihood*-with most relevant strategies and programs being formulated by managers of public and private institutions who by virtue of being older, do not always empathize with the youth.

It is against this backdrop that the Initiative was designed with the main aim of supporting emerging and established young entrepreneurs in target countries as means of addressing youth unemployment challenges through entrepreneurship and enterprise development as a means of creating jobs. More specifically, the main objective of the Facility is as summarized in **Box 1 below**:

#### **BOX 1: Main Objective of the Facility**

*"To contribute to the creation of decent work for young Africans both as means of self-employment and as job creation for others" through five immediate outcomes:*

- *Improved attitudes towards entrepreneurship among young women and men;*
- *The Education System produces more entrepreneurial graduates*
- *Youth Start and improve their business;*
- *Youth Organizations deliver innovative youth entrepreneurship solutions;*
- *Youth employment policy makers and promoters make evidence based decisions for better resource allocation and program design;*

The Facility is operated within ILO's Decent Work framework. Support towards enhancing skills and entrepreneurial capacities of young women and men are a Country Priority Outcome (CPO) in the context of Decent Work Country Programmes (DWCP) for each country-Kenya, Tanzania and Uganda. In this regard, the Initiative directly supports the following specific country-based DWCP outcomes:

- KEN 130**      *Young women's and men's entrepreneurial skills for self employment and SME activities enhanced/increased;*  
**TZA 102**      *Young women and men entrepreneurial and SME activities enhanced;*  
**UGA 128**      *Young men's and women's entrepreneurship skills for self employment and productivity;*

### 1.3 Brief Overview of Facility's Objectives and Interventions

The vision of the Facility is to enable youth in the target countries to turn their energy and ideas into business opportunities by increasing their income earning capacity and creating decent work for themselves and others. In this respect, the mission of the Facility is to inculcate entrepreneurship culture among the youth (women and men aged 15-35 years of age) in the target countries and support emerging and existing young entrepreneurs to succeed in their business ventures and create self-employment for themselves and jobs for others. The Facility uses a systemic and integrated approach towards developing young entrepreneurs under the following inter-related and complementary components and or interventions.

**Table 1: Summary of Facility Components, Interventions and Objectives**

Component	Intervention	Main Objective
Component 1	Promoting Entrepreneurship Culture	<ul style="list-style-type: none"> <li>To inculcate entrepreneurship culture among out-of school young women and men</li> </ul>
Component 2	Entrepreneurship Education	<ul style="list-style-type: none"> <li>To introduce entrepreneurship culture for self-employment among the in-school young women and men in order to better prepare them for the transition from school to out-of-school livelihood.</li> </ul>
Component 3	Business Development Services for out-of-school Youth	<ul style="list-style-type: none"> <li>To create awareness among the youth regarding existing BDS market services and also to unleash business development service market potential.</li> </ul>
Component 4	Access to Finance for Young Entrepreneurs	<ul style="list-style-type: none"> <li>To enhance access to affordable financial services so as to enable the youth to start or scale-up businesses.</li> </ul>
Component 5:	Youth-to-Youth Fund	<ul style="list-style-type: none"> <li>To use the Fund as vehicle for eliciting, testing and promoting innovative young people-driven solutions towards youth entrepreneurship development and employment</li> </ul>
Component 6:	Promoting Evidence-based Advocacy	<ul style="list-style-type: none"> <li>To generate and provide policy makers and practitioners with concrete evidence on what works and what does not work in relation to youth entrepreneurship development and employment.</li> </ul>

Owing to the complementarity nature of the above-listed interventions, the Facility anticipates five (5) mutually reinforcing immediate outcomes as follows:

- (i) **Immediate Outcome 1:**      *Improved attitudes towards entrepreneurship among young women and men;*  
(ii) **Immediate Outcome 2:**      *The Education system produces more entrepreneurial graduates*  
(iii) **Immediate Outcome 3:**      *Youth start and improve business*  
(iv) **Immediate Outcome 4:**      *Youth organizations deliver innovative youth entrepreneurship and employment solutions*  
(v) **Immediate Outcome 5:**      *Youth employment policy makers and promoters make evidence-based decisions for better resource allocation and program design*

While the Facility is managed jointly under the principles of team work, components 1-4 are primarily under the responsibility of the ILO while components 5 and 6 are primarily under the responsibility of YEN. The umbrella budget was split into two sub-budgets with **DKK 79.35 million** allocated to components 1-4 and **DKK 39.65 million** allocated to components 5-6 with both sub-budgets further split into Phase I and Phase II.

#### 1.4 Objective, Purpose and Scope of the Evaluation

This Independent Evaluation is being undertaken in accordance with the following provisions:

- The *Agreement between the Government of Denmark (the financier) and ILO* which stipulated that an *Independent Evaluation* to assess progress made during Phase 1 (2010-2011) would be undertaken (around the 18<sup>th</sup> month) before approval of a second Phase (2012-2014) by the financier;
- The *ILO Evaluation Policy* which was adopted by the Governing Body in November 2005 which provides for systematic evaluation of projects in order to improve quality, accountability, transparency of the ILO's work, strengthen the decision making process and support to constituents in forwarding decent work and social justice.

The overall objective of the evaluation is to analyse progress made towards achieving anticipated project outcomes, to identify lessons learned and to propose recommendations for improved delivery of quality and timely outputs, achievement of outcomes during the remaining period of the project and possibly during phase 2. The evaluation serves two broad purposes:

- *Providing an independent assessment of progress to date* of Phase 1 of the Facility across the six components; assessing performance as per the foreseen targets and indicators of achievement at the output level, strategies and implementation modalities chosen, partnership arrangements, constraints and opportunities;
- *Providing recommendations for a Phase 2* of the Initiative

Additionally, the evaluation also provides an opportunity for taking stock, reflection, learning and sharing knowledge regarding how the Facility could improve the effectiveness of its operations. It also builds on the findings of the joint Danida/ILO review mission for the inception phase and in particular an assessment of the extent to which the ILO and YEN has implemented recommendations made in the Aide Memoire of August 2010.

The primary clients of the evaluation comprise the Government of Denmark as the financing agency; the governments of Kenya, Tanzania and Uganda as recipient countries, constituents and the ILO and the YEN as well as other relevant stakeholders; the ILO Dar es Salaam; Regional Office for Africa -ROAF Pretoria; and ILO departments at HQ, first and foremost the Job Creation & Enterprise Development Department.

As per the terms of reference (see **Appendix 3**) the Evaluation covered the following broad areas: (i) *Relevance, strategic fit, complementarity and synergy* with national development plans; the UNDAF/UNDAP and the DWCPs of the three countries as well as the EAC DWP; and ILO programmes and projects in the target countries; and the Danish Development Cooperation Strategy and other relevant Danida initiatives; as well as other donors' initiatives (ii) *Validity of the design and implementation arrangements*; (iii) *Project effectiveness and achievements*; (iv) *Efficiency of resource use* (v) *Effectiveness of management arrangements*; (vi) *Impact orientation and sustainability*; and (vii) *Lessons learned*-which could inform implementation during Phase II and similar future projects;

## 2.0 EVALUATION METHODOLOGY AND APPROACH

The evaluation covered all the three target countries-Kenya, Uganda and Tanzania.

As required under the terms of reference, the evaluation process was participatory involving interviews with a wide range of selected/key stakeholders. The methodology and approach entailed the following research instruments:

- *Literature review* of key relevant documents;
- *Field interviews* (one-on-one and focused group discussions where possible with selected key stakeholders across all the three target countries). The respondents included staff in the ministries responsible for labour, employment and youth; social partners; ILO & YEN implementation staff; Danish embassies; selected beneficiaries under each of the project components; staff of other selected projects and other stakeholders;
- *Teleconference interviews*-with international respondents-specifically YEN Secretariat-Geneva; ILO-Addis Ababa)<sup>2</sup>;
- *Field level observations* by the Evaluation Mission;

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<sup>2</sup>It was not possible to get response from Pretoria

### 3.0 MAIN FINDINGS

#### 3.1 RELEVANCE AND STRATEGIC FIT WITH OTHER DEVELOPMENT INITIATIVES

The overall objective of the Initiative is “to contribute to the creation of decent work for young men and women in Africa both as means of self-employment and creation of jobs for others”. The sections below assess the relevance, strategic fit and complementarity of this objective and related activities with the needs of target beneficiaries, national governments’ development aspirations; DWCP of target countries, the Danish Development Cooperation Strategy, ILO development agenda, UN agencies development agenda including UNDAF and UNDAP, and other UN and non-UN international development agencies.

##### 3.1.1: Needs of the Target Beneficiaries

The Evaluation Mission found the overall objective of the Initiative to be fundamentally relevant to the needs of the target beneficiaries. This conclusion is based on information from two main sources. Firstly, primary sources through interviewed where respondents met during the Mission were generally unanimous in their view, namely; that the project was indeed addressing the biggest and most relevant challenge facing them. Among the many responses from a wide range of stakeholders, the Mission opts for the following quote just to demonstrate the general view:

**BOX 2: Verbatim Quote from a Respondent**

*“The YEF project is not like many other donor projects that come to solve symptoms of our ailing and under-performing economies. It is a project that came to solve what has been our single most important cause of our socio-economic and political problems....unemployment especially for the youth and our negative cultural attitude towards entrepreneurship as a means of livelihood”. Every young person leaves school looking for paid employment. By being involved in the project, our young people are now beginning to understand we can make better livelihood starting our own business. More often than not, millionaires emerge from running successful businesses, not employment”.*

*Respondent (Tanzania Youth Coalition)*

Secondly, secondary sources where the proceedings of the “Open Space Workshops” (OSWs) which were facilitated by the Facility implementation team in each of the countries are of particular relevance. During these workshops, participants were asked to list five priority topics needing project attention. As will be noted below, issues pertinent to the agenda of the Initiative were ranked very highly by the participants (where 1 stands for the highest priority and 5 for lowest priority). This helped in informing country priority interventions under YEF.

**Table 2: Priority Topics by Country as Perceived by Stakeholders**

Country	No. of OSW participants	Stated two top priority topics	Ranking (1-5)
Kenya	78	Experiential entrepreneurship training for out-of-school youth	1
		Youth entrepreneurship in renewable energy	2
Uganda	123	Bridging gaps that hinder successful participation of youth in entrepreneurship;	1
		Skills development, a must for employment creation for the youth in Uganda	2
Tanzania	158	How to create self employment and decent work for the youth;	1
		How to assist youth in getting self employment and improved skills and capabilities in entrepreneurship	2

Source: Books of Proceedings “Open Space Workshops”-Kenya, Uganda and Tanzania

### 3.1.2: Relevance to National Policies, Strategies and Development Plans

The overall objective of the Initiative and the interventions being implemented through YEF are highly relevant to the development aspirations of each of the three countries as briefly demonstrated below.

- **Kenya:** The *Kenya Vision 2030 (KV 2030)*-which accords very high priority to entrepreneurship development and youth employment. In fact, increasing the youth employment and entrepreneurship is one of the flagship projects of the Vision and the Medium Term Plan for the period 2008-2012. Additionally, the overall goal of *Kenya National Youth Employment (2002)* is to promote youth participation in democratic processes as well as in community and civic affairs and ensuring that youth programmes engage the youth and are youth-centred. As part of this initiative, the Government aims at sensitising national policy makers on the need to identify and mainstream youth issues in national development; identifying ways of empowering the youth in order to exploit their potential; promoting a culture of volunteerism among the youth; identifying constraints that hinder the youth from realising their potential; mentoring the youth to be just and morally upright citizens; and promoting ethos of honest hard work and productivity; among the youth.
- **Uganda:** The *Uganda National Development Plan (NDP 2010-2014)*-which aims at enhancing competitive skills building and human capital development through a number of interventions focused on the youth including the revision of the education curriculum to incorporate entrepreneurship and competitive skills development; promoting work ethics and culture that encourages effective contribution to socio-economic development by all citizens; and promoting value addition skills and training with a special focus on women and youth. Additionally, the *National Employment Policy for Uganda* of April 2011 stipulates that “the Government is concerned about youth unemployment and underemployment in the country and aims at providing support to young people and women through improved access to training, business development services and affordable credit as well as career guidance to the youth in order to study practical technical course”.
- **Tanzania:** The *Tanzania Development Vision 2025 (TDV 2025)*-whose one of the main aims is to “ensure that markets permit wide participation of men, women, youth and the entire citizenry in activities which enable the realization of the country’s aspirations”. In addition the *Tanzania National Employment Policy (2008)* also recommended implementation of a programme and establishment of a fund to support self-employment of graduates from schools, colleges and higher institutions of learning with the objective of creating capacity for self-employment and employment of others. Furthermore, the *Tanzania National Youth Development Policy (2007)* aims at mobilizing youth to appreciate, promote and defend their rights; preparing the youth physically, mentally, economically, politically and culturally so that they may be able to assume various responsibilities as citizens, parents and leaders. Other government initiatives that are in tandem with the objectives of the YEF project include the *National Strategy for Growth and Reduction of Poverty (MKUKUTA)* and the *Property and Business Formalization Programme (MKURABITA)*

### 3.1.3: Relevance to UNDAF and UNDAP

The United Nations Development Assistance Framework (UNDAF) acts as the referral framework for collective actions and strategies of the United Nations towards the achievement of national development aspirations of member states. The United Nations Development Assistance Plan (UNDAP) provides common business plans for the United Nations agencies and national partners, aligned to the priorities of the host country and the internationally agreed development goals. The UNDAF prioritizes four strategic areas of support along with cross cutting issues (i) Improving governance and realisation of human rights; (ii) Empowering people who are poor and reducing disparities and vulnerabilities; (iii) Promoting sustainable and equitable economic growth for reduction of poverty and hunger; and (iv) Cross-cutting issues including addressing of gender equality; HIV/AIDS prevention; migration and displacement climate change; peace and reconciliation. The overarching goal of the Initiative is strongly relevant to the achievement of at least the first three UNDAF’s strategic areas. With respect to UNDAF and UNDAP, the Initiative has proven its relevance as demonstrated by the fact that: (i) the ILO (through the efforts of the Facility) has been selected as the UN agency responsible for support to entrepreneurship education in Tanzania in the 2011-15 UNDAP; (ii) The ILO is leading the UN Joint programme on youth employment in Kenya; and (iii) The ILO has a key role in providing entrepreneurs and business start-up training under the UN Joint programme on Population in Uganda.



### 3.1.4: Relevance to ILO Decent Work Programs

The overall goal of the ILO is to promote opportunities for decent work for women and men in all countries through provision of technical and institutional assistance to Constituents in Member States. The Decent Work Country Program (DWCP) is "a programming tool to deliver on a limited number of priorities over a defined period in order to increase the impact of the ILO's work and to be more visible and transparent". The DWCPs are also the primary means for ILO's provision of assistance at the country level and to ensure compatibility with national aspirations, the DWCPs are developed with the active participation of the social partners and are therefore a program "in support of Constituents, national policies and institutions". Support to enhancing the skills and entrepreneurial capacity of young women and men is a Country Priority Outcome (CPO) in each of the DWCP for three target countries. The Initiative through YEF directly supports DWCP outcomes for Kenya, Uganda and Tanzania as indicated below:

**Kenya- KEN 130**      ***Young women's and men's entrepreneurial skills for self employment and SME activities enhanced/increased***-which contributes to one of Kenya's priority outcomes, namely; Youth empowerment, youth employment and elimination of child labour, particularly in its worst form.

**Uganda- UGA 128**      ***Young men's and women's entrepreneurship skills for self employment and productivity increased***-which contributes to one of Uganda's priority outcomes, namely; Poverty reduction through increased opportunities for youth employment and productivity<sup>3</sup>.

