

Challenge Fund for Youth Employment

Information Session Dutch Investment Fund for Youth
Employment Webinar

July 22nd 2020

CHALLENGE
FUND
FXR
YOUTH
EMPLOYMENT

Agenda

- ✕ Introduction Team
- ✕ Information CFYE in General
- ✕ Explanation Dutch Investment Fund for Youth Employment
- ✕ Eligibility Criteria
- ✕ Application Process

Introduction



Joost Verwilghen – Team Leader CFYE



Rebecca Spohrer – Monitoring, Evaluation and Learning Manager CFYE



Linda Oosdijk – Finance Manager CFYE



Carolijn Gommans – Senior Manager Green Finance Palladium Europe



Rory Moses – Consultant Palladium Impact Capital



Steven van Weede – Managing Director Palladium Impact Capital

CFYE Explained

- ✘ Supported by Ministry of Foreign Affairs in the Netherlands
- ✘ Managed by Palladium in partnership with VSO and Randstad
- ✘ Duration of 6 years in the period 2019 – 2025



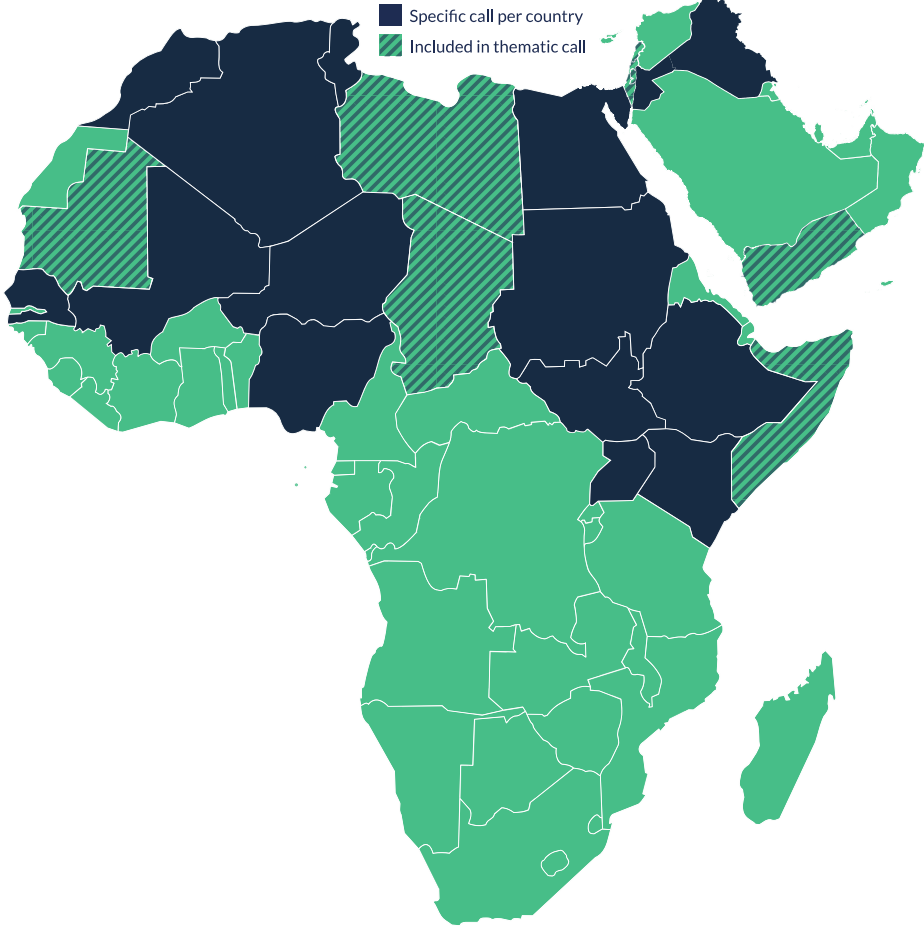
Kingdom of the Netherlands

CFYE Explained



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)

CFYE Map



CFYE Explained

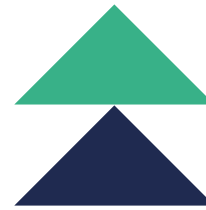
Support initiatives that will create decent employment by:



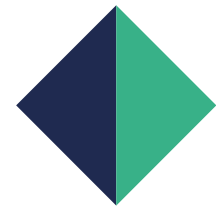
Create



Match

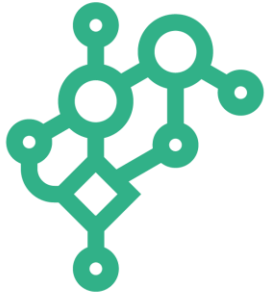


Improve



Sustain

CFYE Explained



We will run several competitive context-specific challenges per year where private sector, civil society and knowledge institutions will be invited to submit proposals for initiatives to address specific challenges. Target group is youth between 15 – 35 with a focus on young women.

