

Challenge Fund for Youth Employment

Information Session on Call for Solutions for Uganda

14 December 2021

CHALLENGE
FUND
FOR
YOUTH
EMPLOYMENT

Agenda

- ✕ The Fund explained
- ✕ The Challenge in Uganda
- ✕ Priorities of Selection
- ✕ Application and Submission process
- ✕ Q&A

1

The Challenge Fund for Youth Employment

Context and background

Partners



Kingdom of the Netherlands



The Challenge Fund Explained



Goal

Decent employment for 200,000 young people

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

Competitive challenges with focus on young women

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.

What the Fund offers



Co-investment

The Fund will **co-invest** a maximum of 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 contribution (co-investment and technical assistance) will have a **minimum value of 200,000 Euro.***

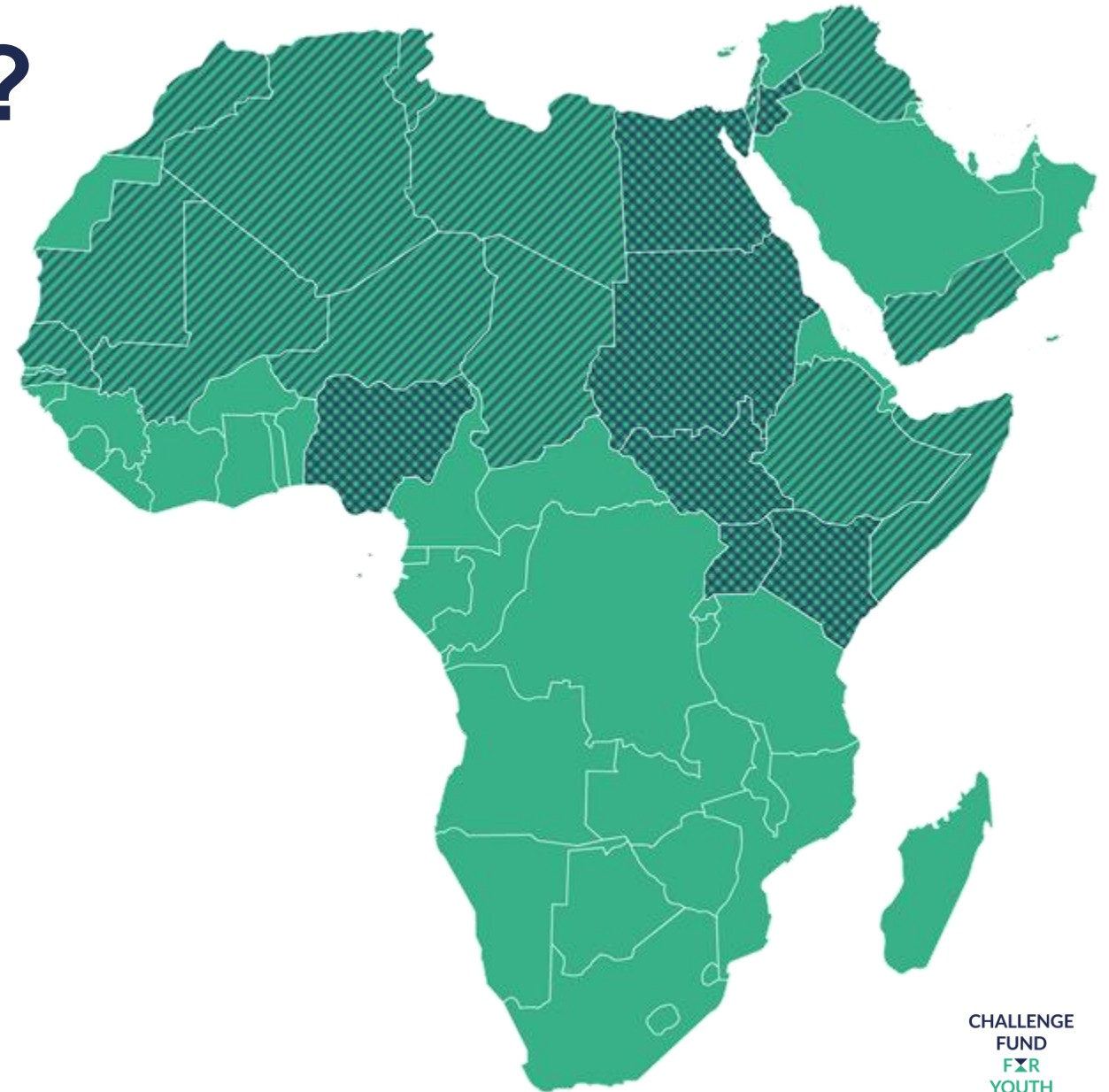
*After launching a call, we can support approximately **5-10 projects per country***

Where are we now?