**Tanzania-TZA 102:**      ***Young women's and men's entrepreneurial and SME activities enhanced***-which contributes to one of Tanzania's priority outcomes, namely; poverty reduction through creation of decent work opportunities with a focus on young women and men<sup>4</sup>.

### 3.1.5 EAC Regional Decent Work Program

The joint priority areas under the East African Decent Work Programmes (EAC-DWP) for the period 2010-2015 are: (i) Youth employment creation-which is priority number one (1); (ii) Extension of social protection; and (iii) Enhancement of capacity for social dialogue. These priority areas are also in line with the Plan of Action of the Ouagadougou Summit-the Decent Work Agenda for Africa (2000-2015). Based on this, it is clear that the focus of the YEF on youth employment is fundamentally relevant and complimentary to the EAC common objective under the regional decent work program.

### 3.1.6: Relevance to other ILO Programs and Projects

The overall objective of the Initiative is also relevant and to a notable extent complimentary to other ILO programs and projects across all the three countries which include the following:

- Kenya**
1. **Youth Employment Support-Jobs for the Unemployed and Marginalized young People in Kenya and Zimbabwe (YES-JUMP)**-whose main objective is to contribute to the overall decent job creation efforts in Kenya and Zimbabwe, focusing on the unemployed and marginalized young women and men, through demonstrating participatory and community-driven job creation and sustainable livelihoods interventions and improving the policy environment.
  2. **The Cooperative Facility for Africa (Coop Africa)**-whose aim is to contribute to employment creation and poverty reduction by supporting the development of cooperatives and similar member-based organizations. In Kenya the Programme directly contributes to livelihood and food security outcome of the UNDAF by supporting cooperative development as a means for member-based organizations to create scales of economy for growth and development.
  3. **ProInvest**-through which the ILO is contributing to the overall objective of improving the business climate by stimulating private sector development. The project is also expected to enhance the role of employers' organizations (FKE) in private sector development.
  4. **International Program on the Elimination of Child Labour (IPEC)**-Support for Preparatory

<sup>3</sup> The road map towards development of the second DCWP is underway, though the priorities are expected to be generally the same

<sup>4</sup> The DCWP ended 2010 and the second phase is being formulated.

phase of Kenya National Action Plan for the Elimination of Child Labour (SNAP) whose focus is on elimination of child labour and IPEC.

- Uganda**
1. **National Action Plan for the Elimination of Child Labour**-whose one of the aims is to contribute to the finalization and support for the implementation of a five year National Action Plan (NAP) to combat the WFCL.
  2. **Development Women's Entrepreneurship and Gender Equality (WEDGE)**-which is an Irish funded program whose core objective is to ensure that women and men have equal access to economic resources and business support to enable them start, formalize and grow their businesses. The program also contributes to the elimination of discrimination in labour markets by focusing on policy issues that affect women entrepreneurs. The program also provides entrepreneurship development for women through training by using training tools that of relevance to capacity building under the YEF project including GET Ahead (Gender and Entrepreneurship Together) as well as Improve your exhibition skills (IYES).
  3. **International Program on the Elimination of Child Labour (IPEC)**-which provides support for the preparatory phase of the Uganda national Action Plan for the elimination of child labour of whom the 15-18 age group fall in the target beneficiaries of the Initiative.
- Tanzania**
1. **Improving Labour Law Compliance Program (ILLC)**- which is a **USAID funded initiative** whose core objective is to address the existing challenges in implementing and promoting compliance with the new labour laws in order to support the Government's commitment and efforts towards productive economic development and decent work.
  2. **The Cooperative Facility for Africa (Coop Africa)**-A **DFID funded initiative** whose core objective is to address existing challenges in implementing and promoting compliance with the new labour laws in order to support the Government of Tanzania's commitment and efforts towards productive economic development, decent work and fundamental rights and principles at work.
  3. **Women's Entrepreneurship Development and Gender Equality (WEDGE)**: Whose aim is to promote women's entrepreneurship and support women entrepreneurs to create decent employment, achieve women's empowerment and gender equality, and work towards poverty reduction.
  4. **UN Joint Programme 1: Wealth Creation, Employment and Economic Empowerment (JP-WCEEE)**-whose focus is on increasing access to sustainable income opportunities and productive employment, and to increase food security in rural and urban areas pro poor growth

### 3.1.7: Danish Development Cooperation Strategy

Danish Development Cooperation Strategy on "Growth and Employment" focuses on six (6) strategic development areas. The overall objective of the Initiative, interventions and expected outcomes under YEF have significant and direct relevance to four areas of the Danish Cooperation Development Strategy which focuses on economic growth and employment and more specifically (i) Support to the establishment of a framework for market-based economic growth with a focus on employment; (ii) Access to new technology and innovation; (iii) Increased production and processing and employment; (iv) Safety nets that empower the poorest.

### 3.1.8: Other Relevant Initiatives

The YEF project also contributes to initiatives by other UN and Non-UN agencies including the following:

- *Millennium Development Goals (MDGs)*-for which the YEF project contributes to goal No. 1b of achieving productive employment and decent work for all, including women and young people;
- *Business Sector Programme Support (BSPS)*-which is Danida-funded-for which the YEF project is relevant to the various programme components, namely improved business environment, enhanced competitiveness of micro, small and medium enterprises (MSMEs); and improved labour markets.
- *Agri-Business Initiative (aBi Trust)*-a multi-donor funded program-for which the YEF project has relevance to the

some of the components of the initiatives including value chain development; access to finance; and gender for growth (G4G Fund with about 5.4 million Euros for grants to women enterprises);

## 3.2 VALIDITY OF PROJECT DESIGN

This section evaluates the extent to which the project design and formulation of interventions were logical and coherent; the extent to which there is causal relationship between project outputs and intended outcomes and linkage to the broader development objectives; internal and or external factors that have influenced project achievements,

### 3.2.1 Logic and Coherence of Project Design and Interventions

Project design was logical and coherent. This conclusion is based on the Mission's observation of the significant amount of background analytical work that had been undertaken prior to project commencement including labour markets and employment dynamics as well as consultations with a wide spectrum of stakeholders. For example:

- Between April 2008 and late 2009, the Africa Commission had facilitated no less than 17 separate consultations fora with Governments, private sector, civil society organizations and youth organizations across the three target countries.
- The ILO jointly with YEN had also undertaken fairly detailed and consultative problem analyses of employment and labour markets in the target countries which came out in the form of SPROUT in November 2009. Indeed, it was through this initiative that the major constraints hindering the development of youth entrepreneurship were identified as summarised in section 1.2 of this report. The preparation of SPROUT had also made use of information provided through studies and surveys on labour force labour markets and employment trends. These findings were used as the basis for the formulation of interventions of the Facility and still relevant to the needs of project stakeholders.
- The design of the Facility also made use of priorities previously identified by ILO constituents in the context of Decent Work Country Programmes-all targeting youth entrepreneurship.
- Country-specific studies which were conducted in each of the three countries during the month of June 2010.
- Consultative meetings which were undertaken in each of the target countries with a combined attendance of 359 participants from a wide range of stakeholders under the auspices of the "Open Space Workshops";

### 3.2.2 Relevance of Project Outputs and Causal Linkage to Outcomes

The YEF project has fairly well unbundled activities, outputs, outcomes and indicators. The project log frame identified fifteen (15) outputs which to the Mission have plausible causal relationship with the five (5) immediate outcomes discussed earlier in this report. The outcomes are also well placed to feed into the realization of broader development goals of a wide spectrum of stakeholders including national governments and development partners, namely; generating employment opportunities, improving job quality, social dialogue and protection which also contribute to the broader agenda of decent work.

### 3.2.3 Key Internal and External Factors that have Influenced Project Achievements

The evaluation Mission identified the following internal and external factors that in one way or the other influenced project progress towards intended achievements:

**Table 3: Internal and External Factors which Influenced the Project**

	Positive Factors	Negative Factors
<b>External Factors</b>	<ul style="list-style-type: none"> <li>• <i>Effective buy-in</i> by a wide cross section of stakeholders- primarily due to relevance of interventions not just the target beneficiaries but also by other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Depreciation of Danish Kronor (DKK)</i> against the USD resulting in foreign exchange loss amounting to the equivalent of approximately 450,000 USD-which prompted the recommendation by joint ILO/Danida review mission of Aug 27th 2010 of the need for YEF to prioritize interventions-which is now on-going.</li> </ul>
<b>Internal Factors</b>	<ul style="list-style-type: none"> <li>• <i>Recruitment of qualified and committed staff;</i></li> <li>• <i>Team work spirit</i> among the YEF staff;</li> <li>• <i>Innovativeness on the part of the YEF team</i> (e.g. the use of Kazi Nje Nje<sup>5</sup> for entrepreneurship culture promotion and BDS activities and the use of volunteers in the evaluation of proposals under component 5 and 1.</li> <li>• <i>Significantly effective backstopping from Geneva and Pretoria;</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Inadequacy of budgetary allocation during phase 1</i> particularly in light of the Facility's ambition, broad nature and multiplicity of activities of the program. In this regard, it worth noting that Phase 1 budget was decided upon before project time-line based activities were fully analyzed and scheduled (time-wise). A key respondent was of the view that perhaps a higher budget allocation should have been provided under phase 1 and gradually reduced as the project progresses (phase 2).</li> <li>• <i>Slow financial and administration (FAA)</i> procedures primarily because of lack of adequate EPA verification staff</li> </ul>

<sup>5</sup> "Facility Campaign slogans which are steered through apprentices trained by YEF meaning work is out there ....(through entrepreneurship)."

### 3.3 PROJECT EFFECTIVENESS AND ACHIEVEMENT

While the planned Inception Phase and thus project implementation was planned to start in January 2010-following the signing of the Agreement between the ILO and the Government of Denmark in December 2009-actual project implementation activities did not start up until April 2010 when national and international project staff were on board. Although an inception phase of 6 months (January-June 2010) had been anticipated, 3 months were effectively lost by way of time spent in recruiting staff and setting offices leaving only 3 months of effective pilot phase. Thus, the project implementation has in essence been over the last 11 (July 2010-May 2011-the time of evaluation)-a fact considered while evaluation project performance. During the 11 months period, the YEF team has been developing and testing relevant intervention models under each of the components and the period should in essence be seen as a pilot phase. Thus, while the evaluation mission was expected to scrutinize the achievement of outputs and outcomes, we are too early into project and the evaluation gives more emphasis on the extent to which activities implemented and outputs achieved so far are robust enough to guarantee the achievement of anticipated outcomes and impact.

#### 3.3.1 Overall Project Achievements and Effectiveness by Component

The project comprised the following six (6) inter-related and complementary components and five (5) mutually reinforcing immediate outcomes. For example, immediate outcome 4 is shared between components 3 and 4, while immediate outcome 1 is somewhat shared between components 1 and 5.

**Table 4: Summary of Project Components and Immediate Outcomes**

Project Component (Intervention)		Immediate Outcome	
Component 1	Promoting Entrepreneurship Culture	Immediate Outcome 1	Improved attitudes towards entrepreneurship among young women and men.
Component 2	Entrepreneurship Education	Immediate Outcome 2	The Education system produces more entrepreneurial graduates.
Component 3	Business Development Services for Out-of-School Youth	Immediate Outcome 3	Youth start and improve business.
Component 4	Access to Finance for Young Entrepreneurs	Immediate Outcome 4	
Component 5	Youth to Youth (Y2Y) Fund		Youth organizations deliver innovative youth entrepreneurship and employment solutions
Component 6	Promoting Evidence-Based Advocacy	Immediate Outcome 5	Youth employment policy makers and promoters make evidence-based decisions for better resource allocation and program design

The sections below provide a summary of the achievements of the project in terms of outputs under each of the immediate outcomes. This is based on field interviews and the regional monitoring score card provided by the YEF team (7<sup>th</sup> June 2011)-see **Appendix 1**. It is worth mentioning right from the outset that at the time of the evaluation, the consolidated score card was not entirely up to date in a few areas as some of the data was still being collected-partly because it is normally consolidated only every 6 months where the next release was expected at the end of June 2011. For example the number of trainers of entrepreneurs and the number of youth reached in Kenya are still being collected, while for Uganda, the data is only up to March 2011. The following is a summary of achievements of the project by component.

##### 3.3.1.1 Immediate Outcome 1: Improved attitudes towards Entrepreneurship among Young Women and Men

The main outputs under *immediate outcome 1* are (i) to increase awareness of youth about the merits of entrepreneurship through mass-media based regional youth entrepreneurship promotion programs; (ii) to make young people recognize entrepreneurial peers as role models through a young entrepreneur of the year award scheme; and (iii) to make the youth recognize business opportunities through thematic business plan competitions. This should be seen in relation to three anticipated end project output indicators (December 2014) which include at least 1.2 million youth reached and 75% increase in entrepreneurship awareness; at least one award scheme per country; at least

5,000 business plan submissions by young people. In this respect, the YEF has made notable strides towards increasing entrepreneurship awareness which is (evidently) changing attitudes towards entrepreneurship among young men and women as indicated below:

- An estimated cumulative total of 10,546 young people have so far been reached resulting in increased awareness about entrepreneurship. The outreach has been through a number of activities including 60 media appearances (press, TV and radio) across the three countries; 17 partnerships with a wide range of organizations have been established, 28 entrepreneurship culture promotion have been conducted; a total of 621 business ideas/plan competitions have been received-with about 35% coming from female applicants; promotion of young entrepreneurs as role models have been conducted-with 36% being women; and school club fora of which 7 have been conducted .
- A total of 115 business plans have been submitted by young people-with 25% of them coming from young women;
- The project has already given three (3) awards to winners and runners up-with the value of the award averaging USD 2,000 each;

YEF aims to reach 30,000 young people by the end of year 2011, about 400,000 by the end of year 2012, about 800,000 by year 2013 and about 1.2 million by the end of year 2014. This is no doubt very ambitious and the evaluation Mission fully concurs with the views of the ILO/Danida Mission of August 2010-which in view of this, recommended that the Facility prioritize components, outcomes and outputs at regional and national levels. While the YEF team is in the process of prioritizing project activities, outputs and outcomes, it is worth noting two main factors which might help the project in making even bigger strides in future towards attaining target indicators: (i) The project has so far identified and tested fairly promising intervention models under various components and is now moving on to the roll out phase with a high possibility of experiencing snowball effect; (ii) the innovative use of a multiplicity of information dissemination channels including the mass of media (radio, TV and Newspapers) as well as the crowd pulling public rallies as is the case with *Kazi Nje Nje (Operesheni Motto wa Nyika*-which means "operation wild fire").

### **3.3.1.2 Immediate Outcome 2: The Education System produces more Entrepreneurial Graduates**

The main outputs under *immediate outcome 2* are to ensure the following: (i) that national entrepreneurship curricula are integrated into secondary and technical/vocational schools training; (ii) that teachers are capacitated and certified to delivery entrepreneurship education modules; (iii) that entrepreneurship education classes are delivered to students. This should be seen in relation to the indicators of achievement for component 2 which are: (i) that entrepreneurship education curricula amended in at least 2 countries; (ii) that at least 5,000 teachers trained by year 5; and (iii) that at least 320,000 students entrepreneur graduates are produced by the by year 5.

