

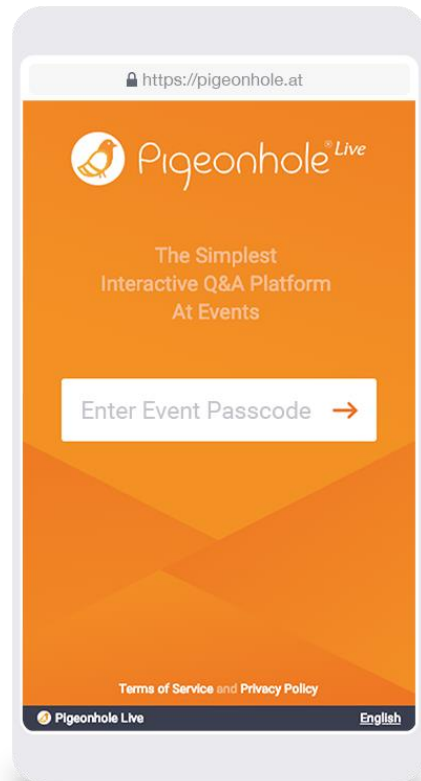
Challenge Fund for Youth Employment

Information Session on call for solutions - Egypt

2pm, 27 July 2020

CHALLENGE
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FOR
YOUTH
EMPLOYMENT

Ask your questions throughout using Pigeonhole...



Go to
www.pigeonhole.at

Enter passcode

5772EB

Pigeonhole explained...

Pigeonhole allows you to:

- ✂ Ask questions as you think of them
- ✂ Totally anonymized
- ✂ Vote for your favourite questions
- ✂ Time allocated at the end for CFYE team to answer all questions

To submit a question, go to the website www.pigeonhole.at and enter the password
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Agenda

- ✂ The Fund explained (Gerrit Ribbink – Deputy Team Leader CFYE) – 15 min
- ✂ The Challenge in Egypt (Jessica Kempner, Tech Advisor CFYE) – 25 min
- ✂ Call for Proposals and Selection Criteria (Gerrit Ribbink, CFYE) - 10 min
- ✂ Examples of Projects (Mostafa Al-Ashiry, Egypt Lead CFYE) - 5 min
- ✂ Application process (Jessica Kempner, Technical Advisor CFYE) – 5 min
- ✂ Q&A (CFYE team) – 30 min
- ✂ Timeline and closure

Introduction

- ✕ Gerrit Ribbink – Team Leader CFYE
- ✕ Jessica Kempner – Technical Assistant CFYE
- ✕ Marloes Adema – Pipeline Manager CFYE
- ✕ Irene Sleven – Thematic Expert Youth Engagement CFYE
- ✕ Bart Slob – Thematic Expert Decent Work CFYE
- ✕ Mostafa El Ashiry – Team Lead Egypt CFYE

The Challenge Fund for Youth Employment

Context and background

1

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What is the Challenge Fund?

The Challenge Fund for Youth Employment is funded by the Netherlands Ministry of Foreign Affairs and managed by Palladium, in partnership with VSO and Randstad.



Kingdom of the Netherlands

This call is the first stage of the application process for Egypt.

Successful applicants that progress to the next round, will be invited to submit a detailed proposal and business case.

