



Evaluation Summaries

Unleashing African entrepreneurship initiative – Youth entrepreneurship facility

QUICK FACTS

Countries: Kenya, Uganda and Tanzania

Mid-Term Evaluation 9th May-1st July 2011

Mode of Evaluation: Independent

Technical Area: Strategic Objective: Employment (Outcome 3: Sustainable Enterprises Create Productive and Decent Jobs)

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Project Start Date: 1st January 2010

Project End Date: 31st December 2014

Project Umbrella Code: RAF/09/06/DAN

Project TC Symbols: RAF/10/50/DAN. RAF/10/51/DAN

Donor: Government of Denmark: **DKK 119 Million** (Approx. US\$ 23 million) of which ILO budget at the time of approval was **DKK 79.35 Million** (Approx. **US\$ 15.4million**)

BACKGROUND & CONTEXT

Project Purpose, Logic and Structure

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. It is against this backdrop 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; (iv) Youth-to-Youth Fund; and (v) 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 are primarily responsible 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.

Present Situation of 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.

Purpose, Scope and Clients of the Evaluation

This Evaluation is being undertaken in fulfilment of two separate protocols: (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 which was 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 main 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.

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 and (iii) field level observations. 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.

MAIN FINDINGS & CONCLUSIONS

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.

Relevance and Strategic Fit

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. This conclusion was based on information from (i) Secondary sources (e.g. proceedings of the “Open Space Workshop” which were carried by YEF team in each of the countries-with wide participation; (ii) Primary sources through interviews of wide cross-section of stakeholders whose responses were unanimous, namely; that the project was addressing what they considered to be one of the biggest challenges facing the region. 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.

Validity of Project Design

Project design was logical and coherent. This conclusion is based on the fact that a significant amount of background work and consultations 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 a wide cross section of stakeholders; 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 (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.

Project Effectiveness and Achievements

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, the Mission 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 stoppers in Geneva and Addis Ababa, backstopping has been fairly good.

Efficiency of Resource Use

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. 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

Effectiveness of Project Management

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 setback to faster administration and financial processes and the Mission feels that there is need for an additional verifier.

Impact Orientation & 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.

Main 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).

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.

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 a wide cross section of stakeholders; 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.

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;; 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 US\$ 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.

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.

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.

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 coherently 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 stems towards strengthening institutional capacity capable of facilitating effective project sustainability.*

Main Lessons Learned

The Mission identified three main lessons:

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 successful youth employment and entrepreneurship development and should always be combined with (i) facilitation of access to finance (ii) promoting culture change on the part of financial service providers; and (ii) promoting enabling business environment especially the regulatory framework.

3. That 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;

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.
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) 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. 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.**