Challenges so far:

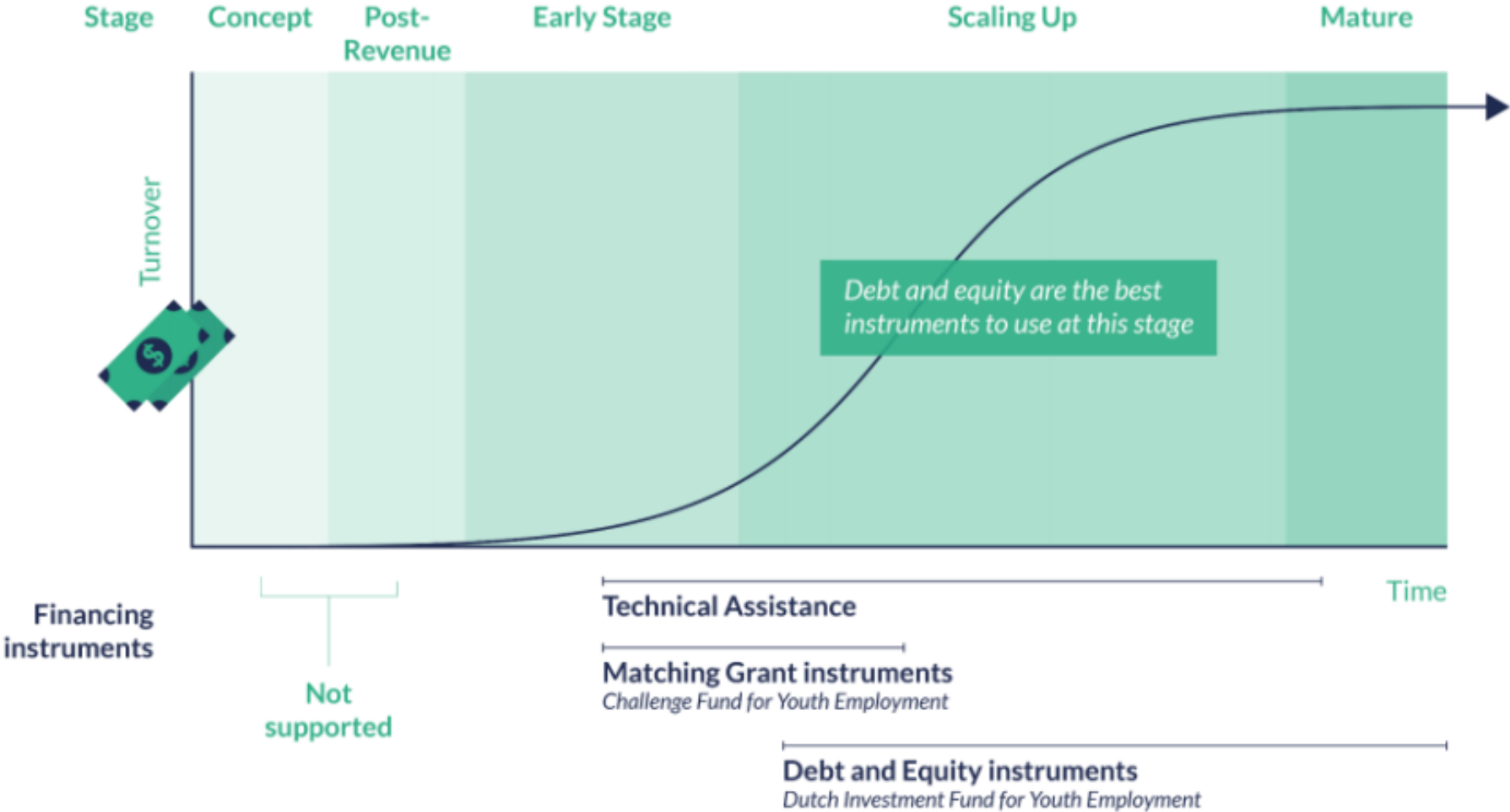
- Uganda: final selection phase of implementing partners
- Egypt: call for solutions just opened
- Nigeria: call for solutions just opened
- Thematic: Dutch Investment Fund for Youth Employment