The Challenge Fund Explained



Goal

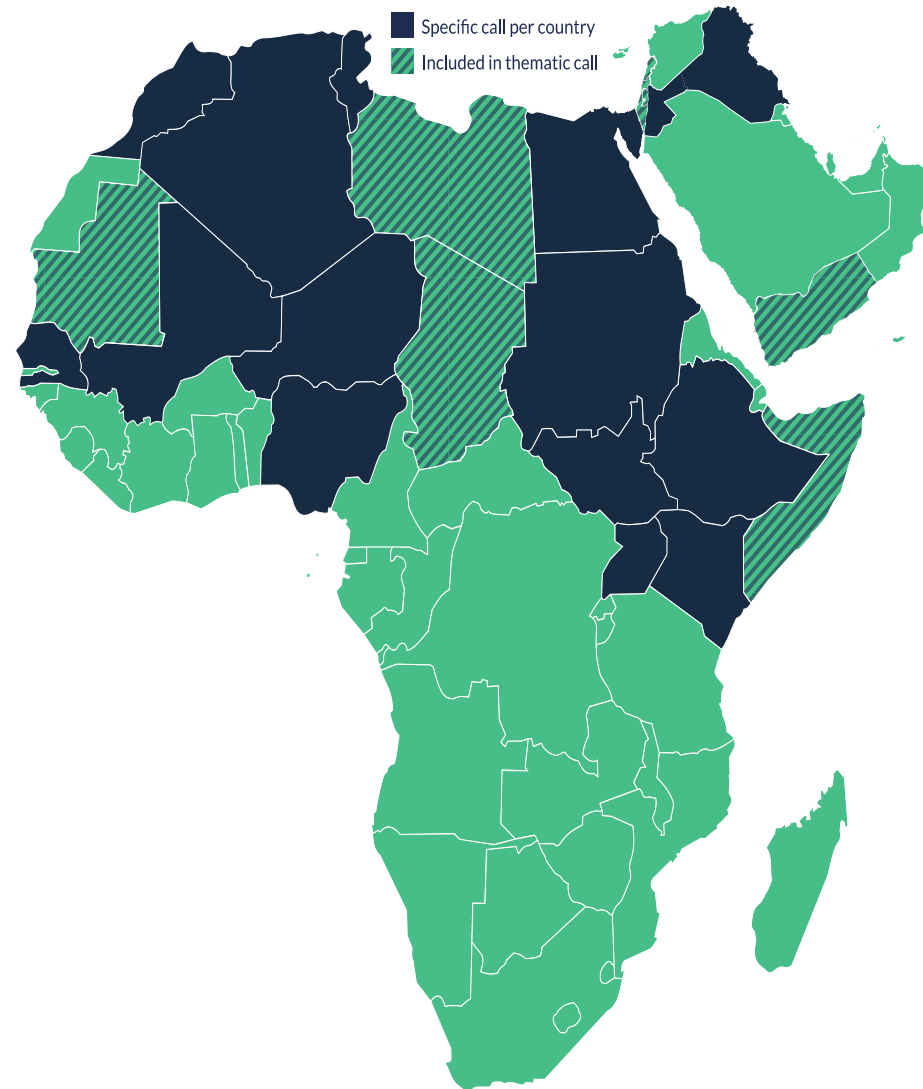
By 2025, the Fund aims to create **decent employment for 200,000 young people including 100,000 women** in the Middle East, North Africa, West Africa, and the Horn of Africa (including Kenya and Uganda).



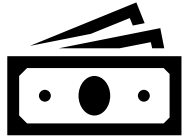
Approach

We will run several competitive context-specific challenges per year to address supply, demand, or job-placement constraints to creating more jobs and/or improving the quality of work for people, especially women, aged 15-35 in the focus countries.

CFYE Map

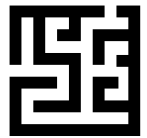


What the Fund offers



Co- investment

The Fund will co-invest between 10 and 50% of the total project budget, including both direct investment and TA.



Technical Assistance

In-kind technical support will be available throughout the selection process and during implementation to maximise delivery of results.

The total grant contribution from the Fund will have a minimum value of 200,000 Euros and range from 10% to 50% of the total project budget

CFYE Explained

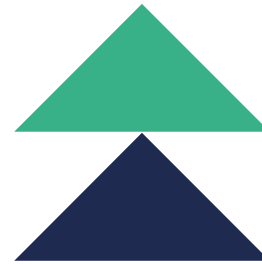
The Fund will support initiatives that will create decent employment by:



Create



Match



Improve



Sustain

Timeline



Launch Call for
Concept Notes



Deadline to send
questions (online)
or request for one
on one sessions*



Responses to
questions available
on the Challenge
Fund website



Deadline for
submission of
Concept Notes



Contract Signing



* Requests for one on one sessions can be made alongside proof that eligibility requirements are met

The Challenge in Egypt

2

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Egypt Scoping Study

- ✧ An extensive literature review: Focus on understanding the current state of the youth employment challenge in Egypt.
- ✧ In-country research: 50 interviews with key stakeholders, to validate findings of the literature review, generate interest in the Fund and get their ideas on how to implement it in Egypt. Meetings were held with private, public and social actors, as well as youth sessions, to hear about their aspirations.
- ✧ All findings were brought together and analysed through the prism of CFYE's guiding principle, to define key eligibility criteria for the call for solutions.