Projects in implementation phase = Uganda,
Egypt and Nigeria

Projects in Inception Phase = Kenya, Jordan and
Sudan

**Upcoming Countries for Launch in this Call for
Solutions** = Tunisia, Morocco, Senegal, Burkina
Faso, Ethiopia, Uganda



2

CFYE in Uganda

Challenges and Opportunities

CHALLENGE
FUND
FOR
YOUTH
EMPLOYMENT

Two Key Workstreams



In-country Research

- Desk study
- Key Informant Interviews
- Understand root causes unemployment
- Youth Aspiration Sessions

Deliverable: Scoping Report



Portfolio Development

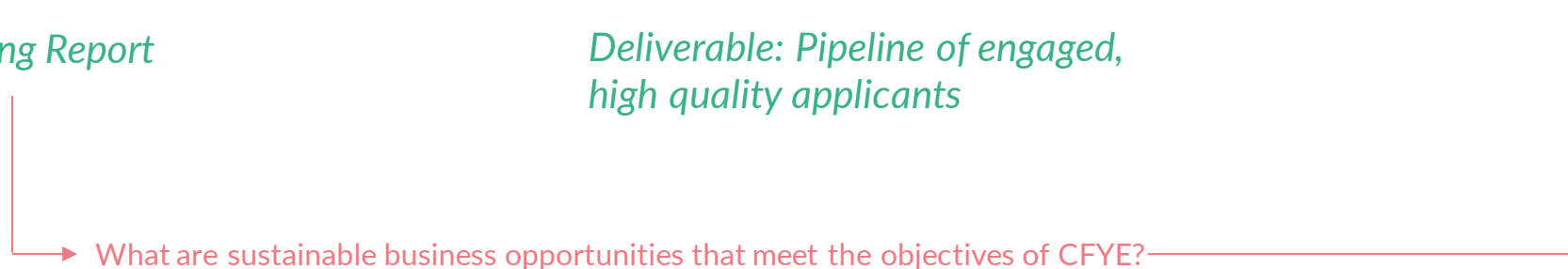
- Establish pipeline
- Engage directly with prospects, analyze feasibility and fit

Deliverable: Pipeline of engaged, high quality applicants



Publish call

Deliverable: A strategic call where CFYE can play an additional role in YE promotion



Key macro-level observations

- ✂ Uganda has a high population growth rate and a population of **45.7mn**.
- ✂ Supply of labour outstrips job creation with an estimated **700,000** new job seekers joining the workforce in 2021.
- ✂ The Covid-19 pandemic led to a GDP contraction reported in 2021 across most sectors.
- ✂ In the same period, **wage employment reduced significantly; earnings were found to be 50%-70% of their pre-lockdown levels.**
- ✂ It is estimated to take **2 years and 8 months** for businesses to register their pre-Covid 19 employment levels.
- ✂ The **gender-gap further widened** during the pandemic.

Challenges to job creation

Challenges for job creation in Uganda:

Low job creation	<ul style="list-style-type: none">• The economy is not creating enough jobs to absorb new entrants into the market.• Approximately 600,000 youth join the labor market each year.
Covid-19 pandemic	<ul style="list-style-type: none">• The pandemic has led to higher unemployment and under-employment rates.
Key sectors	<ul style="list-style-type: none">• Although agriculture employs over 70% of labor, it is categorised as high risk by both investors and commercial banks leaving most activity focused on primary agriculture and limited value addition.
Low level of skilling	<ul style="list-style-type: none">• Previously traditional sectors such as education and health are now adopting technology, but the requisite ICT skills are lacking amongst key staff.
Information gap	<ul style="list-style-type: none">• There is often an information gap where job seekers are not aware of the job opportunities. This is true for both skilled and semi-skilled labour.

