

Youth Entrepreneurship and Innovation Multi-donor Trust Fund in the African Development bank – a second Danish contribution.

Key results:

- The administrative set up of the Multi-donor Trust Fund including recruitment of staff is now up and running. For the coming phase, we expect to see concrete results when it comes to the provision of business development services and training of youth-led start-ups and the creation of jobs.
- Youth entrepreneurship to be integrated in the countries' development strategy.
- Norway, Italy, Sweden and Netherlands have joined the partnership. Finland and Germany have also shown interest.

Justification for support:


















- Support to YEI is directly in line with the Danish strategy "The World 2030".
- The contribution is a follow-on to the earlier Danish contribution made to the AfDB in support of the implementation of the 'Bank Group Strategy for Jobs for Youth in Africa, 2016-2022'. The aim of the strategy is to support regional member countries scale up their response to the youth unemployment, through the creation of employment opportunities for young people, with a particular emphasis on women.
- YEI prioritizes support to dynamic and innovative youth-led start-ups and MSMEs, both in the formal and in the informal sector.
- The Bank has intensified its work on migration on the continent, working with the AU and the regional economical communities to strengthen the capacity of regional actors and countries which is also aligned with Danish priorities.

Major risks and challenges:

- YEI must work with implementing partners based in Africa; there is however a low capacity among the locally based organisations providing business developing services, which could potentially hamper the effective implementation. In the Oversight Committee, we are working to ensure that locally based implementing partners are prioritised and challenges addressed.
- It is important that opportunities exist with larger businesses, so essential to target countries' governments to provide a conducive environment for business linkages to promote SMEs' access to the value chains of large companies.

File No.	2016-84433			
Countries	Ghana, Nigeria, Mali, Tanzania, Rwanda and Ethiopia			
Responsible Unit	MKL			
Sector				
Partner	The African Development Bank			
<i>DKK mill.</i>	2018	2019	2020	2021
Commitment	25 Mio.			
Projected ann. disb.	25 Mio.	0	0	0
Duration	Four years			
Previous grants	10 DKK mill. in Dec 2016			
Finance Act code				
Head of unit	Henriette Ellermann-Kingombe			
Desk officer	Sara Gottfredsen			
Financial officer	Louise Kronborg Sørensen			

Relevant SDGs *[Maximum 1 – highlight with grey]*

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals	

Strategic objectives:

Creating jobs and business opportunities for young women and men in Africa is a primary concern for Denmark. YEI helps to implement the Jobs for Youth in Africa strategy, which is fully aligned with the Bank's Ten Year Strategy and the High Five Strategy. YEI is highly relevant for Danish development policy priorities as outlined in "The World 2030". It is particularly relevant to SDG 8.

Justification for choice of partner:

The African Development Bank (AfDB) is a trusted partner that has received Danida support in several areas in recent years.

Summary:

The objectives of the Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI MDTF) as set forth in the proposal received by the Bank are to address youth unemployment and the root causes of forced economic migration by strengthening entrepreneurship ecosystems in Africa. The initial Danish contribution was made to a single-donor trust fund for piloting initiatives important to the 'Bank Group Strategy for Jobs for Youth in Africa, 2016-2022', primarily by supporting SMEs owned by young people. Denmark was the first mover on YEI and in cooperation with the bank, succeeded in bringing Italy, Norway (25 NKK mill), Sweden and the Netherlands as additional donors on board. Finland and the Netherlands have also indicated a strong interest.

Budget:

Output 1: Business development services to youth	78%
Output 2: Enabling environment	3%
Output 3: Research and Studies	2%
Communication	2%
Fund management and reporting	15%
Total	[25 DKK mill.]

Youth Entrepreneurship and Innovation Multi-donor Trust Fund in the African Development Bank

1. Introduction

The present project document details the objectives and management arrangements of a new contribution of DKK 25 million over four years to the Youth Entrepreneurship and Innovation Multi-donor Trust Fund in the African Development Bank, to be committed in 2018. This contribution is a follow-on to the earlier Danish contribution made to the AFDB in 2016 in support of the implementation of the 'Bank Group Strategy for Jobs for Youth in Africa, 2016-2022'.

2. Brief summary of issues to be addressed and institutional context

Promoting development with and by young people – not just for young people - has never been more acutely needed. The world is currently home to the largest generation of youth ever, most of whom live in developing countries. Young people constitute an enormous development potential and meaningful inclusion of youth is key to fulfilling the Sustainable Development Goals.