At the early stages of the project, the YEF team explored the possibility of getting this component up and running in each of the three countries. In Tanzania, it was established that this intervention was crowded with a lot of donors and that the Government was in the process of determining a common way forward. In Kenya, it was established that this intervention was already well advanced at the tertiary institutions level and therefore not a priority area for the Facility-although a business mentorship component has been established in collaboration with "Inoreero University" (but under Component 3 since the mentorship programme will target emerging and established entrepreneurs as a BDS). In Uganda, it was found that the Government was already keen in introducing entrepreneurship training especially at secondary school level and the project is therefore working with the National Curriculum Development Centre (NCDC) in pursuit of this agenda and is supporting entrepreneurship education at 'A' level for Senior 5 and Senior 6 (last two years of high-school/upper secondary).The curriculum is nearing completion through a range of workshops undertaken in 2010 and 2011 with panels of national experts and international entrepreneurship education curriculum developers and is ready for piloting with 100 secondary schools across 4 regions in Uganda starting from February 2012. The piloting will also be subject to an impact assessment (see further below under Immediate Objective 5).Teacher Educators will be trained in August 2011 and the actual secondary classroom teachers will be trained in January 2012 prior to the start of the 2012 academic year. The YEF team is therefore so far largely banking on Uganda for the achievements of the output indicators under immediate outcome 2. Interviews with the NCDC indicated great optimism, and the general feeling is that project target outputs as provided under component 2 will be attained or even surpassed

particularly in light of the free education policy being introduced in Uganda which expected to increase secondary school enrolment-including senior 5 and senior 6 students.

Outputs under this immediate outcome are by nature medium to long term and most effort during Phase I has gone into curriculum development (syllabus, teacher's guides and learner's workbook) with materials being developed for more than 336 hours of entrepreneurship education (168 hours for both senior 5 and senior 6). This is based on the ILO's well tested Know About Business (KAB) programme, which has been substantially enlarged from the 120 standard hours to 336 with many additional topics. Training of teachers (TOT) is expected to start during the second half of 2011 while training of entrepreneur graduates will start in the next academic year (which starts in February 2012). Nevertheless, the evaluation Mission notes that YEF has already facilitated 4 curriculum development workshops resulting in the amendment of secondary school level curriculum in Uganda.

### **3.3.1.3 Immediate Outcome 3: Youth start and improve their Businesses**

The main outputs under *immediate outcome 3* are (i) Develop youth tailored Business Development Services (BDS); (ii) Local providers certified competent to deliver BDS; (iii) Provide BDS services in specific sectors and Value Chains to Out of school young women and men; (iv) Develop partnership windows with micro finance institutions for youth finance; (v) facilitate loan provision to female and male entrepreneurs-resulting in at least 15,000 youth borrowers. The main indicators of achievement under this immediate objective include: (i) At least 2 new financial products developed per country; (ii) At least 1,000 trainers trained by year 5; (iii) At least 45,000 youth trained by year 5; (iv) At least 2 partnerships forged with micro-financial institutions in each Country; (v) At least 15,000 youth access and borrow money from micro-financial institutions. The project's main achievements in relation to this immediate objective have been as follows:

- A total of 76 partnerships with organisation-based BDS providers have been established;
- A total of 11 training of trainer workshops have been conducted-of which 41% of participants were women;
- A total of 14 workshops for potential/existing entrepreneurs have been conducted;
- A total of 7 BDS products have been developed;
- A total of 117 Trainers/BDS consultants trained/capacitated-of whom 50% were women;
- A total of 355 youth have been trained and accessing BDS-of whom 42% were women;

Again, the Mission noted that target outputs provided under this component are quite ambitious. However, and more importantly, despite having attained notable achievements as listed above, there has been no achievement in relation to what the evaluation Mission considers as most important outputs, namely; (i) Young people having access to both BDS and finance as one package (not just BDS alone); (ii) Young entrepreneurs accessing finance; and (iii) Businesses started by youth. While it is appreciated that the withdrawal of MYC4 impacted negatively on this, it is critical that YEF immediately gears up towards this end by aggressively engaging local micro-financial institutions (a recommendation also made by the Joint ILO/Danida Review Mission)-which should be reflected in the achievement indicators framework..

### **3.3.1.4 Immediate Outcome 4: Youth Organizations Deliver Innovative Youth Entrepreneurship Solutions**

The Y2Y Fund component of the Facility aims at giving the youth a "voice" in development issues through competitive and capacity building schemes for youth organizations and groups The Fund aims at identifying, testing and promoting innovative entrepreneurship solutions of young people to employment challenges. It also aims at increasing the number of youth-led organisations that have the means and capacity to propose and implement innovative youth employment projects. The main outputs under *immediate outcome 4* are (i) Youth organizations capacitated to develop youth entrepreneurship; and (ii) Grant packages for competitively selected organizations are implemented. These should be seen in relation to the indicators of achievement which include: (i) At least 100 organizations by end of year 5; and (ii) At least 100 grant agreements by the end of year 5. The project's main achievements in relation to this immediate outcome have been as follows:

- A total of 6 "Call for Y2Y Fund Proposals" have been floated resulting in a total of 819 applications for the first



round (i.e. the first 3 calls for proposals, one in each program country)-of whom 25% were submitted by a young woman as the project manager;

- A total of 89 short proposals selected for further capacity building;
- A total of 85 long proposals received of which 52 (or about 61%) were selected for final completion round;
- A total of 9 training workshops delivered-with total attendance of 215;
- A total of 3 Y2Y showcase events held;
- A total of 86 applicant organizations received technical assistance;
- A total of 25 grants given-averaging USD 14,788 per grantee-approved and agreements signed;
- A total of 25 grant packages being implemented;
- A total of 20 grantees receiving on-site technical assistance;
- A total of 61 partnerships (mentors and service providers) created and offering services to grantees;
- A total of 10 grantee monitoring missions undertaken;
- A total of 7 grantee projects on-track (according to the progress reports);

Ultimately, key success indicators for the Y2Y component shall include: (i) the number of youth organisations that have adequate capacity to develop innovative ideas and implement youth employment programs; and (ii) the number of successfully implemented projects. However, it is too early and these outcomes are expected much later in the project cycle. The view of the Mission is that the above outputs are no mean achievement given the following prevailing conditions:

- That the Facility had first and foremost to deal with the development of the necessary procedures and tools towards effective and efficient operationalization of the Fund scheme as the program was being implemented.
- That the Facility had to deal with an unprecedented number responses (819 applications across the three countries) which meant a lot of work towards actual proposal evaluation that has to go through a series of stages including screening of non-eligible proposals, short-listing of innovative ideas, technical assistance to semi-finalists on project design and proposal writing, selection of finalists, site visits for validation, showcase and grantee selection;
- That most youth organisations have very weak capacity which was indeed demonstrated by the low quality of proposals received in the first call-necessitating a lot and unanticipated additional technical assistance towards building the capacity of applicants (before release of grantees).

#### **3.3.1.5 Immediate Outcome 5: Youth Employment Policy makers and Promoters make Evidence based Decisions for Better Resource Allocation and Program Design**

The main outputs of *immediate outcome 5* are: (i) Policy makers and practitioners have improved knowledge base on best practice in youth employment promotion; and (ii) The evidence base for effective youth employment programming is increased. This should be seen in relation to the following indicators of achievements: (i) At least one (1) evaluation clinic per year with satisfaction rate of at least 75%; (ii) At least 2 rigorous impact assessments initiated and shared per year. The project's main achievements in relation to this immediate objective have been as follows:

- One (1) Evaluation clinic conducted during the second half of 2010-with total attendance of 60 stakeholders and with all participants (100%) signing up for on-line group site
- A total of four (4) evaluation plans drafted during clinics;
- A total of USD 181,416 seed funding disbursed during the first half of 2011;
- A total of 16 quality applications received for evaluation clinics;
- A total of 2 impact evaluations initiated and shared during the first half of 2011;

Key success indicator for the Component on Promoting Evidence-based Advocacy include: (i) Number of youth employment policy recommendations/programmes drafted using evaluation evidence (at least 2 policy recommendations/programmes per year). Again, outputs under this component are medium to longer term in nature and it is hoped that the evaluations so far initiated by YEF will bear fruits in future. Specifically, under this component the YEF is partly funding a longitudinal and rigorous impact assessment of a skills and entrepreneurship development training programme for adolescent girls implemented by BRAC Tanzania. Also, the entrepreneurship education support

provided to Uganda and the testing of the entrepreneurship curriculum in 100 schools in 2012 and 2013 academic school years will be subject to a rigorous and longitudinal impact assessment where students from the 100 pilot schools will be compared with students from a control group of students from another 100 schools that do not receive entrepreneurship education. The objective is to assess whether entrepreneurship education has an attributable impact on labour market outcomes such as business start-up and employment creation and if so make this evidence available to policy makers across Africa. For effectiveness, the Facility should also ensure that the resultant findings are disseminated accordingly.

### 3.3.2 Component Specific Issues

Under Components 1 and 5, YEF normally makes “call for proposals” with a view to providing grants to the winning proposals after undergoing screening and evaluation based on what the Mission noted as specific and well developed criteria. However, according to responses from a wide spectrum of stakeholders met during the Evaluation Mission, the process from the point of proposal submission to the point of providing awards to the winning applicants is perceived to be taking too long especially under the Y2Y component -in some cases up to 6 months. A quick glance at the first “call” in the case of Tanzania indicated that while the deadline for proposal submission was 31<sup>st</sup> August 2010, the grantees were announced on 27<sup>th</sup> January 2011 and the EPAs received on 29<sup>th</sup> April 2011. This means that in the case of Tanzania, it took about 5 months for the grantees to be announced and a total of 8 months for the EPAs to be received. In the case of Uganda, the process took about 4.5 months. While the Evaluation Mission fully appreciates the tedious, long and complex processes which have to go into effecting the Y2Y grantee scheme as narrated in sections 3.3.1.4 above, and which are indeed necessary for quality control and transparency, the case for the period spent merits consideration. *It is therefore recommended that the process is fully explained to the potential applicants and to the extent possible, that the Facility explores ways and means of shortening the period taken to process proposals so as to avoid fatigue and disillusionment among applicants which according to a notable number of stakeholders was beginning to set emerge.*

### 3.3.3 General Project Effectiveness Issues

In accordance with the terms of reference, the Evaluation Mission also assessed a number of project performance related issues including delivery of outputs in relation to work plans and the quality of such outputs, distribution of benefits from a gender perspective, comparative project achievement by geographical region and components; effectiveness of backstopping by ILO regional offices-Geneva and Pretoria; and whether there were unintended results.

With respect to these issues the Mission observed the following:

- The YEF project has well defined outputs which have strong causal relationship with anticipated outcomes;
- Although the YEF has clearly defined outputs, they were not always delivered according to work plans and a number of them have had to be postponed to Phase 2 (as indicated in the 2<sup>nd</sup> Technical Cooperation Report-TCPR covering the period July-December 2010). Inadequate funds-following the foreign exchange loss-was the main underlying reason for this, though limited human resources also contributed to some extent.
- The quality of outputs have generally been good as attested by various stakeholders/respondents e.g. trainees and recipients of BDS Business Plan Competition (under component 1) and recipients of grants (under Y2Y component). In this regard, beneficiaries of particularly entrepreneurship culture change campaigns (Component 1) and BDS training (component 3) indicated great satisfaction with the outputs of the project. The demand for training which largely surpass locally available training capacity especially in Uganda and Tanzania is somewhat a good indicator of the quality of services and perception of consumers or potential consumers. In this regard, it is also noted that evaluation clinic satisfaction rate was in the order of 95%
- According to information gathered from the YEF implementation team, backstopping from both the ILO regional offices (Geneva and Pretoria) have been fairly good. This was further confirmed through triangulation with interview of technical experts in the Geneva office who indicated that the YEF project staff are able to articulate, and quite effectively, what they need to be backstopped on. It appears that this has been going on quite well despite the unusual matrix managerial and organizational model that was adopted by the project- under which YEN component managers have two reporting lines including one to the YEN manager as the direct technical supervisor and where the manager of the YEN sub-budget and component 5 and 6 and another one to the CTA

as the head of the Facility, manager of components 1-4 and the daily manager of Facility staff in Dar es Salaam, Nairobi and Kampala (with delegated supervisory responsibilities to the international expert based in Nairobi as well as to national coordinators).

- In general, the percentage of female beneficiaries has been in the range of 25%-50% depending of the components (see foregoing section).
- The project has had no notable unintended results.

All the six components of the project are in a many ways inter-related and or complementary and equally important depending on what one is looking for. There are no clear and straight forward criteria for ranking the components in terms of importance or success because their implementation processes face different circumstances. However based on interviews with key observers/stakeholders as well as field level observations, the most successful, and popular/priority components by country are provided below:

**Table 5: Perceived Popularity and Success by Component and by Country**

Country	Most Popular & Successful component during Phase 1	Perceived Priority for Phase II
<b>Kenya</b>	<ol style="list-style-type: none"> <li>1. <b>Component 3:</b> Business development services for out-of-school youth (SIYB and business mentoring programme development)</li> <li>2. <b>Component 1:</b> Promoting a Culture of Entrepreneurship (the business plan competition with Enablis)</li> <li>3. <b>Component 5:</b> Y2Y Fund</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Component 3 &amp; 4:</b> Financial and not-financial BDS for out-of-school youth</li> <li>2. <b>Component 1:</b> Promoting a culture of entrepreneurship with a specific focus on (a) business plan competitions and (b) young entrepreneur of the year award scheme-</li> <li>3. <b>Component 5:</b> Y2Y Fund</li> </ol>
<b>Uganda</b>	<ol style="list-style-type: none"> <li>1. <b>Component 2:</b> Entrepreneurship Education</li> <li>2. <b>Component 5:</b> Y2Y Fund</li> <li>3. <b>Component 3:</b> BDS for out-of-school youth</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Component 2:</b> Entrepreneurship education (massive opportunity)</li> <li>2. <b>Component 3 &amp; 4:</b> Financial and not-financial BDS for out-of-school youth (I would add business plan competitions and young entrepreneur of the year award scheme to this)</li> <li>3. <b>Component 5:</b> Y2Y Fund</li> </ol>
<b>Tanzania</b>	<ol style="list-style-type: none"> <li>1. <b>Component 3:</b> Business development services for out-of-school youth (SIYB and Kazi Nje Nje)</li> <li>2. <b>Component 1:</b> Promoting a culture of entrepreneurship ("Operesheni Moto wa Nyika")</li> <li>3. <b>Component 5:</b> Y2Y Fund</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Component 3 &amp; 4:</b> Financial and not-financial BDS for out-of-school youth</li> <li>2. <b>Component 1:</b> Promoting a Culture of Entrepreneurship</li> <li>3. <b>Component 5:</b> Y2Y Fund</li> </ol>

## 3.4 EFFICIENCY OF RESOURCE USE

### 3.4.1 Time Resource Allocation

As mentioned earlier, the circumstance surrounding project start-up did not allow sufficient time for certain pre-implementation activities such as youth employment and entrepreneurship sector mapping-i.e. market analysis. Whereas the YEF team did a commendable job in catching up with the 3 months lost before the project even started, the view of the Evaluation Mission is that a project start date and the period accorded to the pre-implementation phase is not a mere administrative formality, but has real implications on project achievements. From this point of view, the Mission feels that time allocation was not strategically thought out.

### 3.4.2 Human Resource Capacity

The current YEF staffing comprises 10 technical members including the Evaluation Specialist in Geneva and 7 support staff. In addition, the ILO sub-budget for component 1-4 also covers the salary of one financial and administrative assistant (FAA) in the Dar es Salaam office. However, this FAA is not as such a staff of the YEF, but is working for the ILO Country Office for Tanzania, Kenya, Rwanda and Uganda. The initial intention was to finance this position from the project funds in order to ease the added financial and administrative pressure that a large project such as YEF would bring to the ILO country office and thereby make implementation more efficient, but this has not happened (see further below). The mission's observation is that the whole YEF team is not only technically qualified in their respective areas of expertise, but also exhibit tremendous passion and commitment to their work. Both the technical and support staff also strongly embrace the spirit of team work as well as knowledge sharing. These staff members are strategically allocated in the best way possible so as to delivery on the planned outputs. Just for example, the regional expert on enterprise has been deliberately located in Nairobi so as to also assist the national coordinator despite the position having been meant for Dar es Salaam.