Opportunities for job creation

Opportunities for job creation in Uganda:

Value chain linkages and access to markets	<ul style="list-style-type: none">• Improving value chain linkages and models that increase opportunities for all players in primary agriculture and agro-processing industries.• Improving access to markets to ensure offtake and income for producers.
Infrastructure	<ul style="list-style-type: none">• Strengthening infrastructure in the high produce areas and sectors by including irrigation systems, storage systems, and embedding climate smart technologies.
Women employment	<ul style="list-style-type: none">• Employment of more women in both rural and urban areas.
Digital adoption	<ul style="list-style-type: none">• Acceleration of digital adoption and its potential to create and improve jobs in previously traditional sectors and potentially match the right skills to the right jobs.
Skilling	<ul style="list-style-type: none">• Development and delivery of employability programs for both skilled and semi-skilled labour.
Market awareness	<ul style="list-style-type: none">• Market awareness and public engagement on quality and decency of jobs.
Job matching	<ul style="list-style-type: none">• Opportunities exist for skilled and semi-skilled labour to be connected to adhoc/on demand job opportunities.

Youth aspiration sessions findings

- The youth can be broadly clustered into three distinct categories: **Unemployed youths, Underemployed and/or Volunteers and Employed or Self-Employed youth.**
- The top skill sets that the youth aspire to are in **Information, Communications and Technology (ICT), leadership, and management.**
- Most youth respondents stated that the support for acquiring these skills was low, with little direction, government funding, or school curriculum support.
- In terms of aspirations, the top three sectors deemed most attractive by the youth are **agribusiness, healthcare, and advocacy.** On the contrary, oil and gas and public service were reported as less attractive.
- Youth respondents report barriers that hinder ability to achieve their aspirations as: long working hours, lack of negotiating power, limited growth opportunities, unfair payment, delayed wage payments, and poor job security, and **give specific attention to gender-barriers** (sexual harassment, cultural norms, family responsibilities, land rights, etc).
- These sessions also revealed that most youth didn't feel that the education they received **adequately equipped them to join the labour market**, whilst others were unsure of whether their skills were adequate.
- Policy reforms suggested include implementation of fair and just employment policies, overhauling the school curriculum to ensure **digital skill proficiency and agricultural vocational skills** and making the internet more accessible by removing the internet tax.

3

Call for Solutions

Eligibility Criteria and Focus of Selection

Window 1: Digital last mile solutions

- Digital last mile solutions that use **innovative approaches to deliver last-mile solutions** (products or services) to customers. These solutions can cut across sectors (e-commerce, agribusiness, transport, logistics, healthcare, education, tourism, etc.) and are based on adoption of technology as a delivery mechanism. Solutions that have significant touch points for job creation and deliver a balance between urban and rural jobs are encouraged.
- Under this window, applicants will be required to demonstrate potential to create, improve or match at least **1,000 jobs**.

Window 2: Circular economy models

- Circular economy models that use **innovative approaches and/or new technologies to contribute to a circular economy**, implement green approaches, regenerative, organic waste-to-value models and demonstrate potential to mainstream youth aspirations.
- Under this window, applicants will be required to demonstrate potential to create, improve or match at least **500 jobs**.

Eligibility criteria



Lead applicant

Private sector entities should be the lead applicants in cases where a project is presented by a consortium. NGOs are encouraged to apply in partnership with a private sector company in the lead.



Women priority

Projects should create, match, improve or sustain at least 500 jobs. At least 50% of jobs should be for women.



Employment type

Initiatives in both the informal and formal sectors are eligible. However, they should focus on wage employment or semi-employment (working with agents or other semi- self-employed positions as part of a company's business model).

Eligibility criteria (Cont.)



**Job
Development
stage**

We are looking for readily tested concepts ready for scaling up or scaling out (meaning already scaled up but ready to diversify). Idea stage projects are not eligible. Lead applicants need to have been in active business for at least 2 years.



**Minimum
number
of jobs**

Enterprises with a potential to create, improve or match at least 500 decent jobs (for window 2) and at least 1000 decent jobs (for window 1).



**Decency
of work**

Basic requirements include an average monthly income representative of the living cost, no more than 48 hours/week of work, jobs maintained for at least 6 months and compliance with the labor laws of Uganda.