In many countries in Africa, youth unemployment is staggeringly high. The World Bank estimates that approximately 25 million people in Africa are ready to enter the job market each year. Micro-, Small and Medium Scale enterprises (MSMEs) is an area, where the majority of jobs are and where new ones can be created. Yet, according to the Bank, they operate within an environment that in many African countries is not conducive to the growth of MSMEs and the creation of jobs. As a result, the Bank intends to work with government agencies to formulate new policies, accelerate the implementation of the existing ones, reduce regulatory burden and streamline procedures in order to improve ease of doing business for MSMEs. Many of these constraints are systemic which underscores the need for close interaction with the policy based lending of the institution as a means of supporting necessary reforms.

It is envisaged to make a new contribution of DKK 25 million over four years to the Youth Entrepreneurship and Innovation Multi-donor Trust Fund (YEI MDTF) in the African Development Bank, to be committed in 2018. This contribution is a follow-on to the earlier Danish contribution made to the AFDB in support of the implementation of the 'Bank Group Strategy for Jobs for Youth in Africa, 2016-2022 (JfYA). The aim of this strategy is to support regional member countries scale up their response to the youth unemployment and underemployment crisis on the continent, supporting their efforts to reap the demographic dividend through the creation of employment opportunities for young people, with a particular emphasis on women. The YEI MDTF prioritizes support to dynamic and innovative youth-led start-ups and MSMEs, both in the formal and in the informal sector. As part of this strategy the Bank has also intensified its work on migration on the continent, working with the AU and the regional economic communities to strengthen the capacity of regional actors and countries.

3. Strategic considerations and justification

The initial Danish contribution was made to a single-donor trust fund for piloting initiatives important to the JfYA strategy, primarily by supporting SMEs owned by young people. It has taken a while for the Bank to organize the administrative set up of the MDTF, but it is now up and running. In the meantime, both

Norway, Sweden, Italy and the Netherlands have joined the partnership. Finland and Germany have also shown interest. By providing the initial Danish contribution to YEI, Denmark has been in the forefront to ensure the implementation of the 'Bank Group Strategy for Jobs for Youth in Africa and to overall ensure an increased focus on ensuring jobs for youth in Africa. To accommodate more donors the trust fund has been converted into a multi-donor trust fund.

AfDB is a valued partner for Denmark, operating effectively in the frontline and tackling some of the most pressing development concerns of our time. Creating jobs and business opportunities for youth in Africa is a primary concern for Denmark. The YEI MDTF helps to implement the Jobs for Youth in Africa strategy, which is fully aligned with the Bank's Ten-Year Strategy and the High Five Strategy. The YEI MDTF complements a range of existing dedicated AfDB financing instruments and the general lending and grant financed operations of AfDB and ADF. In Africa, 3 million jobs are created every year, yet 12 million youth enter the job market resulting in a huge job deficit on the continent. Thus, the YEI MDTF, which supports the JFYA strategy, addresses this gap by strengthening the entrepreneurship ecosystem and expand job creation.

The objectives of the Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI MDTF) are to address youth unemployment and the root causes of forced economic migration by strengthening entrepreneurship ecosystems in Africa. The overall funds requested are of approx. \$15 million per year covering the period 2019 - 2022.

The proposed purpose of the YEI MDTF is to empower youth-led start-ups and MSMEs in Africa, both in the formal and the informal economy, to run viable businesses and create decent jobs by financing:

1. Business Development Services (BDS) for youth-led start-ups and MSMEs through Technical Assistance – training, mentorship, Pan-African challenge prize competition, certification procedures and access to financial support. This is supposed to be by far the largest part of the program, consuming around 78 per cent of the overall budget.

2. Research, studies and dissemination of these, to expand the existing knowledge base on building African entrepreneurship ecosystems;

3. Support countries strengthening their **enabling policy and regulatory frameworks** for MSMEs and private sector development.

In line with Danish strategic priorities, it is essential that efforts to address the plight of young people are identified and designed together with young people and that they are involved in the execution of support. The main purpose of collaborating with the AfDB on the youth agenda is to scale up youth informed development interventions and to incorporate youth in the work of AfDB and ADF. A subsidiary purpose is to use the lessons learned here to help inform Denmark's engagement for youth in other contexts.

The YEI MDTF will contribute to increase the creation of decent employment on the continent. It will also create an enabling environment for inclusive growth through supporting enterprise development in Africa. It addresses youth-owned start-ups and MSMEs by equipping them with skills and business development tools to grow and access formality. Furthermore, the YEI MDTF promotes growth by targeting sectors where the majority of Africa's poor earn their living i.e. agriculture in particular but with flexibility to

country specific context; it also tackle gender disparities in economic opportunities by targeting women entrepreneurs. In this regards, 50% of the youth led start-ups/MSMEs targeted for support will be young women led enterprises in line with the JfYA strategy.