### 3.4.3 Use of Financial Resources

The evaluation Mission was not able to carry out in-depth "value for money" audit or investigation. However, based on field level observations, it is felt that the YEF team has been quite prudent in the way they use financial resources of the project. In this regard, it is worth mentioning that the national teams have proactively aimed at sharing offices with other ILO project and or UN projects/organizations. This includes for example the sharing of YEF team with WEDGE/IPEC office in Kampala-with YEF incurring only USD 524 per month; and sharing with the ILO YES-JUMP/UN offices in Nairobi. Other examples include the use of Kazi Nje Nje campaigns under the Operesheni Motto wa Nyika tin Tanzania to sensitize the youth on entrepreneurship where young graduates (apprentices) are paid only US\$ 300 per person per month while they are hosted free of charge by local organizations situated in their areas of operation; use of selected stakeholders to evaluate proposals under components 3 and 5 at no or minimal costs in the form of lunch or transport; and use of interns at a cost of only USD 200 per month. It was also noted that the project has refurbished a number of computers and software from Microsoft for Y2Y Finalists instead of simply going for the more expensive new ones.

Furthermore, the Evaluation Mission also noted that the project has also managed to leverage and attract a notable amount of external financial resources including the following: € 100,000 from BASF foundation; US\$300,000 from the Jacobs Foundation; and, US\$140'000 from KCDF under the current Y2Y Fund partnership in Kenya.

## 3.5 EFFECTIVENESS OF MANAGEMENT ARRANGEMENTS

### 3.5.1 Technical Capacity Issues

The YEF team that comprises 10 technical members of staff (6 men and 4 women) and 8 support staff (7 men and 1 woman) are distributed as shown below.

**Table 6: YEF Staff Distribution by Country**

Location	No. of Technical Staff	No. of Support Staff
Tanzania (main project office)	5	3
Kenya	2	2
Uganda	2	2
Geneva	1	0
<b>Total</b>	<b>10</b>	<b>7</b>

While it is prudent for the ILO to maintain lean staff, there is no doubt that the current staffing level is probably below optimal requirements for projects of similar nature-particularly in terms of diversity of interventions and geographical spread. In this regard, the Evaluation Mission noted the use of innovative methods by the YEF team including:

- Collaborating with partners and stakeholders in undertaking some activities on volunteership basis e.g. evaluation of proposals-a situation that has begun causing resentment among participants in all the three countries. While the Evaluation Mission acknowledges that one of YEF's aim has been to overcome the culture of "paid participation" for activities that of concern and of interest to stakeholders, a significant proportion of relevant respondents met during field interviews felt that at least some honorarium to should be paid towards their participation in some project activities especially evaluation of proposals under Y2Y and BDS components to cater for their time ;
- Outsourcing services for certain activities e.g. management of Y2Y components by Kenya Community Development Fund in Kenya;
- Use of interns which has been very helpful-though the conditionality on maximum service period of 6 months (per contract) has been limiting;

The work load has been big, but the YEF team has been able to start up and deliver on such a big programme with 6 components in three countries in a fairly short time primarily because they have all pulled together in the spirit of team work to ensure delivery. The work load is not going to be any lesser during phase 2 and the truth is that there is a limit to which the project can leverage on volunteership -at least not across all types of stakeholders. Although the evaluation Mission strongly shares the principle of maintaining lean but qualified and well motivated staff, it is highly recommended that the following two positions be filled up.

- **One additional verifier** at the ILO-Dar es Salaam office, which caters for Tanzania, Kenya, Rwanda and Uganda. This is deemed critical because with only one verifier handling finances across all these countries, the administration and finance section is unfairly overburdened which has a tendency to work against the desired faster of administrative and financial processes-despite the observed competency in that office. In this respect, it is worth noting that out of all the 13 ILO offices in Africa, Dar es Salaam has single largest financial outlay. For illustration purposes, total annual expenditure of the ILO Dar es Salaam Office in 2010 amounted about US\$ 13.7 million-about twice that of ILO-Dakar office which is the second largest in Africa. With a total annual expenditure for all ILO country offices in Africa amounting to US\$ 51.2 million in 2010, annual expenditure for the Dar es Salaam office alone accounted for nearly 27%. The Evaluation Mission feels that the low delivery rate of the Dar es Salaam office in terms of expenditure estimated at 72.4% in 2010 compared to 95.6% for the Regional Office for Africa in Addis Ababa and 93% for the country office in Pretoria is largely attributed to inadequate verifier capacity. *The mission recommends that the administrative and financial position in the ILO Dar es Salaam office that is currently funded by the project should be given verification responsibilities as soon as possible in order to speed up financial and administrative processes.* In fact, this issue of one additional verifier had previously been raised by the Facility at project design stage and in the budget but has not been

addressed to date.

- **Monitoring and Evaluation Specialist** to be stationed in the YEF main project office in Dar es Salaam Office but with regional responsibilities supporting the YEF teams in all the three countries. At the moment, the implementation team members are responsible for collecting, collating and compiling monitoring and evaluation data-which take away part of their time towards actual project implementation. Engaging an M&E member of staff would also help in positioning the function of monitoring and evaluation at an arms length of the implementation staff.

### 3.5.2 Financial Issues

The evaluation mission identified three issues relating to financial planning, budgeting and flow:

- Firstly, financial resources that were available during phase 1 were inadequate given the magnitude and complexity of the project in terms of geographical spread, multiplicity of issues to be addressed as well as stakeholders' consultations involved as well as the over-ambition on the part of the project. This was unfortunately compounded by the foreign exchange loss brought about by the depreciation of Danish Kronor against the US dollar. In fact, financial constraints has been a major factor in the postponement of some activities by the YEF team and is also partly the reason for the on-going component prioritization exercise in spite of the fact that all the components are seen as important, if not because of their high complementarity.
- Secondly, the YEF management maintains a global project budget with no specific allocation by component and or activity. While this may have been due to the fact that it was not possible to allocate budgets because the Facility was in the process of determining outputs and activities under phase 1, the feeling of some staff members is that this makes it difficult to plan activities at the component level-for which they are responsible.
- Thirdly and perhaps most important, the slow financial disbursement procedures primarily due to the bottleneck related to lack of adequate verifier staff at the Dares Salaam office.

### 3.5.3 Project Management Arrangement and Governance Issues

Although one project with one objective, the Facility is actually a partnership project between two distinct organisations-the ILO and YEN, with two separate sub-budgets-for components 1-4 under ILO and for components 5 and 6 under the YEN Secretariat. As per the project management design, the ILO is responsible for components 1-4, while the YEN Secretariat is responsible for components 5 and 6. The management of components 1-4 and the associated sub-budget are decentralized to the ILO regional office in Dar es Salaam under the responsibility of the CTA (Facility Regional Manager who is paid by the ILO). The management and sub-budget for component 5 and 6 are centralized in Geneva with the EMP/POLICY department and under the responsibility of the Head of YEN. Technical backstopping of the Facility is done by ILO office in Pretoria while backstopping of component 4 (finance) is backstopped from ILO Regional Office for Africa (ROAF) based in Addis Ababa. Components 5 and 6 are backstopped by the YEN Secretariat from Geneva. Under this matrix management set-up, it is rather difficult to clearly identify the line of management authority. The Mission was however informed overall management responsibilities of the Facility rest with the unit (a department or an ILO country office) where the funds are allocated.

The situation regarding Facility management arrangement issue has not changed since the ILO/Danida mission in August 2010. That is-most staff report to the Facility Regional Manager in Dar es Salaam while at the same time, the International Advisor on the Youth to Youth (Y2Y) fund (based in Dar es Salaam) and the national Y2Y officers (responsible for the implementation of component 5) formally report to the Head of the inter-agency YEN secretariat in Geneva. Similarly for component 6 on evidence based knowledge and advocacy, the International Expert is based in Geneva. There is no doubt that managing a development initiative the size of YEF, across three countries, with separate sub-budgets, two separate entities, and different lines of reporting and also being backstopped from outlier offices (Geneva and Pretoria) is by definition extremely challenging from a management point of view. In fact, the view of the Evaluation Mission is that progress so far made by the Facility would not have been possible if it were not for the strong, coherent and committed project team that was put together right from the start as well the good interpersonal relationships between the Facility Regional Manager and the YEN management. As one commentator put it,

"splitting of the Facility into two projects and with two budgets (from the point of view of backstopping) does not make sense as it not only complicates management but also creates redundancies and cost inefficiencies...in the project".

Based on past experience over the last 17 months, the Facility management setup has worked well and neither the ILO nor YEN have seen the need to split hairs on this. That notwithstanding, the *ILO/Danida Mission recommended that a clarification of the management set-up is initiated for components 5 and 6, and that this clarification clearly stipulates which managerial decisions lies where in accordance with jointly developed work plans*. The YEF team appreciated and acknowledged this recommendation and has since responded by essentially saying that the set-up has not posed any problem-which indeed there has not been.

The view of the Evaluation Mission is that at this point in time the issue of Facility management arrangement can not be resolved without fundamentally changing implementation and management set-up to make the Facility one project with one budget and one management. From an institutional and project agreement point of view, this is neither possible at this late stage, nor wanted by the ILO or by the YEN Secretariat. Besides, the management set-up has not resulted in any problems so far as indicated above. In this respect, the Evaluation Mission would like to make the following recommendation.

- The ILO and YEN sign a Memorandum of Understanding to the effect of the understanding contained in Facility's response to the ILO/Danida Mission of August 2010-namely; *"The Facility manager, as the head of the Facility, is responsible for general management and thus also alignment of all six components, as well as daily management of staff in the Facility (apart from one international staff based at the YEN Secretariat in Geneva). Should conflicts arise then the Facility Manager is the overall responsible as per the organizational set up"*.
- Towards minimizing redundancy and costs inefficiencies that seem inherent in the current project management arrangements, *the ILO and YEN should jointly determine the future regarding the vacant position (since the departure of the YEN manager) and how the best the technical expert in the YEN secretariat in Geneva for Component 6 can be used. The options could include relocation to Dar es Salaam or making more frequent field missions for enhanced support of the YEF team; and/or also assuming the position of the M&E expert proposed elsewhere in this report.*

#### 3.5.4 Monitoring, Evaluation and Reporting Systems

From the very outset, it is worth mentioning that project documentation and regularity of data collection has been excellent. The YEF team produces bi-annual score cards at national level which are normally aggregated to develop the regional score card. The information provided through these score cards is quite clear and detailed in terms of immediate objectives, outputs and activities. The data is also normally disaggregated by gender where relevant. It is also worth noting that a project website has already been developed ([www.yefafrika.org](http://www.yefafrika.org)) and the project is in the process of developing an interface between the monitoring and evaluation (M&E) system/Regional Scorecard and the website so that outreach data and information will be available in real-time on the website with search options by components and by country in order and to be displayed in graphs and figures. While an M&E system is in place and relevant data is systematically being collected and collated, the Evaluation Mission would like to raise main issues:

- Firstly, the score cards are prepared bi-annually which in the view of the Mission is too long given that this is a monitoring and evaluation tool that is meant to inform project management to allow timely remedial measures. In this respect, the evaluation Mission recommends that the score cards be prepared on a quarterly basis to allow timely remedial measures whenever required. This should also allow enough time for the Facility team to validate and clean up data before it is transmitted to the Government of Denmark-which is required bi-annually (SPROUT page 40-section on reporting).
- Secondly, data collection is currently undertaken by the same staff members charged with the responsibility of project implementation. This not only takes away their time towards actual project implementation, but (to any outsider) could also raise question authenticity of performance reporting-which are some of the reasons why the Evaluation Mission recommends for the recruitment of an M&E person.

### 3.5.5 Project's Results Framework

Good practice in designing project's result frame framework (log frame) requires that project objectives, outputs, activities, anticipated outcomes and impact; as well as objectively verifiable indicators are clearly defined. More specifically, performance indicators should be *specific, measurable, attributable realistic and time-bound* (SMART) besides demonstrating causality between activities, outputs, outcomes and impact. While the YEF team is to be commended for crafting a fairly good results framework in the short time that was available before commencement of project implementation, and whose causality (activity-outcome) seems quite plausible, the Evaluation Mission would like to raise the following issues:

- *Indicators and work plans appear ambitious as observed by the ILO/Danida review mission of August 2010.* This is particularly in light of the fact that YEF is a rather complex project from the point of view of the inherent intricacies of issues to be dealt with by the project, the regional nature of the project, diversity of interventions (6) and therefore activities-albeit intertwined and complementary in nature; multiplicity of stakeholders and issues that come along with this, budgetary and human resource limitations. The evaluation Mission concurs with recommendations made by the LO/Danida review Mission (i.e. recommendation 3 *"that the Results Framework be used to prioritize components, outcomes, outputs and activities at regional and national levels"*)
- *Baseline data is not yet fully developed:* While full baseline studies are often not warranted where cost implications (time and financial resources) are significant, it is noted that project design did not allocate time and finances for baseline data collection and analysis. It is however noted that the YEF team is building up the data base as the project continues to be implemented-which is the right thing to do given the situation.
- *Indicators are not disaggregated to country level.* This may blur accountability on the part of country team members (who can easily hide behind the regional screen in terms of target achievements).

*In addition to continued effort towards building relevant baseline data, the Evaluation Mission recommends that YEF undertakes a review of the results framework (log frame) by way of disaggregating output and outcome indicators to the national level which should be in accordance with national level priority interventions and likelihood of achievements-this will help in enforcing accountability of national teams as sub-teams of the overall facility implementation team;*

### 3.5.6 Administrative, Technical and Political Support

As mentioned elsewhere, the project has been receiving good and effective administrative and technical support from the ILO offices in Geneva and Pretoria as well as from the ILO office in Dar es Salaam. Owing to the relevance of project interventions, and the growing concern regarding youth unemployment in all the three countries (because of the socio-political risks associated with this matter), the project has been receiving significant political and social support from national governments, social partners and other stakeholders-though this should be proactively pursued in Kenya where social partners seemed not to be on top of things. In this regard, it is worth noting that the YEF project was officially launched by the respective Heads of State in both Uganda and Tanzania. The project is particularly visible in Tanzania through the *"Operesheni Moto wa Nyika"* campaign which is steered through the *"Kazi Nje Nje"* initiative and in Uganda through the Y2Y Fund-which has generated significant interest and visibility. While high visibility of the project is in itself an advantage in terms of changing mindset towards entrepreneurship among the youth, it also comes along with political risks-which the YEF team has always been aware about and have been putting relevant mitigations in place as appropriate.

### 3.5.7 Collaboration with other ILO Projects and other Development Initiatives

The ILO and other Development Partners have a number of projects in East Africa with varying relevance to the agenda of the YEF initiative. Those that have significant relevance include:



### (1) ILO related Initiatives

- Youth Employment Support-Jobs for the Unemployed and Marginalized young People in Kenya and Zimbabwe (YES-JUMP);
- The Cooperative Facility for Africa (Coop Africa);
- PRO-Invest to maximize the influence of employers' organizations for a better business environment and private sector development;
- International Program on the Elimination of Child Labour (IPEC);
- Support for Preparatory phase of Kenya National Action Plan for the Elimination of Child Labour (SNAP);
- UN Joint Programme 1-Wealth Creation, Employment and Economic Empowerment (JP-WCEEE);
- WEDGE – Women's Entrepreneurship Development and Gender Equality

### (2) Other Donor's Related Initiatives

- *Agri-Business Initiative* (aBi)-Danida funded
- *Business-to-Business* (B2B) Danida-funded
- *Business Technical, Vocational Education Training* (BTVET) funded by GTZ (only in Uganda and hosted by the Ministry of Education and Sports
- *Triodos-Facet support to entrepreneurship education in vocational schools* (only in Tanzania-where collaboration with the ILO and its International Training Centre in Turin has taken place over several years making use of the ILO's Know About Business (KAB) programme and also the SIYB Business Games.