Eligibility criteria (Cont.)



Resilience

Able to adapt and pivot rapidly to unanticipated threats and economic shocks, 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.

Applicants will propose how they will...



Create

New jobs
Emphasis on women



Improve

Decent work
Productive, demand
driven, safe



Match

Supply & Demand
Upskilling youth

Examples of CFYE awarded projects

Uganda



Agent Network

Number Creator

Private sector business providing health services through Agent Network

- ▶ Fast growing SME, single applicant
- ▶ Agents have existing activities, the additional health services work will improve their income



Good sustainable pathway to jobs

Innovator

Private sector business addressing inefficient waste management systems and food production challenges

- ▶ Creating jobs for youth through production hubs and as large-scale BSF farmers
- ▶ Opportunities to integrate poultry production and increase youth farmer incomes



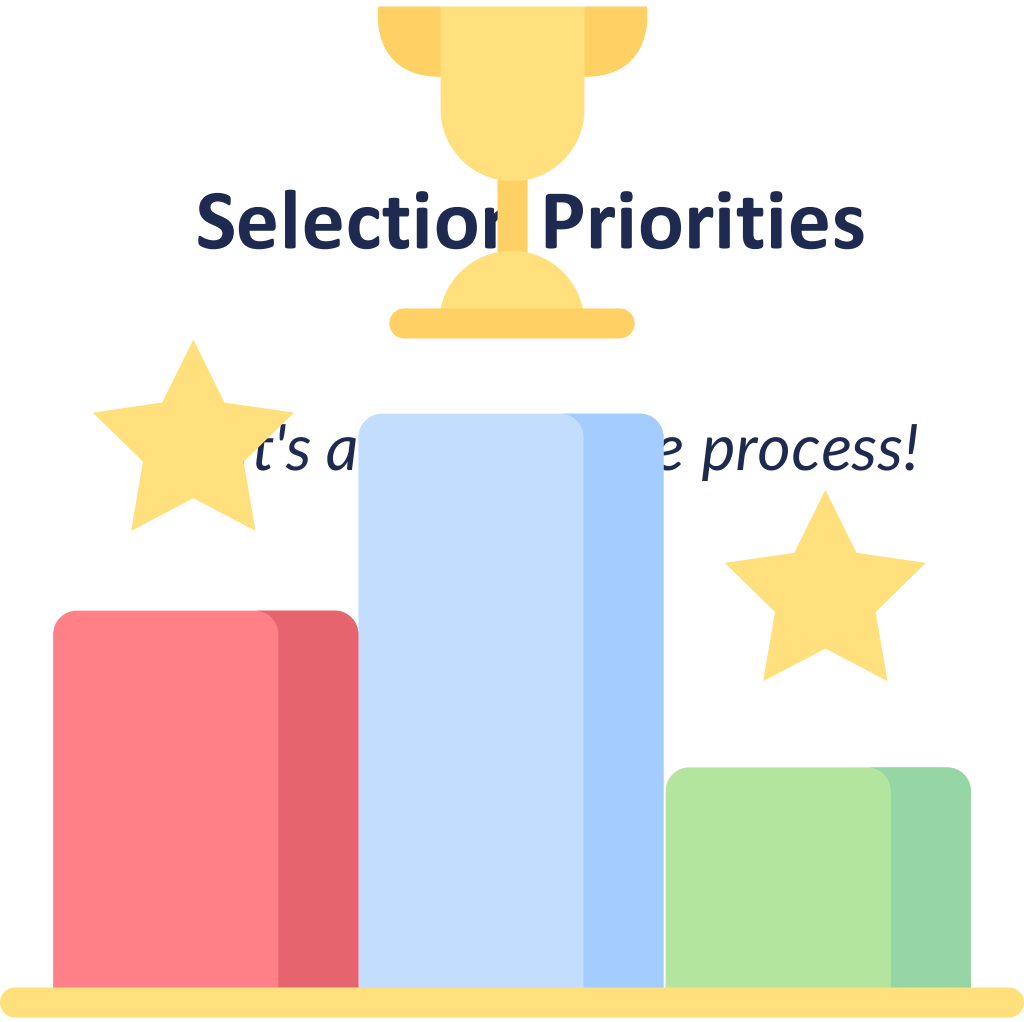
Aggregator

local / regional focus potential acceleration effect

Local SME finance provider supporting multiple (smaller) local SMEs

- ▶ Grant used for wider portfolio outreach in specific sectors
- ▶ Numbers reached through multiple SMEs (bundled)