End beneficiaries:

- i. Youth led-start-ups and MSEM based in Africa (of which 50% are women led)
- ii. Enterprise Support Organizations (ESOs) which are: incubators, accelerators, mentorship institutions and financial institutions that provide Business Development Services (BDS) to youth-led start-ups and MSMEs
- iii. Research institutions, Universities and Think Tanks to produce the necessary research
- iv. Governments which are willing to reform and improve their enabling environment conducive to a better enterprise development and trade growth

Geographic reach: In 2019, the YEI MDTF will intervene in 6 African countries. The Trust Fund will continue the interventions it started in 2018 in Nigeria, Ghana, Mali and Togo and will further add 2 countries in 2019 namely Ethiopia and Rwanda, subject to final resource availability. Zimbabwe was withdrawn from the list of countries of intervention and out on hold, following consultations with the Bank's local offices highlighting the unclear political priority of the new leadership subsequent to the latest general elections of 2018.

Business development services to youth: This includes the selection of local implementing institutions such as incubators, accelerators and financial intermediaries directly supporting the development of youth led start-ups and MSMEs. The competitive bidding was launched in July 2018. 250 applications were received and are now being screened for short-listing 10 to 12 locally based implementing institutions, to launch a second phase of bidding (i.e. a full request for proposal).

Enabling environment: Consultations with AfDB's regional and country offices where the YEI MDTF will support the enabling environment activities have started as planned in June and July 2018. Enabling environment funding to countries will be based on their alignment with YEI MDTF objectives. Two countries (Togo and Mali) have youth entrepreneurship and MSME development targets integrated in their country's development strategy. Ghana and Nigeria have seen their development strategy end in 2018, the YEI team will review their new development strategy expected to be out in Q1 2019, to ensure alignment with YEI's objectives.

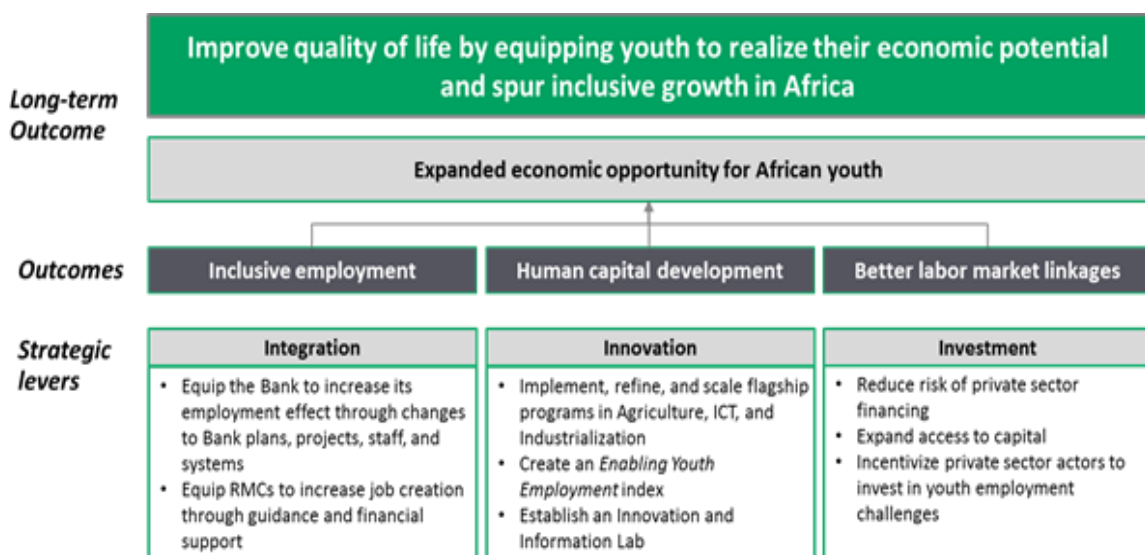
Research and studies: For the 2018/19 work plan, the thematic study for the research component will be on migration and entrepreneurship, with a focus on identifying the drivers and barriers to a flourishing entrepreneurship ecosystem at country and regional levels to identifying the requisite solutions. Competitive bidding to conduct the research will be launched in Q4 2018. The details of the research are being developed, and research partners are being identified.

The Team (JfYA) cooperates with similar youth centric and entrepreneurship-focused initiatives: especially coordinating efforts with similar initiatives lead by other organizations outside of the Bank, focusing on the boosting job creation for youth in Africa. The team has therefore joined the Youth Development Working

Group comprised of the World Bank, the Asian Development Bank, the Inter-American Development, Bank, the ILO and the EBRD.