While the YEF team indicated that they have proactively collaborated with other projects where relevant, three key respondents informed the Evaluation Mission that enough was not being done. This issue was not only raised by two ILO-funded projects but also by one staff of the Danish Embassy in the region. This reinforces the point of raised elsewhere with respect to the need for YEF to step up efforts towards leveraging with local organisations and other development programs for maximum impact and sustainability. That notwithstanding, the Mission interpreted this as a case of impatience on the part of the respondents given that Facility's top priority activity in the early part of the inception phase was to establish its own operation and at the same time building collaboration with other programmes and projects where relevant and at an appropriate timing. In this regard the Mission recognizes a lot collaborative efforts including key roles played by the Facility with respect UNDAP activities in Tanzania; the UN Joint Programmes in Kenya and Uganda; and the UNEP in Kenya in promoting green entrepreneurship-just to mention a few.

### 3.5.8 Implementation Status Recommendations by the ILO/Danida Joint Review

The following provides a brief assessment of implementation status of the nine (9) recommendations made by the ILO/Danida Joint Review Mission in August 2010. As will be noted below, most of the recommendations are still in the process of being implemented or are planned.

**Table 7: ILO/Danida Review Mission Recommendations and Status of Implementation**

Recommendation by Joint Review Mission (August 2010)	Status as reported in second progress report(December 2010)	Status (May 2010)	Issues and Comments
1. That the Facility defines specific ways in which partners and beneficiaries are obliged to work with market analysis, and that these are incorporated into the modality of the components	Strategy and materials for sub-sector and value chain analysis will be developed in the first half of 2011	<b>Not done</b>	The revision of training material and training on value chain analysis are planned for Phase 2. A commercial market for BDS is being created in targeted districts in Tanzania. However, activities do not seem to be based on a preliminary market assessment of the need for such services and on a mapping of existing BDS suppliers in the 12-targeted areas.
2. That a clarification of the management set-up is initiated for components 5 and 6, and that this clarification stipulates which managerial decisions lies where in accordance with jointly developed work plans	<b>Done</b>	<b>Not fully done</b>	The YEF management has since responded to the recommendation formally where it was stated as follows: "The Facility manager, as the head of the Facility, is responsible for general management and thus also alignment of all six components, as well as daily management of staff in the Facility (apart from one international staff based at the YEN Secretariat in Geneva) and that should conflicts arise then the Facility Manager is the overall responsible as per the organizational set up.....in any case, the setup has worked well neither the ILO nor YEN see any need to change". The Evaluation Mission concurs with this response, but would recommend that this understanding be formalized to avoid any eventuality should there be no good rapport between the two managers as has previously existed.
3. That the developed Results Framework is used to prioritise components, outcomes and outputs even further in the separate national work plans for Phase 1 (2010-11) with due consideration of the funding situation and leaving the overall components and outcomes in place for the entire 5 year initiative.	<b>Done</b> with outputs 1.1 and 1.2 being postponed to 2012	<b>Done,</b>	This has been done though by postponing some activities to Phase 2 rather than prioritising by relevance. The relevance of the postponed activities from Phase 1 to Phase 2 should be reconsidered when determining the priorities for Phase 2 and fine-tuning the country strategy, national work plans and log frames.
4. The management of the Facility, in close cooperation with domestic partners, define sustainability and anchorage strategy and that specified analysis and sustainability and anchorage activities to support this strategy are included in the 2011 and beyond work plans for the three countries.	Further work needed and national anchorage strategy will be reported on in next progress report.	<b>Not fully done</b>	In response to the recommendations, ILO indicated that it intends to work closely with the Ministry of Labour, Employment and Youth Development to define an anchorage and sustainability strategy. The department of youth development has been moved to the Ministry of Information, Culture, Sports and Youth Development and its unclear how ILO will work with the youth Department in its new home jointly with the ministry of employment and labour (ILO - constituent/partner) and when the strategy will be completed.
5. That the facility engage other actors and financial service providers in the market in order to develop scalable and replicable youth windows with a broader range of local financial institutions. This would be needed in order to reach the target of 15,000 loans made to young entrepreneurs.	Ongoing work	<b>Ongoing</b>	The partnership with MYC4 was annulled. Discussions have been initiated with the BSPS coordinator at the Danish embassy to seek potential synergies with BSPS financing partners including MFIs that have district presence and a good reputation. YEF will try to develop a loan product/window for youth—although it is unclear whether this covers a start-up window for new young entrepreneurs or a window for existing youth-led businesses. The linkage between the provision of BDS services (component 3) and the facilitation of access to finance (component 4) to beneficiaries of this training is weak. It is crucial that this linkage is fully institutionalised by the end of Phase 1. YEF has not yet fully explored the market to map actual and potential providers of start-up business loans. The process of finding and convincing MFIs to provide start-up loans will be challenging and therefore alternative strategies should be sought to ensure that the link between BDS and access to finance is maintained for micro start-ups. YEF does not differentiate in its indicators between loans provided to start-up entrepreneurs and loans provided to existing youth led-businesses. The latter may be easier to link up to BSPS financing partners in the formal banking sector.

<p>6. That the management of the Facility during the coming months (re)define a post-2011 role for the International Advisor for the Youth-to-Youth fund that will continue to put her capacity to the best possible use</p>	<p>To be done</p>	<p><b>Ongoing.</b></p>	<p>The ILO is in the process of re-defining the role of the international advisor for component 5 where besides undertaking full time regional coordination of the Y2Y component, the initial focus of the advisor should be on strengthening local capacity in national organizations to manage "grantee calls" under the Y2Y component; and further in supporting and ensuring the successful implementation of grantees of the project including those that have already been launched (e.g. with KCDF in Kenya; Foundation of for Civil Society in Tanzania;; and Kayunga District Youth Network in Uganda among others which have or will be launched in future). One other key task of the advisor during phase 2 should be to put in place mechanisms for rigorous evaluation of impact of the grant scheme.</p>
<p>7. That the national coordinator in coordination with the Regional Manager define a number of concrete steps that in the short and medium term will limit the risk of the current country strategy. This could include considering limiting the number of districts to work in, particularly until the contribution of the change agents have been proven</p>	<p>Ongoing work</p>	<p><b>Done.</b></p>	<p>Criteria for the inclusion of districts in Phase 1 have been done. At the time of the Joint ILO/Danida review mission, no graduates had been trained on BDS service provision and YEF did not have a presence in the 12 districts in Tanzania. Now YEF has presence in 12 districts where the graduates are hosted at locally based organisations of which the Evaluation Mission visited one such group in Kibaha. The work of these graduates, known as Kazi Nje Nje (KNN), has widely been reported in the media and systematically documented by the Facility through regular reports on activities including SIYB activity reports with detailed baseline questionnaires being collected for each young person trained-which is then fed directly into the Scorecard and the data indicator fields besides in linking young entrepreneurs to financial services.</p> <p>There has been political pressure on YEF to expand to other districts also prior to the media coverage and the interest of the president in the initiative. YEF imposed a set of requirements for targeted districts and the challenge is to stick to these requirements stringently in Phase 2. There is a high risk that any result or impact brought about in the targeted districts will be thinned out, if YEF considers expanding to other districts in Phase 2 and YEF should resist such political pressure towards open-ended expansion.</p>
<p>8. The Facility with support from YEN and other relevant parts of ILO develops (by the end of 2010) a more detailed results framework. This framework should use theory of change approaches to facilitate the communication on the programme approach, as well as to ensure clarity on outcomes and responsibilities at different levels and by different partners</p>	<p>Started, but more work to be done to develop a more detailed results based framework</p>	<p><b>On-going</b></p>	<p>The theory of change approach has not yet been formulated to communicate the overall strategy to partners. However, although preparatory work to this end has been initiated based on the Donor Committee for Enterprise Development (DCEd) guidelines, both ILO and YEN - feels strongly that the current results framework and the regional scorecard are solid communication instruments which are very clear with regards to the results to be achieved and the issue should not overemphasized given the pressing demands on other more critical aspects of the project</p>
<p>9. Danida and ILO address the issue of flow of funds during 2010, in order to find a solution that would not exert additional pressure on the currently allocated budget through a bridging from 2011 to 2012 from current allocations. Rather a solution should be found that allow for using funds for activities in 2010-12 as foreseen as well as smooth continuation of the initiative beyond 2011</p>	<p>Done</p>	<p><b>Done.</b></p>	<p>Already done</p>

## 3.6 IMPACT ORIENTATION AND SUSTAINABILITY

### 3.6.1 Project Sustainability Strategy

While the overall project objective, activities and outputs have great potential to steer the work of the Initiative towards realizing the anticipated outcomes and intended impacts, the project is yet to develop a sustainability and anchorage strategy. The importance of this was recognized as early as the time of preparing the SPROUT but the report casually treated the matter by only saying that “*there is no single institution that would be able to sustain the functions of the facility given the multi-sectoral and multi-level approach of the program with activities at the meta, macro, meso and micro levels, and that sustainability must be seen in the context of different levels of interventions and national implementing partners at each level and the sustainability the services at each of these levels*”. The SPROUT document further indicated that the Ministries concerned with youth affairs in each of the three countries will be undertaking coordinating role after the Facility comes to an end but this does not translate into an exit and sustainability strategy. The document briefly assesses the sustainability and exit strategy under each of the components and casually addresses component level exit and sustainability strategy. It recognizes that sustainability for some of the components may be easy. Although arguable, the view of the Mission is that while all components are important towards the attainment of project objective, the following components might be easier in terms sustainability -subject to certain conditions:

- *Component 1: Promoting a culture of entrepreneurship* if effectively integrated with commercially viable business development services and effective facilitation of access to finance;
- *Component 2: Entrepreneurship education*-if the demand for entrepreneurship education continues to grow, national governments fully “buy-in” and revise education curriculum and provide the required financing;
- *Component 3: Business development services for out-of-school youth*-to the extent that the Facility innovatively works with BDSPs to make the cost affordable, service providers (trainers/mentors) remain aggressive and innovative in delivering their services and effectively facilitate linkage with financial service providers;
- *Component 4: Access to finance for young entrepreneurs*-to the extent that the Facility incorporates financial service providers in activities under component 1 (culture change on the part of financial service providers) and that young entrepreneurs start and operate commercially viable businesses and also maintain a culture of loan repayment-which should be part of BDS activities;
- *Component 5: Youth-to-Youth Fund*-to the extent that entrepreneurship and technical capacity of youth organisations are developed to a level where they are able to generate their own resource or attract external resources.

The Evaluation Mission considers that the intervention on promoting evidence-based advocacy-which is by definition, is a “public good” type of service will perhaps be the most difficult in attaining sustainability. This however not to say that the component is not important part of the Facility.

### 3.6.2 Key Issues

As was rightly observed by the ILO/Danida Joint Review Mission, the importance of having a clear exit and project sustainability strategy (i.e. a clear pathway to sustainability) cannot be over-emphasized. The Evaluation Mission takes due cognizance of the fact that the Facility is actually taking effort towards ensuring project sustainability through anchorage with social partners and other local organizations, notably the Government ministries and departments responsible labour, employment and entrepreneurship matters across all target countries; the Foundation for Civil Society and a range of BDS providers in Tanzania; the National Youth Enterprise Development Fund, the Ministry of Youth Affairs of Sports; Kenya Community Development Foundation and ENABLIS in Kenya; and the National Curriculum Development Centre in Uganda<sup>6</sup>. The Mission also lauds the Facility for initiating the establishment of YEF National Advisory Committees (NAC)-already in place in Uganda and Tanzania but not yet in Kenya. In relation to project sustainability, the mission observed the following issues:

<sup>6</sup> Although this is beyond the mandate and scope of the project, one commentator to the first draft of this report put it as follows in relation to exit and sustainability issue.... “If we acknowledge that the youth challenge is here to stay for many years, a possible approach would be to institutionalise the YEF into an independent body – a Trust/foundation which could attract support from other donors. There may be some merit in considering maintaining the YEF as a centre of knowledge and activities on youth entrepreneurship for a longer time horizon. The strong visibility and momentum gained in a short time and the ability to liaise with a wide range of stakeholders is a stake if the Facility is folded into an existing local structure. All this to say that perhaps “exit strategy” should be interpreted in a broader sense”

### 3.6.2.1 Project-Related Observations

- So far, the Facility has neither articulated nor developed sustainability and anchorage strategy for the project despite its appreciation and acknowledgement of its importance;
- While the effort towards establishing NACs (a potentially important forum for driving the YEF agenda forward) is commendable on the part of the Facility, their structure, mandate, institutional representation and criteria for selection of representatives, their sustainability and so on, have not yet been adequately articulated;
- While it was noted that the Facility has made some efforts towards promoting the inclusion of youth in the National Advisory Committees-NACs-where they have been established (e.g. Tanzania Youth Coalition-TYC and Youth Initiatives Tanzania-YITA in Tanzania; Educate, YES-Uganda and Straight Talk Foundation in Uganda), there was a general feeling among some key respondents (including 4 project staff and 22 other stakeholders specifically from Uganda and Tanzania) that there was yet no adequate and genuine representation of youth entrepreneurs. To the extent that this is true and to the extent that it is not systematically addressed, the YEF project would fall into the same trap which was one of the main reasons why the Facility was initiated (i.e. giving the youth a “voice” in matter pertaining development strategies so as to effectively address their own problems).

### 3.6.2.2 Broader Observations

- At the moment, there are many organizations involved in youth employment and entrepreneurship matters and there is no “one-stop shop” where relevant matters can be addressed.
- There are also many youth organizations across the three countries-with a wide range of agenda including political, social and economic agenda. There is no what one would consider a nationally representative youth organization-which is critical as a forum for airing common problems and interests of the youth.
- The youth are the majority in EAC region and will form the majority of cross-border traders with the on-set of the East African Common Market. It is expected that it will take time before all barriers to cross border trade are eliminated (especially non-tariff barriers) and youth entrepreneurs involved in cross border trade will be victims of this kind of situation. Although the Mission fully recognizes that it is beyond the defined scope of Facility, there is need to recognize the importance of promoting a “regional youth entrepreneurship organization” which should be linked to the EAC Secretariat (to get a desk at the EAC) and further to the African Youth Charter Forum. In this regard, YEF may want to leverage with other youth development initiatives to promote this agenda-where possible.

Based on observations listed in the two sub-sections above, the Evaluation Mission recommends the following actions as a means for anchoring local organizations towards promoting long term sustainability of project interventions.

- *The YEF team to formulate a comprehensive project sustainability strategy as soon as possible but taking due cognizance of the fact that there may need for component-specific or even product or service-specific sustainability strategies given the current structure of the project and the different processes involved towards and achieving anticipated outcomes. The exercise should embrace participatory approaches involving consultations with relevant key stakeholders in all the three countries, including ILO constituents (Ministries and social partners), NAC and key non-political national level youth organizations among others.*
- *The YEF team to take concrete steps towards establishing and/or strengthening and institutionalizing NACs in all the three countries and to proactively pursue incorporation of youth and youth organizations in the National Advisory Committees (not yet established in Kenya).*

## 4.0 MAIN CONCLUSIONS

### 4.1 Overall Conclusion

The six components and associated activities and anticipated outputs and outcomes are well placed to contribute to overall objective of the Facility. Overall, the Facility has performed quite well over the last 17 months since official start-up date of the project (including an inception phase of 6 months of which 3 months were effectively lost by way of time spent in recruiting staff and setting offices leaving only 3 months of effective pilot phase and therefore leaving only 11 months of period for project implementation). Phase 1 has essentially been a pilot phase whereby the Facility introduced various interventions models under each of the components from which important lessons and knowledge have been accumulated for effective and efficient up scaling. A significant momentum towards for up-scaling of project interventions in the three countries has been attained. This will inform an important basis for future expansion of activities across the three target countries and even into Rwanda (which some YEF team members felt should be included in the second next phase).