Dutch Investment Fund for Youth Employment

- ✘ Establish a Fund which will contribute to youth employment beyond the duration of CFYE itself
- ✘ Contributing to the CFYE target to enable 200,000 youth in the focus countries to benefit from decent jobs
- ✘ Ensure additionality of the finance provided
- ✘ Mobilise capital from other sources
- ✘ Provide a mix of instruments that enable small and medium enterprises to grow

Financing instruments during company's life-cycle



The DIFYE offer

- ✂ **Capital:** Grant of EUR 10 million
 - ✂ For first-loss capital and;
 - ✂ For set up costs for the fund (max 5%)
- ✂ **Pipeline:** Projects supported under CFYE will serve as an avenue for pipeline building for the DIFYE, this will enable the scale-up of successful concepts and avoid issues with additionality
- ✂ **TA:** Ability to offer technical assistance to support enterprises
- ✂ **Capital raising:** provide the fund with 3rd party capital raising support

The DIFYE expectations

The Fund manager is expected to manage the entire investment process and as such the expectations are to:

- ✘ Have strong track record as Fund Manager, as well as all associated (administrative and regulatory) infrastructure in place
- ✘ Have extensive track record in the financing instruments put forth in your proposal
- ✘ Have extensive experience making investments in scaling enterprises
- ✘ Have a solid reputation as a leading impact fund manager
- ✘ Have a strong proven track record in impact management and measurement
- ✘ Be motivated to build a lasting impactful solution with an on the ground presence
- ✘ Be motivated to co-create the fund with the CFYE team.

Eligibility Criteria

The Fund Manager required to have the following experience:

- ✕ Minimum Assets under Management (AUM) of \$ 50 million
- ✕ Managing investment funds with a significant portfolio in Sub-Saharan Africa and Middle East
- ✕ Executing direct investments
- ✕ Experience in designing and implementing M&E methodologies (including ESG)
- ✕ Experience in raising third party capital

The Fund team members will be required to have the following capabilities:

- ✕ Fund manager or investment manager with minimum of 15 years of experience
- ✕ Impact specialist with minimum of 5 years of experience

Preliminary Selection Criteria

We leave the design of the solution (what companies in terms of size and sector, which of CFYE's focus countries and which instruments) to fund manager, yet collaboration and co-creation is expected.

Applicants that meet the eligibility criteria can submit their proposals and will be evaluated on the following criteria:

✂ 1. Organizational capabilities (25%)

- Expertise and team experience
- Geographic representation
- Fund raising track record
- Speed to market
- Returns track record

✂ 2. Fund economics (25%)

- Risk-return metrics
- Management fees
- Fund costs

Preliminary Selection Criteria

✂ 3. Fund proposal (25%)

- Overall saleability to investors
- Link to youth employment and M&E plan
- Link to the Challenge Fund for Youth Employment (CFYE)
- Suitability of funding product to target market o Proposed structure
- Pipeline plan

✂ 4. Impact (25%)

- Impact track record
- Quality of impact reporting
- Theory of change
- Plan for addressing gender and diversity

DIFYE Map



Timeline



Launch Call for
Concept Notes



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



Responses to
clarifying questions
will be available on
the Challenge Fund
website



Deadline
submission of
Concept Notes



Contract Signing

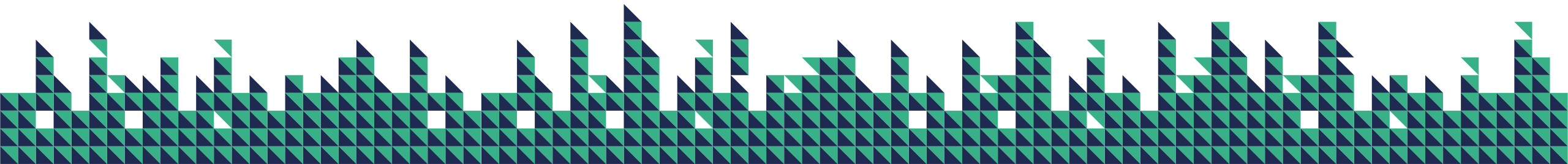


* Requests for one on one sessions can be made alongside proof that eligibility requirements are met

Next Steps



1. Questions now?
2. Questions to dutchinvestment@fundforyouthemployment.nl
3. Request for 1-1 sessions
4. Webinar available on the website



Thank you!

For more information:

<https://fundforyouthemployment.nl/dutch-investment-fund-for-youth-employment>

dutchinvestment@fundforyouthemployment.nl

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