4. Theory of change and key assumptions

AfDB's theory of change for YEI MDTF



5. Project Objective and summary of results frame

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Outputs – based on indicative \$ 15 m funding yearly	2019	overall
Number of youth-led startups/MSMEs mentored and trained creating economic value and jobs (the impact number will increase yearly as incubators build their own capacity to train more youth with the same amount of TA provided by the trust fund)	800	50% women
Number of ESOs - Enterprise Support Organizations benefiting from capacity building	6 - 8	
Pan African challenge Prize winners	20	50% women
Number of MSMEs having access to finance and increased trade	700	50% women
Number of studies focused on entrepreneurship ecosystems in Africa	1	
Number of countries benefiting from enabling environment TA (boost economic integration of youth and regional trade)	1	
Number of direct decent jobs for youth created (it will increase yearly as supported ESOs and financial intermediaries build their own capacity with the same amount of TA provided by the YEI trust fund)	2240	

6. Inputs/budget

The 2019 work program is based on a projected budget of \$ 15m. The budget and work program might be scaled up or down subject to actual resources received from prospective donors. If the work program would have to be scaled down, focus will be on the activity related to business development services to youth led entrepreneurs since this is the most directly linked to job creation. Another way of scaling down

activities according to the funding level would be to focus on fewer countries and not begin to implement activities in the suggested two new pilot countries (Ethiopia and Rwanda).

Below comprises the budget details:

Activity areas	Budget (USD)	%
Business Development Services to youth led entrepreneurs	11,689,000	78
Research and Studies	255,000.00	2
Capacity building for governments	505,000.00	3
Communication and donor visibility	256,000	2
Fund Management and Reporting	2,295,000	15
Total	15,000,000	100

Other donors to YEI MDTF

Norway	25 mill. NKK
Netherlands	17 mill. USD
Italy	2.5 mill. Euro
Sweden	75 mill. SEK
Finland	Discussions are ongoing

7. Institutional and Management arrangement

The Bank Jobs Team that is situated in the Human Capital Youth and Skills Development Department is responsible for the coordination of the implementation of the JfYA strategy, liaising with the relevant; Bank led initiatives and country offices to ensure closer collaboration. The YEI MDTF is the grant-financing vehicle of the JfYA.

8. Financial Management, planning and reporting

The board decides on overall operational matters related to the MDTF and approves projects that exceed 1 million US \$. The Oversight Committee – which includes representatives of the donors will provide general guidance on the implementation of activities of the YEI MDTF, review and approve its yearly work program, review and approve the annual financial statements of the YEI MDTF and clear proposals exceeding USD 1,000,000 for submission to the Boards of Directors’ for approval.

The Oversight Committee plays a key role in discussions of the annual program and proposals for new interventions. The Technical Review Committee (TRC) will be established to ensure technical and financial feasibility of all funding requests to be supported under the YEI MDTF. The Committee will be comprised of key technical department of the Bank including legal, finance, treasury, operations and strategy.

The Human Capital, Youth and Skills Development Department (AHHD) through the Jobs Team will be responsible for the day-to-day management of activities of the YEI MDTF, under the overall purview of the Director of AHHD.

The AfDB will produce annual financial statements of the YEI MDTF funds received and disbursed as of December 31st of each year. The annual financial statements shall be submitted to the Oversight Committee within six months after the end of the reporting period, but not later than May 15th of each

year. The Bank will produce annual progress reports on the execution of the projects, program and activities financed under the YEI Multi-Donor Trust Fund as of December 31st of each year. The Jobs Team will prepare and submit annual progress reports to the OC. The report will focus on outputs and outcomes in line with the approved indicators in the monitoring and evaluation framework.

The responsible MFA unit shall have the right to carry out any technical or financial mission that is considered necessary to monitor the implementation of the programme.

After the termination of the programme support, the Denmark (responsible institution) reserves the right to carry out evaluation in accordance with this article.

9. Risk Management

Risk	Mitigation measures
Risk 1: Youth inclusion - Youth are not sufficiently incorporated in programmes, instruments and day-to-day activities.	Working closely with the YEI team and monitoring the delivery closely.
Risk 2: Lower capacity among African institutions based in Africa with regard to their capacity to deliver Business development services.	Working closely with the YEI team and monitoring the delivery closely.
Risk 3: Insufficient market linkages opportunities: For youth owned start-ups to access markets, it is important that linkage opportunities exist with larger businesses to facilitate the inclusion of these start-ups in the value chains of larger companies	Target countries' governments to provide a conducive environment for business linkages to promote SMEs' access to the value chains of large companies
Risk 4: Lack of financing for the full work plan.	Working closely with the YEI team and donors. Focusing on the component of the work plan which activity is business development support and also focus on fewer countries.
Risk 5. When targeting successful enterprises there is a real risk of focusing disproportionately on already well-connected young people.	Credible screening tools need to be developed that do not result in young people from poorer households being excluded. Needs to be based on sound diagnostics and linkage to interventions aimed at addressing systemic biases.