#### 4.1.1 Relevance and Strategic Fit with Other Development Initiatives

The overall objective of the Facility, ongoing activities, and anticipated outputs and outcomes are fundamentally relevant and are positively contributing to the needs of the target beneficiaries (the youth) and social partners; development aspirations of national Governments and a wide range of donor-funded projects. This conclusion is based on primary sources through field interviews conducted during the evaluation mission, and secondary sources including review of relevant documents relating to government policies and objectives as well as project documents of a wide range of other donor-funded initiatives.

#### 4.1.2 Validity of Project Design

The Evaluation Mission concludes that the design of the project was reasonably logical and coherent. This is based on the fact that it was based on a broad range of studies and consultations prior to project commencement and during the early stages of project intervention design. Some of the key initiatives which formed the basis for project design include Africa Commission-led consultation fora (no less than 17) with Governments, private sector, civil society organizations and youth organizations across the three target countries; the SPROUT report jointly prepared by the ILO and YEN; Facility-led “open space workshops” and led country-specific studies on labour markets and youth unemployment with special focus of the target countries.

The project has fairly well defined and unbundled activities, outputs, outcomes and indicators of achievement. In addition, the project’s fifteen (15) outputs as contained in the revised results framework (log frame) have plausible causal relationship with the five (5) immediate outcomes of the project. The outcomes and anticipated impact of the project are also well placed to feed into the realization of broader development goals of a wide spectrum of stakeholders of the project namely; generating employment opportunities for the youth and others, improving job quality, social dialogue and protection.

Important factors that positively influenced project performance included: (i) quick and effective “buy-in” by a wide spectrum of stakeholders-largely due to the relevance of interventions to their needs and aspirations of key stakeholders; (ii) recruitment qualified and committed project staff. Important factors that negatively affected project performance included (i) foreign exchange loss emanating from the depreciation of the Danish Kronor against the US\$ significantly reducing original budget, and (ii) lack of adequate verification staff at the ILO-Dar es Salaam office which tended to slow down administration and financial processes.

#### 4.1.3 Project Performance and Effectiveness

The project has made significant achievements in relation to these anticipated outcomes as highlighted below just as examples:

- **Immediate outcome 1**-An estimated cumulative total of 10,546 young people have so far been reached resulting in increased awareness about entrepreneurship; a total of 115 business plans have been submitted by young people-with 25% of them coming from young women; and the project has already given three (3) awards to winners and runners up-with the value of the award averaging USD 2,000 each;
- **Immediate outcome 2**-Outputs under this immediate outcome are by nature medium to long term but the project successfully facilitated curriculum development in Uganda with training of secondary level graduate entrepreneurs planned to start early in 2012.
- **Immediate outcome 3**-A total of 76 partnerships with organisation-based BDS providers have been established; 11 training of trainer workshops have been conducted; 14 workshops for potential/existing entrepreneurs have been conducted; 7 BDS products have been developed; 117 Trainers/BDS consultants trained/capacitated; and 355 youth have been trained and accessing BDS.
- **Immediate outcome 4**-A total of 6 "Calls for Y2Y Fund Proposals" have been floated resulting in a total of 819 applications for the first round; 85 long proposals received; 9 training workshops delivered-with total attendance of 215; 3 Y2Y showcase events held; 86 applicant organizations have received technical assistance; 25 grants given-averaging USD 14,788 per grantee-have been approved and agreements signed; 25 grant packages are being implemented; 20 grantees are receiving on-site technical assistance; and 61 partnerships (mentors and service providers) created and offering services to grantees.
- **Immediate outcome 5**-One (1) Evaluation clinic conducted with a total attendance of 60 stakeholders and with all participants (100%) signing up for on-line group site; four (4) evaluation plans drafted during clinics; USD 181,416 seed funding disbursed; 16 quality applications received for evaluation clinics; and 2 impact evaluations initiated and shared

While Facility has first and foremost been concerned with the quality and transparency of proposals under the BDS and Y2Y components it is necessary to address the issue of time taken between the point of submission and award to avoid fatigue and disillusionment among applicants which stated a significant number of respondents.

The project has well defined outputs which have strong causal relationship with anticipated outcomes. However, not all of the outputs were delivered according to work plans primarily due to reduced funding following foreign exchange losses mentioned. The quality of outputs has generally been good as attested by various stakeholders/respondents during the Mission. According to information gathered from the YEF implementation team, backstopping from both the ILO regional offices (Geneva and Pretoria) have been fairly good. Based on data provided in the form of a regional score card the project has ensured effective inclusion of female beneficiaries with the percentage ranging 25%-50% depending of the component.

#### 4.1.4 Efficiency of Resource Use

Overall, the project team is not only technically qualified in their respective areas of expertise, but also exhibit tremendous passion and commitment to their work. Both the technical and support staff also strongly embrace the spirit of team work as well as knowledge sharing. These staff members are strategically allocated in the best way possible so as to delivery on the planned outputs. Although it was not possible to carry out in-depth "value for money" audit, general observations indicated that the project has not only been quite prudent in the way they use financial resources of the project, but has also managed to leverage and attract a notable amount of external financial resources including from the BASF, Jacobs Foundation and the KCDF.

#### 4.1.5 Organization Capacity and Effectiveness of Management Arrangements

The project has a lean team of 10 technical members of staff and 8 support staff who are well distributed across functions and regionally. While it is prudent for the ILO to maintain lean staff, *the Mission recommends the recruitment of one additional verifier at the Dar es Salaam office and one M&E specialist.*

While the issue of two lines of reporting arrangement was raised by the ILO/Danida Mission of August 2010 (that is the International Advisor on the Y2Y fund based in Dar es Salaam and the national Y2Y implementation officers formally reporting to the Head of the inter-agency YEN secretariat in Geneva and the rest of the project staff reporting through

the Facility Regional Manager in Dar es Salaam), this has not posed any problem to project implementation. *However, it is recommended that the overall project management responsibility be agreed formally.*

Project documentation and regularity of data collection has been excellent with the information provided through national and regional bi-annual score cards being quite clear and detailed in terms of immediate objectives, outputs and activities. *However, the Evaluation Mission considers bi-annual reporting to be too long and recommends shortening this to quarterly.* While the project's results framework has fairly well defined indicators, they appear quite ambitious but good progress is being made due to the presence of qualified and commitment project team and notable innovativeness in delivery of outputs. The indicators are however only provided at the regional level and *the Mission recommends that they be disaggregated to country level based on prioritisation of interventions.*

The project has been receiving good and effective administrative and technical support from the ILO offices in Geneva and Pretoria as well as from the ILO office in Dar es Salaam and collaborated well with other ILO and other development initiatives.

#### **4.1.6 Impact Orientation and Sustainability**

The overall project objective, activities and outputs have great potential to steer the project towards realizing the intended impact. However, project sustainability is yet to be articulated. As rightly observed by the ILO/Danida Joint Review Mission, the importance of having a clear exit and project sustainability strategy (i.e. a clear pathway to sustainability) cannot be over-emphasized. In addition, the relevant institutional and systems capacity is still weak to effectively ensure project sustainability. Based on these two observations, *the Evaluation Mission recommends the YEF develops project sustainability strategy as soon as possible based on adequate consultations with key stakeholders, and also take concrete steps towards strengthening institutional capacity capable of facilitating effective project sustainability.*



## 5.0 KEY LESSONS LEARNED

Based on literature review, field interviews and observations by the Evaluation Mission, three main emerge:

1. That projects with interventions that are strongly relevant to the target beneficiaries and the national development agenda plays a crucial role in enhancing effective “buy-in” and subsequent political and social support to project implementation;
2. That in the context of the target countries, entrepreneurship culture change for the youth by itself is just one of the key elements towards success in youth employment and entrepreneurship development and should always be combined with three other elements, namely (i) facilitation of access to finance-which itself is in fact a BDS function; (ii) promoting culture change on the part of financial service providers; and (ii) promoting enabling business environment especially the regulatory framework.
3. That risks and assumptions associated with foreign exchange losses where project budget is denominated in one currency and actual expenditure incurred in another currency should always be explicitly built in as part of risks and assumptions;

## 6.0 MAIN RECOMMENDATIONS

Based on findings through literature review, field interviews and general observations the Mission recommends the following:

1. **The YEF management team to review the results framework (log frame)** by way of disaggregating project output and outcome indicators to national level which should be in accordance with national level intervention prioritization activities and likelihood of attaining planned outputs and achievements-this will help in enforcing accountability of national coordinators;
2. **Project performance score cards at the national and regional level be produced on quarterly-basis instead of bi-annual basis**-to facilitate more effective and timely project management;
3. **The YEF management team to develop terms of reference and competitively recruit an M&E specialist** who should be stationed in Dar es Salaam but responsible for data collection, analysis and reporting across the three countries. The officer will be required to regularly travel to the field in all the three countries for collection/validation of relevant M&E information.
4. **The YEF management team to explore mechanisms aimed at shortening the period taken to process proposals** under Component 3 (BDS) and Component 5 (Y2Y)-and do so where possible without compromising the quality of outputs.
5. **The YEF management to develop and implement a strategy for sustainable engagement of local micro-financial service providers** towards fulfilment of Facility's agenda under Component 1, 3 and 4. The strategy should at not only work with financial service providers to develop mutually beneficial financial products, but also changing their attitude towards SME entrepreneurship financing (i.e. instil culture change on the supply side-which would complement well with core agenda of component 1-namely culture change on the demand side). This would also help in filling up the vacuum left by the last minute withdrawal of MYC4.
6. **The YEF team to immediately develop a comprehensive project sustainability strategy** which could if necessary comprise bundled component, product or service-specific sustainability strategies. Towards this end the exercise should embrace participatory approaches through consultations with key relevant stakeholders in all the three countries including ILO constituents NAC-where already established and key non-political national level youth organizations among others.
7. **The YEF team to step up efforts towards establishing (where this has not been done), strengthening and institutionalizing NACs** in all the three countries and to proactively pursue adequate and genuine incorporation of youth and youth entrepreneurship organizations in the NACs.
8. **The administrative and financial position in the ILO Dar es Salaam Country office for Tanzania, Kenya, Rwanda and Uganda that is currently funded by the project should be given verification responsibilities** as soon as possible so as to overcome the current bottleneck relating to financial and administrative processes;
9. **The ILO and YEN sign a Memorandum of Understanding to the effect of the understanding contained in Facility's response to the ILO/Danida Mission of August 2010**-namely; "The Facility manager, as the head of the Facility, is responsible for general management and thus also alignment of all six components, as well as daily management of staff in the Facility (apart from one international staff based at the YEN Secretariat in Geneva). Should conflicts arise then the Facility Manager is the overall responsible as per the organizational set up".
10. **The YEF management team to work out budgetary requirements for phase 2 before the end of phase 1 in December 2011**-taking into account priority areas by component and activities and by country (which will require building on the on-going project prioritization exercise);
11. Given that the project has performed quite well (with only 11 months being the effective implementation period since 6 months was used as the inception phase), and given that the Facility already laid sufficient ground work for rolling out, the **Evaluation Mission recommends that the Government of Denmark approve Phase 2 of the project (2012-2014) subject to concrete steps being undertaken in accordance with recommendations 1-8 above.**

## APPENDICES

### Appendix 1: Consolidated Score Card

IoA = Indicator of Achievement at both Output and Outcome level as per logical framework

Figures & Milestones are cumulative

Monitoring & Outreach Data across the 5 immediate outcomes																	
Immediate Outcome	Level	Data & outreach capturing	Unit	2010		2011		Key Milestones	2012		Key Milestones	2013		Key Milestones	2014		Final
				S1	S2	S1	S2		S1	S2		S1	S2		S1	S2	
1. Improved attitudes towards entrepreneurship among young women and men	Output	Media appearances (in press, radio, TV)	#	30	60												
	Output	Partnerships created to promote entrepreneurship culture	#	3	17												
	Output	Entrepreneurship culture promotion events	#	14	28												
	Output	Business idea/plan competitions	#	2	11												
	Output	Business idea/plan applications received	#	315	621												
		Percentage received from females	%	24%	35%												
	Output	Young entrepreneurs promoted as role models	#	14	14												
		Percentage of young women entrepreneurs	%	36	36												
	Output	Awards given to winners and runner ups	#	3	3												
	Output	Average dollar value of awards given	\$	2,000	2,000												
	Output	Number of forums/youth/school entrepreneurship clubs	#	7	7												
	Output IoA	Young people reached	#	9,763	10,546	30,000			400,000			800,000				1,200,000	
		Percentage females	%	25%		30%			35%			40%				45%	
	Output IoA	Increase in entrepreneurship awareness	%		-	20%			30%			50%				75%	
		Percentage of female beneficiaries	%		-	20%			30%			50%				75%	
	Output IoA	Award schemes in place	#	2	3	2			3			3				3	
	Output IoA	Business plan submissions	#	115	115	750			2,500			4,000				5,000	
Percentage of females		%	25%	-	30%			35%			40%				45%		
Outcome IoA	Increase in share of young people that consider starting their business	%		-	n/a			25%			25%				25%		
	Percentage of females	%		-	n/a			15%			20%				25%		

	Outcome	Percentage of youth considering a green business	%	15	-									
2. The education system produces more entrepreneurial graduates	Output	Schools participating in entrepreneurship education pilots	#		-									
	Output	Training of teacher workshops	#		-									
	Output	Curriculum development workshops	#	1	4									
	Output	Secondary schools that teach entrepreneurship	#		-									
	Output	Vocational and technical schools that teach entrepreneurship	#		-									
	Output	Higher education institutions teach entrepreneurship	#		-									
	Output	Teacher colleges that teach entrepreneurship	#		-									
	Output IoA	Amended/introduced curricula	%	1	-	1	2	2	2					2
	Output IoA	Teachers trained in entrepreneurship education	#		-	400	1,000	3,000	5,000					
		Percentage of female teachers	%		-	50%	50%	50%	50%					50%
	Output IoA	Students receiving entrepreneurship education	#		-	0	8,000	100,000	320,000					
		Percentage of female students	%		-	n/a	50							
	Outcome IoA	Share of school leavers that intend to start their business	%		-	n/a	20%	25%	35%					
		Percentage of female school leavers	%		-	n/a	30%	35%	40%					
Outcome	Share of school leavers that intend to start a green business	%		-										
3. Youth start and improve their own small businesses	Output	Partnerships with BDS providers	#	4	76									
	Output	Training of Trainer workshops (TOTs)	#	2	11									
	Output	Workshops for potential/existing entrepreneurs (TOPE & TOE)	#	1	14									
		Percentage of young women trained	%	35.7	42%									
	Output IoA	BDS products developed	#	4	7	4	5	6	6					6
	Output IoA	Trainers/BDS consultants trained/capacitated	#	42	117	250	500	750	1,000					
		Percentage of female trainers/consultants	%	41%	50%	50%	50%	50%	50%					50%
		Total number of youth who have been trained and accessed BDS	#	74	355	5,000	15,000	30,000	45,000					
	Output IoA	Percentage of female beneficiaries	%	33%	42%	50%	50%	50%	50%					50%
	Output IoA	Partnerships with Finance Providers	#	4	-	4	5	6	6					6
Output	Youth loan products developed	#	2	-										