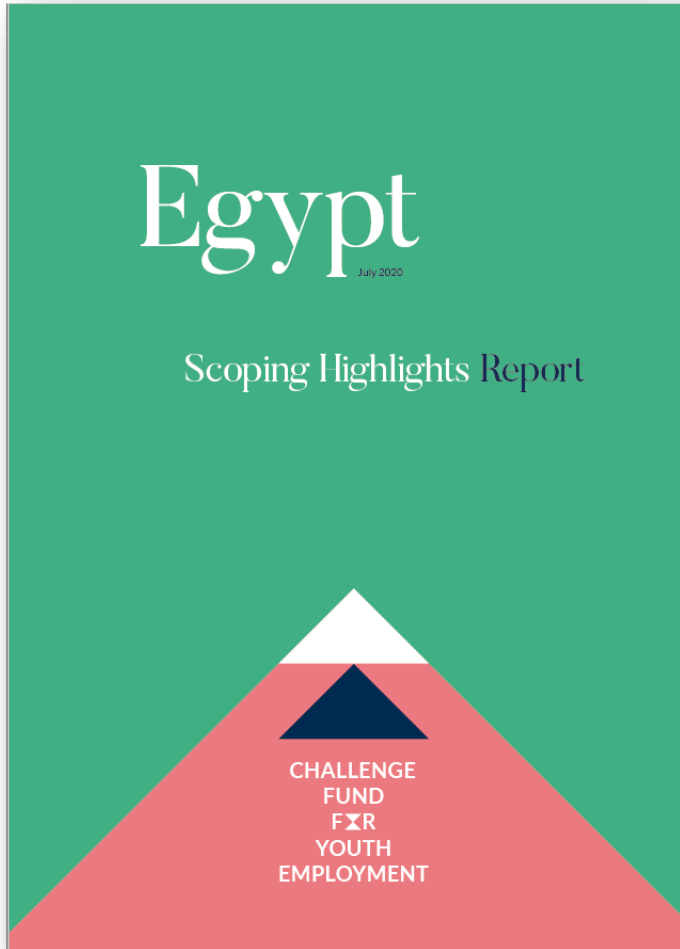
Youth Employment Challenge in Egypt

- ✂ Unemployment rate for Egyptian youth aged 15- 24 is around 30%.
- ✂ **1 to 1.5 million** young people enter the labour market every year
- ✂ Situation for **young women** is worse: 49.5% are not in employment, education or training, compared to 9.3% of young men.
- ✂ Rapid growth in **women's educational attainment**, but only 5% of Egyptian firms have a woman in a top management position.
- ✂ Formal, decent jobs in private sector are scarce, **especially outside Cairo and Alexandria.**
- ✂ Only **42%** of wage workers with at least secondary education have a formal work contract. Only **14.8%** of young job entrants have social insurance
- ✂ **Informality is widespread: 70%** of youth work in informal jobs

Youth Employment Challenge in Egypt (2)

- ✂ **Minimum wage** in Egypt is officially LE 2,000 per month, but this only applies to formally employed workers. Real wages are often a lot lower.
- ✂ **Labour laws** provide for equal pay rates for equal work for men and women in the public, but not in the private sector.
- ✂ Despite legal provisions on worker **health and safety standards**, many people in Egypt face poor and hazardous working conditions, especially in the informal economy.
- ✂ Over half of the employed population do not have a **contract, pension or health insurance**, in particular women.

Defining the call for solutions



- ✦ Key opportunities and challenges in Egypt
Scoping Report available on CFYE website
under **call for solutions**
- ✦ Based on country meetings, desk research and
analysis based on CFYE objectives
- ✦ Outlines the type of projects we are looking
for and gives some background information

Challenges and opportunities: Labour demand



Challenges

- Growth of SMEs restricted by business elites and lack of access to capital
- Lack of public sector jobs due to privatisation, affecting women disproportionately.
- Informal business and informal jobs in formal business result in a lack of decent jobs.
- Negative effects of Covid-19 on labour demand in certain sectors.

Opportunities

- Facilitate the access to finance for SMEs with growth potential
- Promote value chain strengthening projects that can link SMEs to large firms.
- Stimulate initiatives to formalize firms and/or the jobs that they offer to youth.
- Identify sectors with growth potential and resilience in the face of Covid-19

Relevance for Challenge Fund for Youth Employment

Youth employment initiatives funded by CFYE should focus on:

- Early stage, innovative SMEs, with growth potential and ambitious employment goals
- In high potential sectors with a value chain vision and are resilient against external shocks
- Formal or semi-formal employment that meets minimum standards of decency

Challenges and opportunities: Job related skills and Employability



Challenges

- ▶ Standard curricula at TVET institutions does not focus on labour market requirements
- ▶ There are many vocational training initiatives from the private sector, but they tend to focus on Cairo and Alexandria
- ▶ Many young girls in rural Egypt do not complete school and hence are not reached by these initiatives

Opportunities

- ▶ Support private sector initiatives that combine relevant theoretical content with on-the-job practical training
- ▶ Support such initiatives that focus on Upper Egypt and other less privileged areas
- ▶ Develop a gender strategy aimed at giving female school dropouts a second chance, including non-traditional TVET areas