10. Issues that Denmark wishes to address in the Oversight Committee

The AfDB has presented a proposal to its current and prospective donors. In the coming negotiations with the Bank and donors, Denmark will primarily focus on the following issues:

- i. Essential that reporting concentrates on outcomes as well as on the experiences generated through the Bank's efforts to achieve them. Denmark will advocate for the elaboration of a lessons learned paper after two years of operation to serve as a guidance for deciding possible adjustments in the plan of implementation.
- ii. There is a need to reach an understanding of what is achievable with a smaller budget, should the volume of donor financing not materialize.

- iii. Stronger analytical effort is required for the Bank to come to a good understanding of the reality on the ground in each country.
- iv. Denmark will advocate for the maintenance of a strong focus on fragile states in its work.
- v. ADF14 has insufficient focus on and funds for addressing youth employment and Denmark will work for a stronger effort in this regard under the upcoming negotiations of ADF15.

Annexes:

Annex 1: Context Analysis

Annex 2: Partner

Annex 3: Result Framework

Annex 4: Budget details

Annex 5: Risk Management Matrix

Annex 6: List of supplementary materials

Annex 7: Plan for communication of results

Annex 8: Process Action Plan for implementation

Annex 9: Signed Quality Assurance Checklist (or signed table of appraisal recommendations and follow-up actions taken if the appraisal has been conducted by TQS)

Annex 1: Context Analysis

Many low and middle-income countries are in the early stages of demographic transition. Here, large numbers of young people reach working age every year and the proportion of the population capable of contributing significantly to income in the household is growing relative to the proportion of dependents. This is the window of opportunity that countries have used to progress to more advanced stages of socio-economic development. Today's low-income countries should be able to do the same. However, emerging technological advances with considerable transformative potential means that the way to get on to the next rung in the ladder of economic development is less straight forward than it used to be.

Young people – today's and tomorrow's – are the primary agents of this transformation, and this is one important reason why Denmark has chosen to focus on meaningful youth inclusion as part of its strategy for development and humanitarian cooperation - The World 2030. However, their ability to successfully exercise this agency is frequently constrained. In societies based on deference to seniority, cultural barriers and norms may retard the process whereby young people are able to influence development and bring their ideas to fruition. In patriarchal and male dominated systems, girls may be at a considerable disadvantage in terms of developing the needed human competencies and gaining access to participate in the economy and in political decision-making. In societies marked by strong ethnic, clan or class biases, young people from excluded parts of the population may have to battle much more up-hill to gain a

foothold compared to their better connected peers. And those in control may pursue narrow economic interests not beneficial to the mass generation of good jobs in the first place.

In addition, many countries are underinvesting in or investing ineffectively in the provision of general health care, education, social safety nets as well as in the physical and financial infrastructure needed to sustain broad based development. The World development Report 2018 Learning to Realize Education’s Promise, for instance, painted a sobering picture of discouraging learning outcomes for students in school in many countries and regions around the World. Here, children may attend school for years, only to recognize the poor state of their learning by the time they start looking for a job.

Realizing the complex and context specific nature of the barriers and opportunities facing young people in their efforts to successfully enter productive adulthood, Denmark has linked up with development partners with sufficient analytical capacity, geographic reach and convening power to be able to un-pack and act on the specific set of constraints and possibilities that young people meet in different countries and regions. The multilateral development banks are working hard to determine how to respond to this challenge and therefore Denmark has entered a partnership with both the World Bank and the African Development Bank to support their exploratory and piloting efforts in this field. In December 2016 a contribution of 10 million DKK was made to the African Development Bank to enable it to pilot its work to help create jobs and business opportunities for young people, and in mid-2018 a contribution of 5 million DKK was made to the World Bank with essentially the same objective.

Annex 2: Partner

AfDB is a valued partner for Denmark and we are working closely with the bank on a number of issues that are key to Denmark’s strategic priorities.