Output IoA	Young entrepreneurs that access finance	#			-	500			5,000			10,000			15,000	
	Percentage of female entrepreneurs	%			-	50%			50%			50%			50%	
Output	Successful loan repayment rate	%			-											
	Percentage of female entrepreneurs repayment	%			-											
Output	Young people that access both BDS & Finance	#			-											
	Percentage of female beneficiaries	%			-											
Outcome IoA	Number of businesses started by youth	#			-	2,000			5,000			9,000			11,500	
	Percentage of female final beneficiaries	%			-	50%			50%			50%			50%	
Outcome	Percentage of green businesses started	%			-											
Outcome IoA	Average increase in turnover in businesses reached	%			-	10%			15%			20%			25%	
4. Youth organisations deliver innovative entrepreneurship solutions	Output	Call for Y2Y Fund Proposals	#		3	6										
	Output	Short proposals received	#		819	-										
		share of proposals submitted by female applicants	%		25	-										
	Output	Short proposals selected for further capacity building	#		89	-										
	Output	Long proposals received	#		85	-										
	Output	Long proposals selected for final competition round	#		52	-										
	Output	Training workshops delivered	#		4	9										
	Output	Applicants attending the training sessions (total)	#		115	168										
	Output	Y2Y showcase events	#			3										
	Output	Applicants who received technical assistance	#		86	86										
	Output	Grant agreements signed	#			25										
	Output	Average grant amounts (total)	\$			14,788										
	Output IoA	Grant packages being implemented	#			25	40			60			80			100
	Output	Grantees receiving on-site technical assistance	#			7										
	Outcome	Partnerships (incl. mentors & service providers) created by/for the grantees	#			61										
Output	Monitoring visits done	#			10											
Output	On-track projects according to the progress reports	#			10											

	Outcome	Final beneficiaries (total)	#		-								
	Outcome	Share of female final beneficiaries	%		-								
	Output IoA	Youth organisations that have the capacity to implement programs	#		-	40		60		80		100	
	Outcome IoA	Successfully implemented projects	#		-	15		30		45		60	
	Outcome	Share of projects with a female project manager	%		20%								
	Outcome	Share of green entrepreneurship projects	%		32%								
	Outcome IoA	Share of replicated solutions	%		-	-		3		7		15	
5: Youth employment policy makers and promoters make evidence based decisions for better resource allocation and program design	Output	Evaluation Clinics conducted	#	1									
	Output	Participants in evaluation clinics	#	60									
	Output	Evaluation plans drafted during clinics	#	4									
	Output	Evaluation plans selected for seed funding	#		3								
	Output	Seed funding distributed	\$		\$181,416								
	Output	Briefs/smart notes developed	#										
	Output	Learning events	#										
	Output	Entries into the Youth Employment Inventory (YEI)	#										
	Outcome	Quality applications received for evaluation clinics	#	16									
	Outcome	Participants of evaluation clinics sign up for on-line group site	%	100%									
	Output IoA	Number of evaluation clinics	#	1		2		3		4		5	
	Output IoA	Evaluation clinic satisfaction rate	%	95%		75%		75%		75%		75%	
	Outcome	Online training services (sessions) organized upon request	#										
	Outcome	Previous participants serve as resource people in future events	#										
	Output IoA	Impact evaluations initiated and shared	#		2	2		4		6		8	
Outcome	Impact evaluations finalized and shared	#											
Outcome IoA	Youth employment policy recommendations/programmes drafted using evaluation evidence	#			1		2		3		4		

## Appendix 2: List of People Met and/or Interviewed

	Name	Organization	Title/Position	Place Met
1	Alexio Musindo	ILO	Director	Tanzania
2	Hopolang Phororo	ILO	Deputy Director	Tanzania
3	Jens Dyring Christensen	YEF	Regional Manager/CTA	Tanzania
4	Minna Mattero	YEF	Y2Y Fund Coordinator	Tanzania
5	Miriam Christensen	YEF	Associate Expert	Tanzania
6	Louis Mkuku	YEF	National Coordinator-Tanzania	Tanzania
7	Noreen Toroka	YEF	Y2Y National Officer	Tanzania
8	Arthur Luanda	YEF	Admin and Finance Officer- Regional	Tanzania
9	Jane Issa	YEF	Project Secretary/Admin assistant	Tanzania
10	Deodatus Sylvester	ILO Dar es Salaam (funded by YEF)	Admin and Finance Assistant	Tanzania
11	Robert Mawanda,	YEF	National Coordinator-Uganda	Uganda
12	Fred Baseke,	YEF	Y2Y Fund officer-Uganda	Uganda
13	Justine Kabwechere	YEF	Admin and Finance Officer-Uganda	Uganda
14	Julius Mutio	YEF	Regional Entrepreneurship Devt Specialist	Kenya
15	George Waigi	YEF	National Coordinator-Kenya	Kenya
16	Mwongeli Muthuku	YEF	Admin and Finance Officer-Kenya	Kenya
17	Jane Maigua	YES-JUMP/GOWE	National Coordinator	Kenya
18	Milan Divecha	----	SIYB Master Trainer	Tanzania
19	Eric Shitindi	Ministry of Labour & Employment	Permanent Secretary	Tanzania
20	Mr. Nganga	Ministry of Labour & Employment	Focal Person	Tanzania
21	Nicholas Mgaya	Trade Union Congress of Tanzania-TUCTA	Secretary General	Tanzania
22	Margaret Mandago	Trade Union Congress of Tanzania-TUCTA	TUCTA-Education Director	Tanzania
23	Siham Ahmed	Trade Union Congress of Tanzania	TUCTA-Workers and Gender Director	Tanzania
24	Abdallah Kudecha	Trade Union Congress of Tanzania	TUCTA-Chief Accountant	Tanzania
25	Aggrey Mlimuka	Association of Tanzania Employers-ATE	Executive Director	Tanzania
26	Justina Iyeka	Association of Tanzania Employers	Focal Person	Tanzania
27	Joyce Nangai	Association of Tanzania Employers	--	Tanzania
28	Mikkel Kilim	Danish Embassy	Business Counselor	Tanzania
29	Humphrey Polepole	Tanzania Youth Coalition	Director	Tanzania
30	Jackson Tumaini	Tanzania Youth Coalition	--	Tanzania
31	Laura Schueppeler	Tanzania Youth Coalition	--	Tanzania
32	Ebben Mvuya	Tanzania Youth Coalition	--	Tanzania
33	Twaha Fajjala	Tanzania Youth Coalition	--	Tanzania
34	Kristian Andersen	MS Action Aid -Michocheni	--	Tanzania
35	Joram Masesa	MS Action Aid -Michocheni	--	Tanzania
36	Dennis Tessier	Agricultural Rural Technology Institute	--	Tanzania
37	Tunsime Kyando	Kazi Nje Nje Team-Kibaha	--	Tanzania
38	Mary Francoe	Kazi Nje Nje Team	--	Tanzania
39	Masudi Kandoro	Kazi Nje Nje Team	--	Tanzania
40	Israel Ilunde	Kazi Nje Nje Team	--	Tanzania
41	Martin Mgongo	Kazi Nje Nje Team	--	Tanzania
42	Stephen Opio,	WEDGE	Coordinator	Uganda
43	Akky de Kort,	IPEC	CTA	Uganda
44	Dorothy Katantazi	SIYB Master Trainer	--	Uganda
45	Steven Nkumbi	SIYB Master Trainer	--	Uganda
46	Munshi Sulaiman	BRAC (Microfinance)	Grantee Evaluator under EBA	Uganda
47	Nicola Banks	BRAC (Microfinance)	--	Uganda
48	Christine Nantambi	Makerere University Business School	--	Uganda
49	William Mugerwa	Danish Embassy	--	Uganda
50	Tapiwa Jhamba	UNFPA Joint Program	Coordinator	Uganda
51	Patience Agaba	Federation of Uganda Employers	---	Uganda
52	Kyateka Mondo	Ministry of Gender, Labour and Social Devt.	Assistant Commissioner of Labour	Uganda
53	Baale Remigius	National Curriculum Devt Centre	Head of Department	Uganda
54	Emoruti Okumu	National Curriculum Devt Centre	Business Education-secondary school	Uganda
55	Mulumba Mutema	National Curriculum Devt Centre	--	Uganda
56	Agnes Kyesbire	Educate!	Public Relations	Uganda
57	James Katumba	Educate!	Program Development Coordinator	Uganda
58	Maggie Sheahan	Educate!	Program Director	Uganda
59	Ezra Kanyana	COFTU	General Secretary	Uganda
60	Robert Wanzulu	COFTU	Deputy Secretary General	Uganda
61	Christine Kavata	COFTU	--	Uganda
62	Patck Wasswaxx	Kayunga District Youth Network	--	Uganda
63	Samson Gichia	Business Plan Completion grantee	Director-Cobitech	Kenya
64	Lorna Ruto	Green Businesses Grantee	--	Kenya

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64	Charles Kalama	Green Businesses Grantee	Director -Ecopost	Kenya
66	Tom Were	Kenya Community Development Foundation	--	Kenya
67	Dr Sammy Nyambari	Ministry of Labour	Commissioner of Labour	Kenya
68	Elizabeth Anuko	Ministry of Labour and Human Resource Devt	--	Kenya
69	Danston Ondachi	UN Joint Programme	--	Kenya
70	John Wali	Junior Achievements	--	Kenya
71	Mary Thiongo	Youth Enterprise Devt Fund	--	Kenya
72	Charles Nyanguta	Federation of Kenya Employers	--	Kenya
73	Benson Muchai	Trainer of Entrepreneurs	--	Kenya
74	Priscilla Kendi	Trainer of Entrepreneurs	--	Kenya
75	Peter Mathuki	Central Organisation of Trade Unions	--	Kenya
76	Noah Chine	Central Organisation of Trade Unions	--	Kenya
77	Dr Dinnah Mwinzi	Ministry of Youth Affairs	--	Kenya
78	Benson Kimithi	Enterprise Development Network	Master Trainer	Kenya
79	Francis Odiwuor	Enterprise Development Network	Master Trainer	Kenya
80	Benson Mbai	Enterprise Development Network	Master Trainer	Kenya
81	Polycap Gonje	Enterprise Development Network	Master Trainer	Kenya
82	Moses Mwaura	Enablis	Chief Operations Officer	Kenya
83	Betty Kariuki	Enablis	Partnership Manager	Kenya
84	Joan Wekesa	Enablis	Business Plan Competition	Kenya
85	Daniel Huba	Inorero University	Coord.Regional Centre for Enterprise Devt	Kenya
86	Susana Puerto Gonzales	YEN Secretariat	Technical Expert-Component 6	T/conference
87	Judith Van Doorn	ILO-ROAF-Addis	Micro Finance Expert (Component 4)	T/conference
88	Markus Pilgrim	Former Head of YEN-Geneva/	Now Head of Small Enterprise Devt. SEED	T/conference



## Appendix 3: Terms of Reference

### Independent Evaluation of the Unleashing African Entrepreneurship Initiative

May 2011

#### 1. Introduction & rationale for evaluation

The *Unleashing African Entrepreneurship* initiative is one of 5 initiatives launched by the Danish led Africa Commission in its final report from May 2009. The 5 year initiative is funded by the Government of Denmark with an overall allocation of DKK 119 million (app. USD 23 million).

As per the Agreement between Denmark and the ILO the initiative is foreseen implemented in two phases with Phase I over two years in 2010-11 (DKK 30 million) and Phase II over three years from 2012-14 (DKK 89 million) with the final approval of Phase II being subject to an independent evaluation in month 18 to assess progress made in Phase I and to make recommendations for Phase II. In August 2010 following the completion of a 6-months inception phase the initiative was reviewed jointly by the Danish International Development Agency (Danida) and the ILO.

The independent evaluation of the initiative is undertaken in accordance with the ILO Evaluation Policy adopted by the Governing Body in November 2005, which provides for systematic evaluation of projects in order to improve quality, accountability, transparency of the ILO's work, strengthen the decision making process and support to constituents in forwarding decent work and social justice.

The overall objective of evaluation is to analyse progress made towards achieving established outcomes, to identify lessons learnt and to propose recommendations for improved delivery of quality outputs and achievement of outcomes in a Phase II. The evaluation provides an opportunity for taking stock, reflection, learning and sharing knowledge regarding how the Facility could improve the effectiveness of its operations

#### 2. Brief background on project and context

<b>Project codes</b>	Umbrella code: RAF/09/06/DAN TC Symbols: RAF/10/50/DAN & RAF/10/51/DAN
<b>IRIS nos</b>	102086 & 102087
<b>Award no</b>	500710
<b>Project duration</b>	01/01/2010 – 31/12/2014
<b>Geographical coverage</b>	Kenya, Tanzania, Uganda
<b>Donor</b>	Government of Denmark
<b>Budget</b>	DKK 119 million (app. USD 23 million)

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The Unleashing Africa Entrepreneurship initiative was designed in response to the Africa Commission's call for initiatives that would refocus the development agenda for Africa and contribute to realising the potential of Africa's youth. The Africa Commission was led by the Prime Minister of Denmark and consisted of heads of state from select countries in Africa – including H.E. President Kikwete of Tanzania - representatives from the private sector, from academia and from international development agencies and development banks, including the World Bank and the African Development Bank.

The ILO and the Youth Employment Network (YEN) jointly designed a concept note and then a programme document, which was approved by the Government of Denmark in December 2009. An agreement was signed by Denmark and the ILO. Since January 2010 (effectively from April 2010) the YEN and the ILO have jointly been executing the initiative in the three target countries Kenya, Tanzania and Uganda in partnership with national governments and a range of private and civil sector partners.

The initiative was designed to support emerging and established young entrepreneurs in the target countries as a means to address the youth unemployment challenge through entrepreneurship and enterprise development as a means to job creation. The objective of the initiative is: "To contribute to the creation of decent work for young Africans, both as a means of self-employment and as job creation for others" through five main outcomes:

- i. Improved attitudes towards entrepreneurship among young women and men
- ii. The education system produces more entrepreneurial graduates
- iii. Youth start and improve their businesses
- iv. Youth organisations deliver innovative youth entrepreneurship solutions
- v. Youth employment policy makers and promoters make evidence based decisions for better resource allocation and program design

#### Link to the Decent Work Country Programmes

In each Decent Work Country Programme (DWCP) for Kenya, Tanzania and Uganda support to enhancing the skills and entrepreneurial capacities of young women and men is a Country Priority Outcome (CPO). The initiative directly supports the following three DWCP outcomes:

**KEN 130** Young women's and men's entrepreneurial skills for self employment and SME activities enhanced/increased

**TZA 102** Young women's and men's entrepreneurial and SME activities enhanced

**UGA 128** Young men's and women's entrepreneurship skills for self employment and productivity increased

#### Project management arrangement:

The Facility is managed by an International Chief Technical Advisor who reports to the director of the ILO office for Kenya, Rwanda, Tanzania and Uganda. The initiative is implemented by the Youth Entrepreneurship Facility (YEF) in the form of a project implementation unit set-up with a main office at the ILO office in Dar es Salaam, Tanzania and with project offices in Kampala, Uganda and Nairobi, Kenya. 16 staff works in the three offices (4 international experts, including an associate expert, 5 national experts, 4 administrative and finance staff, 3 projects drivers) and one international expert is based at the Youth Employment Network Secretariat in Geneva. The Facility is technically backstopped by the Senior Enterprise Specialist in the Decent Work Support Team in ILO Pretoria and at HQ level the Job Creation and Enterprise Development Department (EMP/ENTERPRISE) of the Employment Sector is responsible.