Relevance for Challenge Fund for Youth Employment

- ▶ Youth employment initiatives funded by CFYE should focus on:
- ▶ Initiatives that focus Upper Egypt and other areas outside Cairo and Alexandria
- ▶ Initiatives that aim to transcend the gender barrier in technical education and employment

Challenges and opportunities: Business Support and Access to Finance



Challenges

- ▶ Business support services are well-developed for entrepreneurs in Alexandria and Cairo, but this is not the case in other parts of Egypt
- ▶ Access to finance is still very limited in rural areas, in particular for women
- ▶ Productivity gains have been disappointing due to lack of backward linkages

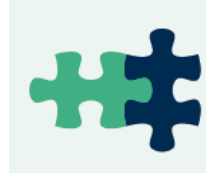
Opportunities

- ▶ Expand accelerator and other business support services to Upper Egypt
- ▶ By making financial services more widely available and lowering costs and barriers to access finance, Fintech can democratize financial services to the masses
- ▶ Promote collaboration between businesses in same sector to stimulate innovation

Relevance for Challenge Fund for Youth Employment

- ▶ Youth employment initiatives funded by CFYE should focus on:
- ▶ Expanding business support services to other geographical areas and/or women
- ▶ Fintech solutions that democratize the access to financial services for one and all
- ▶ Collaboration by growth-oriented SMEs that can lead to win-win solutions

Challenges and opportunities: Matching



Challenges

- ▶ Despite the large number of young people that graduate from existing TVET institutions, there is still a lack of well-skilled workers.
- ▶ Not all skills development initiatives result in sustainable, decent jobs being created.
- ▶ Women are over-represented in some jobs and under-represented in other jobs.
- ▶ Many firms still prefer to hire someone they know instead of the best-qualified candidate.

Opportunities

- ▶ Set up / promote skills training combined with job placement initiatives that can bridge the skills mismatch in the labour market.
- ▶ Ensure that private sector companies put in place policies to ensure adequate working conditions that build employee loyalty.
- ▶ Reward pro-active HR measures aimed at recruiting the best-qualified candidate, in combination with a gender strategy.

Relevance for Challenge Fund for Youth Employment

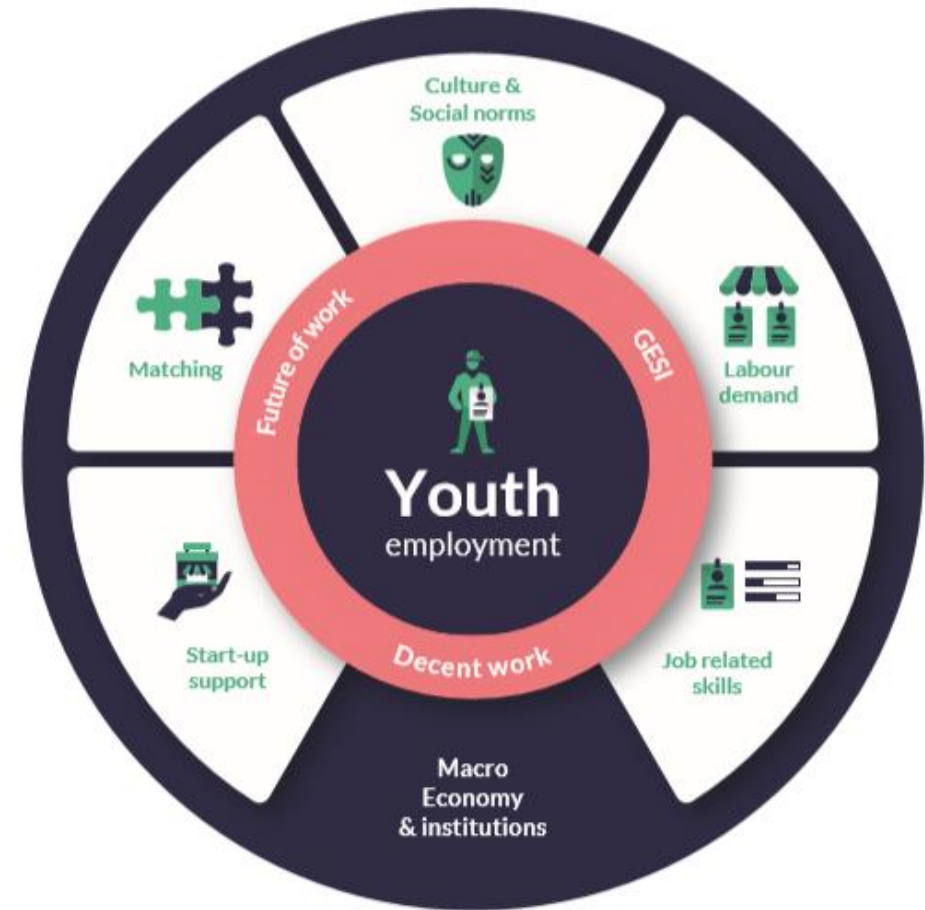
- ▶ Youth employment initiatives funded by CFYE should focus on:
- ▶ Private sector initiatives that focus on matching labour supply and demand and combine skills development with job placement.
- ▶ Private sector companies that are willing to improve their recruitment procedures and develop an internal HR strategy aimed at career development and employee satisfaction.