Annex 3: Result Framework

Results Based Framework - 2019 / 2022 with indicative yearly budget of \$ 15 million						
	RESULTS CHAIN	PERFORMANCE INDICATORS			MOV	Assumptions/Risks/Mitigation measues
		indicator	baseline	target 2019		
Impact	Reduced unemployment, vulnerability and working poverty among the youth	Youth unemployment and discouragement rate (%)	29%	26% by 2030	AfDB/ILO	Risk: 1. Insufficient funding to support the scale of ambition in youth employment outcomes; 2. Lack of buy-in from RMCs during implementation. Mitigation:1. Resource mobilization by the African Development Bank to catalyse other funders into investing in the youth employment ecosystem in Africa; 2. Intensive and high-level policy dialogue with RMCs
		Youth vulnerable employment rate (%)	39%	34.% by 2030	AfDB/ILO	
		% of working youth who live on less than \$1.25/day[1]	49%[2]	42% by 2030	AfDB	
Outcomes	Increased access to finance and business survival of youth-led MSMEs who received BDS through the YEI MDTF	% of youth-led start-ups/MSMEs who received financing as a result of the BDS initiative	N/A	At least 60%; of which 50% are female led MSMEs	YEI MDTF monitoring & evaluation reports	Risk: 1. Financial intermediaries supported by the Bank do not on-lend to youth owned businesses. Mitigation measures: Provision of technical assistance to youth owned businesses, along with support and close supervision of financial intermediaries will help track results and ensure financing reaches the target entrepreneurs, MSMEs, and other businesses; YEI MDTF will leverage the Bank’s work on guarantees, lines of credit, and equity financing. JfYA will leverage the Bank’s decentralized structure to work with field offices to build pipelines and identify new clients.
		Rate of discontinuation of youth MSME which benefited from business development services*[1]	N/A	At most 10%; of which less than 5% female		
	Direct jobs created by youth-led MSMEs supported through activities of the YEI MDTF	Number of direct jobs created by youth-led MSMEs receiving BDS (financial access and incubation support*[2]	0	2240*[3] direct jobs -		

	Increased knowledge and enabling environment for MSME development	Africa wide tool/platform that encompass the overall entrepreneurial ecosystem actors to create linkages for youth entrepreneurs - integrated in the e-platform of the lab	N/A	Existence of continent wide platform that connects youth entrepreneurs with incubators and investors	Evidence of an online mapping tool on JfYA Youth innovation lab e-platform			
		Environment favorable to business Start-ups/MSME development implemented by countries supported by the TA - 1 countries	N/A	Existence of functional measures in support of start-up/MSME business development as a result of TA		Sustained commitment by countries to strengthen the enabling environment through policies and regulations. Mitigation measures: strong dialogue and follow up of the Jobs team with government hosting projects to ensure continual commitment of reforming for a favorable business environment for Start-ups/MSMEs		
2019								
Outputs	a. Capacity building of youth-led MSMEs through business development services	a.1 Number of youth-owned start-ups/MSMEs benefiting from business incubation and other business development services provided through the YEI MDTF	0	800 MSMEs (in fragile states and migration hot spot of origin) of whom 50% are female	YEI MDTF monitoring and evaluation reports	Risk: Financial institution may be unwilling to lend to youth-owned start-ups and MSMEs Mitigation: work exclusively with Financial intermediaries with TA windows to strengthen BDS ; leverage the Bank's ongoing work with financial intermediaries		
		Share of youth-owned start-ups/ MSMEs benefiting from business incubation and other business development services in sectors of priority (agriculture, ICT, industrialization)	0	At least 60% MSMEs of whom 50% are female				
		a.2 Annual private sector challenge prize awarded to support high impact youth-owned start-ups/ MSMEs	0	20 (10 female led)				
	b. Increased access to finance for youth-led MSMEs established through cooperation with financial intermediaries	Number of MSMEs which have accessed funding from a financial intermediary supported by the YEI MDTF	0	700 youth owned/led MSMEs with USD 5 million funding leverage (access to USD 25 000 per MSME)				
		b.1 Number of financial intermediaries benefiting from TA support in BDS to expand reach to youth-owned MSMEs	0	1 financial intermediary benefiting from TA support in BDS to expand reach to youth-owned/led MSMEs				
	c. Knowledge generation and strengthening the enabling environment for better private sector development, youth employment and job creation outcomes	c.1 Number of countries receiving TA	0	At least 1 countries				
		c.2 Entrepreneurship studies for Africa conducted	0	1 research work published and disseminated				
	d. Project evaluation-beneficiary assessment survey	d.3 Number of beneficiary assessment report	0				Target RMCs will be committed to implement policies. Mitigation measures: continual dialogue at highest levels of governments to ensure their continual commitment over time.	
	Key Activities	a.1.2 Provide tailored business development services (conduct trainings, coaching, mentoring, product development, branding and quality standards; market linkage creation, financial access, networking support etc.) to youth-led MSMEs through ESOs						

a.2.1 Provide prize funding to innovative youth-led start-ups /MSMEs in Africa				
b.1.1 Provide financial access readiness capacity building training to youth-led MSMEs				
c1.1 Develop and implement policies for an enabling environment for private sector development				
c.2.2 Conduct ecosystem mapping of ESOs in Africa				
Project management: undertake project support activities (eg. recruitment of consultants; due diligence on implementation intermediaries, perform audit, monitoring and reporting)				