### 3. Purpose, scope and clients of the evaluation

#### Purpose

The independent evaluation serves two main purposes:

- i. Give an independent assessment of progress to date of the initiative across the five[?] components; assessing performance as per the foreseen targets and indicators of achievement at output level; strategies and implementation modalities chosen; partnership arrangements, constraints and opportunities
- ii. Provide recommendations for a Phase II of the Unleashing African Entrepreneurship initiative in terms of strategies, institutional arrangements, partnership arrangements and any other area within which the evaluation team wish to make recommendation

#### Scope

The independent evaluation will cover all outcomes of the Unleashing African Entrepreneurship initiative and the operations of the Youth Entrepreneurship Facility, with particular attention to synergies across components. The evaluation will assess all key outputs that have been produced since the start of the initiative. The focus is on all three countries; Kenya, Tanzania and Uganda. The evaluation will build on the findings of the Danida/ILO review of the inception phase carried out in August 2010 and in particular assess to what extent the ILO and the YEN has taken on board the recommendations made by the review in the Aide Memoire of August 2010.

In particular, the evaluation will make recommendations regarding:

- Progress made towards achieving the project outcomes
- How to ensure the delivery of quality outputs in the project period
- How to ensure the achievement of all outcomes within the 5 year initiative
- Internal and external factors that influence speed of implementation
- Management of the operation of the Facility, including staff management
- The extent of government buy-in, support and participation in the initiative
- Strategic fit of the initiative within the context of the DWCP and the RDWP
- Relevance of the initiative within national development priorities/frameworks
- Synergies with other relevant DANIDA programmes and activities
- Strategic of the initiative fit with the Danish Development Cooperation Strategy
- Knowledge management and sharing
- Results based measurement and impact assessment systems
- Systems for Risk analysis and assessment
- Other specific recommendations for the design of phase 2 of the initiative

#### Clients

The primary clients of the evaluation are the Government of Denmark as donor of the initiative, the governments of Kenya, Tanzania and Uganda as recipient countries, constituents and the ILO and the YEN as executors of the initiative as well as other relevant stakeholders. Furthermore ILO offices and staff involved in the initiative (Dar es Salaam, Regional Office for Africa (ROAF), Pretoria and ILO departments at HQ, first and foremost the Job Creation & Enterprise Development Department. The evaluation process will be participatory. The Office, the tripartite constituents and other parties involved in the execution of the project would use, as appropriate, the evaluation findings and lessons learnt.

### 4. Evaluation criteria and questions

The evaluation will address ILO evaluation concerns such as i) relevance and strategic fit, ii) validity of design, iii) project progress and effectiveness, iv) efficiency of resource use, v) effectiveness of management arrangements and iv) impact orientation and sustainability as defined in the Office guidelines<sup>7</sup>. Gender concerns will be based on the ILO Guidelines on Considering Gender in Monitoring and Evaluation of Projects (September, 2007). The evaluation will be conducted following UN evaluation standards and norms<sup>8</sup> and the *Glossary of key terms in evaluation and results-based management* developed by the OECD's Development Assistance Committee (DAC). In line with the results-based approach applied by the ILO, the evaluation will focus on identifying and analysing results through addressing key questions related to the

<sup>7</sup> Evaluation Guidance – Planning and Implementing Evaluation for Results, Annex 2, ILO Evaluation Unit, June 2009

<sup>8</sup> ST/SGB/2000 Regulation and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation

evaluation concerns and the achievement of the outcomes/immediate objectives of the initiative using the logical framework indicators.

#### Key Evaluation Questions

The evaluator shall examine the following key issues:

1. Relevance and strategic fit
  - Is the project relevant to the achievements of the outcomes in the national development plan, the UNDAF/UNDAP and the DWCPs of the three countries as well as the EAC DWP?
  - How well the project complements and fits with other ongoing ILO programmes and projects in the project countries.
  - What links are established so far with other activities of the UN or non-UN international development aid organizations at local level?
  - How well it complements other ILO programmes in the country?
  - Strategic fit with the Danish Development Cooperation Strategy and synergies with relevant Danida initiatives and programmes.
2. Validity of design
  - The adequacy of the design process (Is the project design logical and coherent?) What internal and external factors have influenced the ability of the ILO to meet projected targets?
  - Do outputs causally link to the intended outcomes that in turn link to the broader development objective?
  - Considering the results that were achieved so far, was the project design realistic?
3. Project effectiveness
  - To what extent have the expected outputs and outcomes been achieved or are likely to be achieved?
  - Were outputs produced and delivered so far as per the work plan? Has the quantity and quality of these outputs been satisfactory? How do the stakeholders perceive them? Do the benefits accrue equally to men and women?
  - In which area (geographic, component, issue) does the project have the greatest achievements so far? Why and what have been the supporting factors?
  - How effective were the backstopping support provided so far by ILO (regional office, DWT Pretoria and Geneva) to the programme?
  - Are there any unintended results of the project?
4. Efficiency of resource use
  - Are resources (human resources, time, expertise, funds etc.) allocated strategically to provide the necessary support and to achieve the broader project objectives?
  - Are the project's activities/operations in line with the schedule of activities as defined by the project team and work plans?
  - Are the disbursements and project expenditures in line with expected budgetary plans? If not, what were the bottlenecks encountered? Are they being used efficiently?
5. Effectiveness of management arrangements
  - Are the available technical and financial resources adequate to fulfil the project plans?
  - Is the management and governance arrangement of the project adequate? Is there a clear understanding of roles and responsibilities by all parties involved?
  - Have targets and indicators been sufficiently defined for the project?
  - How effectively the project management monitored project performance and results? Is a monitoring & evaluation system in place and how effective is it? Is relevant information systematically collected and collated? Is the data disaggregated by sex (and by other relevant characteristics if relevant)?
  - Is the project receiving adequate administrative, technical and - if needed - political support from the ILO office in the field (Dar es Salaam), field technical specialists (Pretoria) and the responsible technical units in headquarters?
  - Is the project receiving adequate political, technical and administrative support from its national partners/implementing partners?
  - Is the project collaborating with other ILO programmes and with other donors in the country/region to increase its effectiveness and impact?
  - To what extent have the recommendations of the joint review been implemented?
  - Are all relevant stakeholders involved in an appropriate and sufficient manner?
6. Impact orientation and sustainability
  - Is the programme strategy and programme management steering towards impact and sustainability?
  - Has the project started building the capacity of people and national institutions or strengthened an enabling environment (laws, policies, people's skills, attitudes etc.)?
  - Assess whether project activities are sustainable and identify steps that can be taken to enhance the sustainability of project components and objectives
7. Lessons learned
  - What good practices can be learned from the project that can be applied in the next phase and to similar future projects? What should have been different, and should be avoided in the next phase of the projects.

#### 5. Methodology

The evaluation will be carried out through a desk review and visits to each of the three countries (Kenya, Tanzania and Uganda) for consultations with ILO management and staff, constituents, Danish Embassies as well as other relevant bilateral donors, implementing partners, beneficiaries and other key stakeholders. Consultations with the YEN Secretariat, Geneva, where one international expert is based will also be done. Additional consultations with relevant units and officials in Geneva, Addis Ababa and Pretoria will be decided by the evaluation team as well as the method for doing so. The independent evaluation team will review inputs by all ILO and non ILO stakeholders involved in the initiative, from Facility staff in the three countries, constituents and a range of partners from the private and civil sectors.

The draft evaluation report will be shared with a select group of key stakeholders and a request for comments will be asked within a specified

time. The evaluation team will seek to apply a variety of evaluation techniques – desk review, meetings with stakeholders, focus group discussions, field visits, informed judgement, and scoring, ranking or rating techniques. Subject to the decision by the evaluation team a guided Open Space workshop with key partners may be organized in each country, or alternatively a regional evaluation knowledge sharing workshops where key partners from each country will be brought together.

#### **Desk review**

A desk review will analyze project and other documentation provided by the Facility management. The desk review will suggest a number of initial findings that in turn may point to additional or fine tuned evaluation questions. This will guide the final evaluation instrument which should be finalized in consultation with the evaluation manager. The evaluation team will review the documents before conducting any interview.

#### **Interviews with ILO and YEN staff**

The evaluation team will undertake group and/or individual discussions with staff in the three countries as well as with the manager of the YEN secretariat, Geneva and the international expert based there. The evaluation team will also interview key staff of other ILO projects, and ILO staff responsible for financial, administrative and technical backstopping of the Facility in ILO Dar es Salaam, the regional office in Addis Ababa, the Decent Work Support Team in Pretoria and ILO HQ. An indicative list of persons to be interviewed will be furnished by the Facility management upon further discussion with the Evaluation Manager.

#### **Interviews with key stakeholders in Dar es Salaam, Kampala and Nairobi**

A first meeting will be held with the responsible Director in ILO Dar es Salaam and with the Facility Team prior to the visits to Kampala and Nairobi. Travel to each of the three countries will allow the evaluation team to undertake more in depth reviews of the respective national strategies and the outputs and outcomes of the respective components in each country. Following the visits to Kampala and Nairobi the evaluation team will return to Dar es Salaam for a debriefing with the ILO Director and the Chief Technical Advisor (CTA) of the Facility.

### **6. Main outputs**

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The expected outcome of this evaluation is a concise Evaluation Report as per the proposed structure in the ILO evaluation guidelines:

- Cover page with key project and evaluation data
- Executive Summary
- Acronyms
- Description of the project
- Purpose, scope and clients of the evaluation
- Methodology
- Clearly identified findings for each criterion
- Conclusions
- Recommendations
- Lessons learned and good practices
- Annexes

All draft and final outputs, including supporting documents, analytical reports and raw data should be provided in electronic version compatible with Word for Windows. Ownership of the data from the evaluation rests jointly with the Government of Denmark, YEN and the ILO. The copyright of the evaluation report will rest exclusively with the ILO. Use of the data for publication and other presentation can only be made with the agreement of ILO Dar es salaam. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgement.

### **7. Management arrangements, work plan & time frame**

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#### **Composition evaluation team**

The evaluation team will consist of one international evaluation consultant, a representative from the Government of Denmark and one independent national consultant in each country, who will accompany the evaluation team in the respective country. The international consultant will be the team leader and will have responsibility for the evaluation report. He/she will be a highly qualified senior evaluation specialist with extensive experience from evaluations and ideally also the subject matter in question: youth entrepreneurship development. The national consultants will have particular experience in the areas of youth employment and entrepreneurship development. The evaluation team will agree on the distribution of work and schedule for the evaluation and stakeholders to consult.

#### **Evaluation Manager**

The evaluation team will report to the evaluation manager (Mr. Gugsu Yimer Farice, [farice@ilo.org](mailto:farice@ilo.org)) and should discuss any technical and methodological matters with the evaluation manager should issues arise. The evaluation will be carried out with full logistical support and services of the Youth Entrepreneurship Facility and with the administrative support of the ILO Office in Dar es Salaam.

#### **Work plan & Time Frame**

The total duration of the evaluation process is estimated to 30 work days for the independent international consultant over an 8 week period from 9 May to 1 July 2011 and 8 work days for each of the national consultants. The independent consultant will spent at least 10 days in Kenya, Tanzania and Uganda.

#### **Evaluation Phases**

The evaluation is foreseen to be undertaken in the following main phases and time period aiming for submission of the final evaluation report to the donor no later than 8 July 2011.

Phase	Tasks	Responsible Person	Timing
I	<ul style="list-style-type: none"> <li>Preparation of TOR, consultation with Danida and ILO</li> </ul>	Evaluation manager	By 31 March
II	<ul style="list-style-type: none"> <li>Identification of independent international evaluator</li> <li>Entering contracts and preparation of budgets and logistics</li> </ul>	Evaluation manager	April
III	<ul style="list-style-type: none"> <li>Telephone briefing with evaluation manager</li> <li>Desk review of project related documents</li> <li>Evaluation instrument designed based on desk review</li> </ul>	Team leader, with support of evaluation team	9-20 May
IV	<ul style="list-style-type: none"> <li>Consultations with Facility staff/management in the three countries</li> <li>Consultations with YEN secretariat</li> <li>Consultations with ROAF, ILO Pretoria, HQ Units</li> <li>Consultations with ILO Office Dar es Salaam</li> <li>Consultations with Danish Embassies</li> <li>Consultations with stakeholders in the three countries</li> <li>Debriefing and presentation of preliminary findings to ILO Dar es Salaam and Facility</li> </ul>	Evaluation team with logistical support by Facility	23 May to 3 June
V	<ul style="list-style-type: none"> <li>Draft evaluation report based on desk review and consultations from field visits</li> </ul>	Team leader with support of evaluation team	6-10 June
VI	<ul style="list-style-type: none"> <li>Circulate draft evaluation report to key stakeholders</li> <li>Consolidate comments of stakeholders and send to evaluation team leader</li> </ul>	Evaluation manager	Circulate 13 June Deadline for comments 24 June
VII	<ul style="list-style-type: none"> <li>Finalize the report including explanations on if comments were not included</li> </ul>	Team leader with support of evaluation team	27 June – 1 July 2011
VIII	<ul style="list-style-type: none"> <li>Approval of report by EVAL</li> </ul>	EVAL	4-8 July
IX	<ul style="list-style-type: none"> <li>Official submission to the PARDEV</li> </ul>	Evaluation manager	8 July 2011

For this independent evaluation, the final report and submission procedure will be followed:

- The team leader will submit a draft evaluation report to the evaluation manager.
- The evaluation manager will forward a copy to key stakeholders for comment and factual correction.
- The evaluation manager will consolidate the comments and send these to the team leader.
- The team leader will finalize the report incorporating any comments deemed appropriate and providing a brief note explaining why any comments might not have been incorporated. He/she will submit the final report to the evaluation manager
- The Evaluation manager will forward the draft final report to the Regional Evaluation Focal person who will then forward it to EVAL for approval.
- The evaluation manager officially forwards the evaluation report to stakeholders and PARDEV.
- PARDEV will submit the report officially to the donor.

#### Budget

A total budget of USD 50'000 is allocated on BL 16.05 of the two sub-budgets for this evaluation and is under the full control of the evaluation manager for engagement of international and national consultants, international and domestic travels and organization of workshops and consultative meetings with stakeholders.

#### For the team leader:

- Fees for international team leader for 30 days
- Fees for international travel from consultants' home to Dar es Salaam, Nairobi and Kampala in accordance with ILO regulations and policies
- Fees for DSA during the country visits

#### For the national consultants:

- Fees for 3 national consultant for 5 days each (15 in total)
- Fees for local DSA for any country travel deemed necessary

#### For the evaluation exercise as a whole:

- Fees for local travel in-country
- Stakeholder workshop expenditures
- Interpretation costs as appropriate
- Any other miscellaneous costs

A detailed budget will be prepared by the Evaluation Manager with support from the Facility Team.

## **8. Key qualifications and experience of the Evaluation Team**

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The **international consultant** should have the following qualifications:

- Master degree in Business Management, Economics or related graduate qualifications
- A minimum of 10 years of professional experience specifically in evaluating international development initiatives in the area of employment, entrepreneurship and management of development programmes, preferably in developing countries.
- Proven experience with logical framework approaches and other strategic planning approaches, M&E methods and approaches (including quantitative, qualitative and participatory), information analysis and report writing.
- Knowledge and experience of the UN System
- Understanding of the development context of the three project countries (Kenya, Tanzania and Uganda) would be a clear advantage.
- Excellent communication and interview skills.
- Excellent report writing skills.
- Demonstrated ability to deliver quality results within strict deadlines.

The **National consultants** should have the following qualifications:

- Master degree in Business Management, Economics or related graduate qualifications
- A minimum of seven years of professional experience, specifically in the area of monitoring and evaluation of international development initiatives and development organizations.
- A track record of conducting various types of evaluations, including process, outcome and impact evaluations in Kenya, Tanzania and Uganda and preferably at EAC level.
- Knowledge and experience of the UN System
- Excellent communication and interview skills.
- Excellent report writing skills.
- Demonstrated ability to deliver quality results within strict deadlines.

## Appendix 4: Bibliography

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