Call for Solutions and Selection Criteria

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A Call for Solutions

- **Create** new jobs for youth
- **Match** young job-seekers with existing job offer
- **Improve** the quality of jobs for youth
- Ideas for **enabling women to work flexibly**
- Ideas that **advance the decent work agenda**



Adapted from: Wellington et al., 2010⁵

Eligibility criteria



Private sector led

Only projects presented by private sector firms are eligible.



Women priority

Projects should create, match, improve or sustain at least 350 jobs for young women or, if the total youth employment created, matched, improved or sustained is above 700, at least 50% jobs for women.



Job quality

Jobs should be at least 24 hrs and at most 48 hrs. Gross income / wage for 1 FTE should be at least EGP 2,370 a month.

Eligibility criteria (2)



Resilience

Able to adapt and pivot rapidly to threats such as Covid-19, and support employees to withstand shocks and stress resulting from those threats.



Leverage

The minimum contribution of the fund is € 200,000. This should be matched by a co-investment that is at least equal to the grant requested.

Important note: As the Challenge Fund is based on a competitive process it will probably not be enough to meet the minimum eligibility criteria, in order to be selected for a grant.

Focus of CFYE: sectors, women, skills, region

High Potential Sectors

- Agri-processing, retail trade, manufacturing, and digital/ICT, with a clear justification of their impact and scale potential

Working With Private Firms

- Improve the functioning of markets and upgrading firms in high-potential value chains, leading to improved productivity and sustainable job creation

Career Path of Young Women

- Promoting women in leadership positions, through accelerated up-skilling, professional development and role model-driven cultural change

Market and demand-driven employable skills

- Competence levels of TVET graduates don't meet market requirements.
- Soft skills training, career guidance and on-the-job training (apprenticeships) ensure that projects are aligned with market demand.

Geographical diversity and regional relevance

- Most initiatives targeting unemployed youth are in the Cairo area. There are many opportunities for self-employment and job placement outside Cairo, especially in sectors such as agribusiness and ready-made garments

Priority sectors

No sector will be ruled out upfront, but priority sectors/types of projects are:

- ✧ Agriculture
- ✧ Retail trade
- ✧ Manufacturing
- ✧ ICT / Digital Businesses
- ✧ (Renewable) Energy
- ✧ Health and Hospitality Services
- ✧ SME support / Accelerators / Business angels

Examples of potential projects

- ✧ Food processing company planning to expand and create opportunities for smallholder farmers.
- ✧ Ag-tech solution that strengthens the supply chain, sourcing agricultural supplies in Upper Egypt and supporting young farmers to set up agri-processing facilities themselves.
- ✧ Factory producing ready-made garments that already has a considerable number of young women in its workforce, but a high turnover rate due to women leaving upon getting married, willing to implement measures to keep them on board, such as child-care facilities at the factory, safe transport arrangements and/or maternity leave.
- ✧ Company looking to expand operations outside of Greater Cairo or Alexandria that is prepared to invest in skills development, both outside and on the work floor, in order to be able to recruit employees from that same region.

Application process

1. Eligibility check on Website
2. Apply through digital application form

Application form focuses on:

- Lead company information
- Consortium information
- Description of project idea
- High level goals and potential impact
- High level financial proposal

- ✂ A shortlist of promising investment proposals will be selected and requested to submit a more detailed business case
- ✂ Business case development will be supported by CFYE coaches

Key Dates (tentative)

31 August	Deadline for submission of concept notes
End Sept. submit	Notification of successful applicants and invitation to detailed business cases
Oct/Nov	Develop business cases with support from CFYE coach
November	Deadline for submission of business cases
December	Notification and contracting of Implementing partners

Next Steps



1. Questions now?
2. Questions to: egypt@fundforyouthemployment.nl
3. Request for 1-1 sessions (online/in Egypt)
4. Webinar available on the website

Thank you very much!

For more information:

<https://fundforyouthemployment.nl/call-for-solutions-egypt/>

info@fundforyouthemployment.nl