Annex 4: Budget details

Budget for the implementation of the YEI Multi-Donor Trust Fund - period (2019-2022)

Youth Entrepreneurship and Innovation Multi-Donor Trust Fund - Funding request of \$15 m yearly and budget covering period 2019 - 2022		
Indicative countries of intervention from 2019 to 2022 are Ghana, Nigeria, Mali, Togo, Ethiopia and Rwanda – subject to resources available approval of donors		
	2019	% of total resources
Operations	\$ 12,449,000	83%
Technical Assistance - Business Development Services (BDS) - end beneficiaries youth-led entrepreneurs and MSMEs	\$ 11,689,000.00	78%
ESOs - TA to incubators and accelerators - mentorship/training local youth-led start-ups and MSMEs	\$ 7,919,000.00	
Financial institutions/intermediaries - TA support to youth entrepreneurs and MSMEs access finance/credit	\$ 3,520,000.00	
Challenge Prize Award of the 20 most innovative African start-ups demonstrating sustainable and social impact	\$ 250,000.00	
Research and studies - continental, regional and national depending on research needed to improve the ecosystem	\$ 255,000.00	2%
Capacity building - Enabling environment to boost private sector and entrepreneurship growth	\$ 505,000.00	3%
Visibility/communication		2%
Communication on success stories and entrepreneurs supported by the YEI to local communities. Increase donor's visibility.	\$ 256,000.00	
Management and Reporting	\$ 2,295,000.00	15%
Contingencies	\$ 811,000.00	
M&E/yearly audit/yearly and end of project reporting	\$ 734,000.00	
Admin fees	\$ 750,000.00	
Total	\$ 15,000,000.00	100%

Annex 5: Risk Management Matrix

Please see section 9 for a risk matrix which includes risks and mitigating measures.

Annex 6: List of supplementary materials

- Multi-donor agreement for the African Development bank and African Development Fund for the Youth Entrepreneurship and Innovation Fund.
- YEI Work plan and operational guidelines

Annex 7: Plan for communication of results

- AfDB will communicate results to donors through report and using the AfDB communication tools. We will liaise closely with the Yei to ensure that the results achieved are communicated clearly both internally in the bank and externally to donors, governments and other partners. AfDB is part of a wider youth network with other international partners, which is also a forum where results and challenges will be communicated through. Any results on particular job creation for youth will also be shared to help inform Denmark's engagement for youth in development overall.
- In 2019, the Trust Fund will hire a dedicated communication consultant to collect success stories of entrepreneurs benefiting from the YEI MDTF and ensure dissemination of these to increase the visibility of the funds work throughout local communities and African governments. The YEI MDTF will pay particular attention to the visibility of its donors through African communities. Communication materials will be published on the Bank's external website and a dedicated YEI MDTF website.

Annex 8: Process Action Plan for implementation

Action/product	Deadlines	Responsible/involved Person and unit	Comment/status
Commitment	19. December 2018	MKL/Sara Gottfredsen	
Disbursement	19. December 2018	MKL/Sara Gottfredsen	
Meetings in the Oversight Committee	Dates to be not determined	MKL/Sara Gottfredsen	
Annual Progress Report and financial report	June 2019	MKL/Sara Gottfredsen	

Annex 9: Signed Quality Assurance Checklist

Annex 9 - Quality Assurance checklist for appraisal of programmes and projects¹

File number/F2 reference: 2016-84433

Programme/Project name: Youth Entrepreneurship and Innovation

Programme/Project period: 2018-2020

Budget: DKK 25 mil.

Presentation of quality assurance process:

The quality assurance process has included consultations with TQS as well as other relevant units in MFA. Consultations has been held with Norway who is the other larger international partner already engaged in the Youth Entrepreneurship and Innovation Multi-donor Trust Fund (YEI). Denmark has participated, together with Norway, in the YEI since 2017. In line with the deliberations in the Programme Committee, the document has not been subject to a full external appraisal. TQS has provided quality assurance. The Development Engagement Document (DED) builds on the documents of the YEI Multi-donor Trust Fund. This Quality Assurance Checklist has been prepared in cooperation with TQS (Birthe Elisabeth Larsen).

- The design of the programme/project has been appraised by someone independent who has not been involved in the development of the programme/project.

Comments: Yes – with the limitations mentioned above. TQS has performed final quality assurance check of the documents before presentation for approval. It is noted that, in line with the procedures for contribution to trust funds managed by a Multilateral Development Bank the DED will remain an unsigned document annexed to the Commitment letter to AfDB and will serve as an internal tool for managing and monitoring the Danish engagement in YEI. The YEI project documents are approved by the YEI Trust Fund Governing Committee and has been subjected to the African Development Bank's (AfDB) quality approval processes prior to presentation to the Trust Fund contributors.

- The recommendations of the appraisal has been reflected upon in the final design of the programme/project.

Comments: Comments provided by TQS has been addressed in final development engagement document.

- The programme/project complies with Danida policies and Aid Management Guidelines.

Comments: Yes.

- The programme/project addresses relevant challenges and provides adequate responses.

Comments: Yes.

¹ This Quality Assurance Checklist should be used by the responsible MFA unit to document the quality assurance process of appropriations where TQS is not involved. The checklist does not replace an appraisal, but aims to help the responsible MFA unit ensure that key questions regarding the quality of the programme/project are asked and that the answers to these questions are properly documented and communicated to the approving authority.

□ Issues related to HRBA/Gender, Green Growth and Environment have been addressed sufficiently.

Comments: Yes

□ Comments from the Danida Programme Committee have been addressed (if applicable).

Comments: Yes.

□ The programme/project outcome(s) are found to be sustainable and is in line with the partner's development policies and strategies. Implementation modalities are well described and justified.

Comments: Yes. The AfDB's YEI project document, which serves as the basis for implementation of the activities funded out of the MDTF, includes a multi-year results frame, which are found sustainable. The project is fully in line with AfDB's strategy: Jobs for Youth in Africa. AfDB will, in the implementation, ensure that activities implemented at national level are fully in line with the relevant African country's national strategies.

□ The results framework, indicators and monitoring framework of the programme/project provide an adequate basis for monitoring results and outcome.

Comments: Yes. It is noted that it is not possible to attribute specific results to specific inputs in a Multi-donor Trust Fund (MDTF), hence the results report to Denmark will be the global MDTF report. The YEI results frame is adequate. It will be revised and expanded in line with increases in available funds resulting from additional donors signing onto the agreement. Annual work plans and budgets will serve as the basis for the monitoring on annual progress. Denmark, will through its position in the Oversight Committee (OC), ensure that monitoring of results remain high on the agenda of the OC.

□ The programme/project is found sound budget-wise.

Comments: Yes. The YEI MDTF has attracted significant interest from other donors. Since presentation to the Programme Committee, Netherlands, Italy and Sweden has signed commitments to contribute to the YEI MDTF, and negotiations with Finland is close to finalising. AfDB has raised in total commitments (not paid in yet) exceeding the initial plan and financing are secured for implementation of the 3-year program plan. The initial objective of using the Danish initial contribution to spearhead the initiative and help AfDB to raise further funding has been achieved. There are no absorption capacity constraints neither lack of management capacity in fund management.

□ The programme/project is found realistic in its time-schedule.

Comments: Yes. While the YEI MDTF implementation period is initially agreed to 5 years, the AfDB Jobs for Youth in Africa (JfYA) strategy has a 10-year duration (2016 – 2025) the planned activities for the first period are realistic time-wise and will contribute meaningful to achieving a segment of the goals in the overall strategy JfYA.

□ Other donors involved in the same programme/project have been consulted, and possible harmonised common procedures for funding and monitoring have been explored.

Comments: Yes. As it is a Multi-donor arrangement, there is full harmonisation between the donors on the procedures etc. Denmark has participated, together with Norway, in the YEI since 2017 and the two parties have had extensive consultations throughout the preparation of the Norwegian contribution and later during

the preparation of this second Danish contribution and both parties have consulted with AfDB on the development of the project document and the operational guidelines. Sweden and Netherland have come on-board late in the preparation process, hence not been possible to consult but both have signed onto the same project document as governs the Danish and Norwegian contributions hence full harmonization continues.

Key programme/project stakeholders have been identified, the choice of partner has been justified and criteria for selection have been documented.

Comments: Yes. The choice of partner is in line with the Danish organisation strategy for cooperation AfDB.

The executing partner(s) is/are found to have the capacity to properly manage, implement and report on the funds for the programme/project and lines of management responsibility are clear.

Comments: Yes.

Risks involved have been considered and risk management integrated in the programme/project document.

Comments: Yes.

In conclusion, the programme/project can be recommended for approval: **yes**

Date and signature of TQS desk officer: 13-12-2018


Birthe Elisabeth Larsen

Date and signature of MKL management: 13/12-2018



ASSER BERLING-RASMUSSEN