Selection Priorities



- Number of Jobs (at least **500jobs**)
- Value for Money (CFYE grant per job)
- Quality of the jobs (decency, sustainability)
- Typology of value of co-funding by applicant
- Realistic impact pathway (labour- and market demand)

4

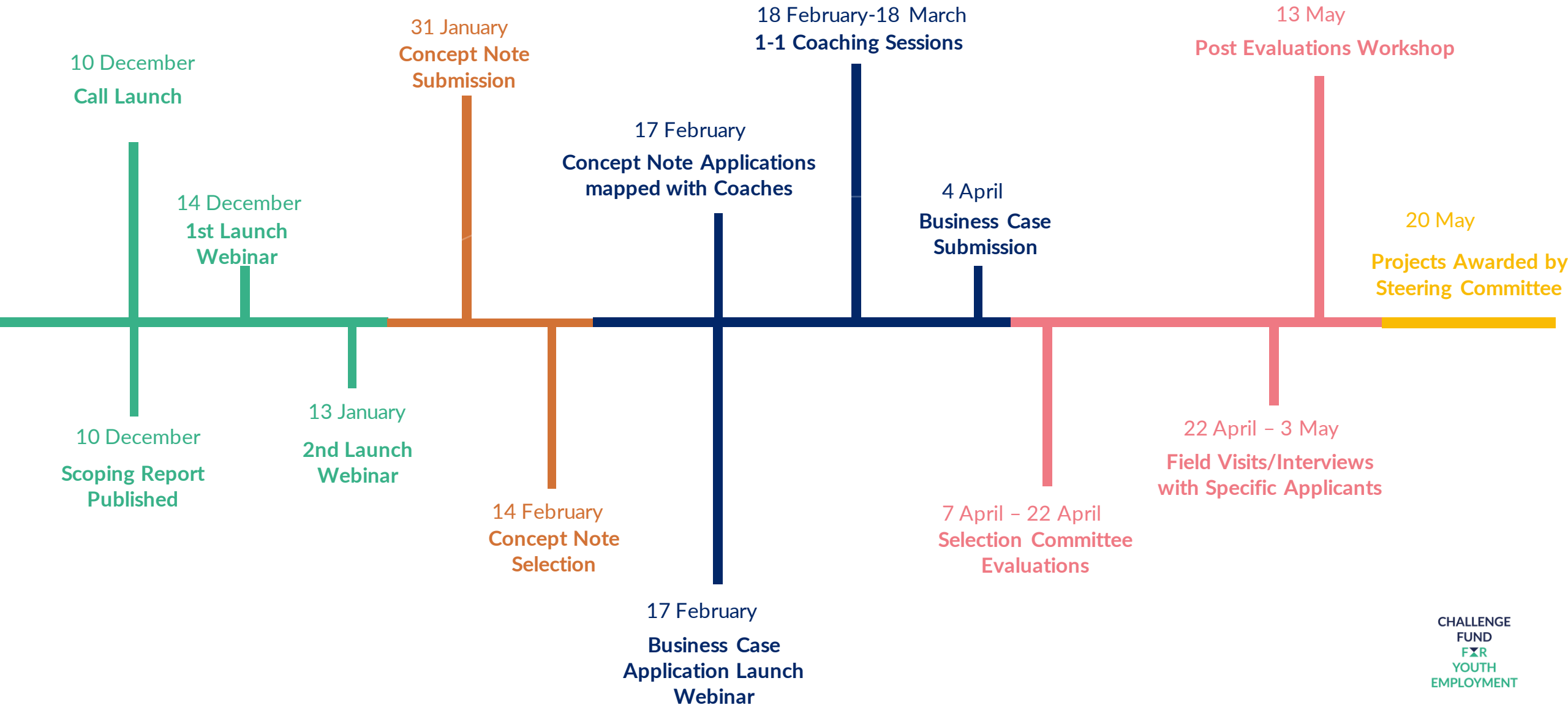
Application Process

Timelines of application & selection, and submission process

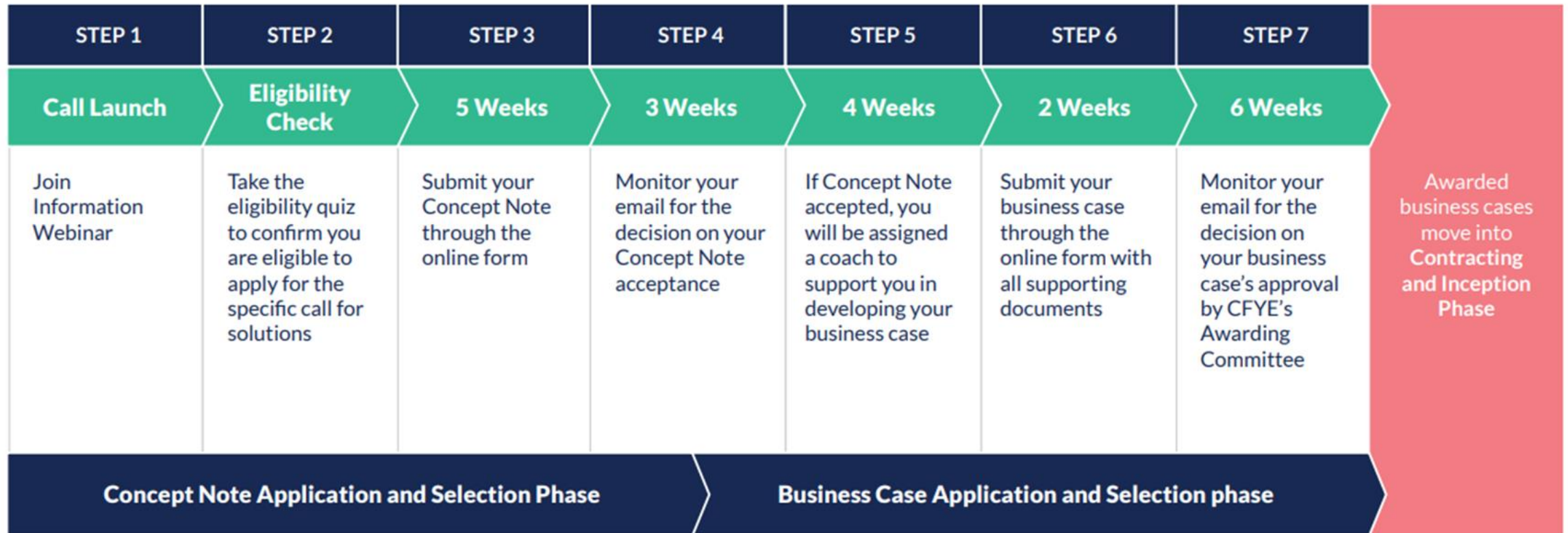
Timeline of Fund Management Flow of CFYE

Launch of the Call for Solutions	Development and Submission of Business Cases	Evaluation of Business Cases by CFYE's Selection Committee	Due Diligence, Contracting and Final Award	Project Delivery and Implementation	Project Close Out
<p>1.5 months</p> <p>You have 5 to 6 weeks to develop and submit a Concept Note after CFYE opens the call for solutions.</p> <p><i>Please refer to your country-specific page on the website www.fund-foryouthemployment.nl for eligibility criteria</i></p>	<p>1.5 months</p> <p>Eligible applicants will be invited to submit a detailed Business Case. You will be assigned an expert CFYE coach for guidance. You will have 6 weeks to develop and submit a business case. Coaching sessions will be organized over 4 weeks within this development window.</p>	<p>2 months</p> <p>CFYE will evaluate the Business Cases. You will be informed of the conditional selection decision 6 to 8 weeks after the Business Case submission deadline.</p>	<p>1.5 months</p> <p>Conditionally selected entities will undergo extensive due diligence. Once this process is successfully concluded, contract negotiations and milestone development will be initiated taking 6-8 weeks, and leading to final contract award.</p>	<p>Up to 36 months</p> <p>Delivering project activities and on-going monitoring spanning between 2 and 3 years.</p>	<p>3 months</p> <p>This constitutes as the final step of CFYE's funding journey with the Implementing Partners</p>

Key Milestones of the Application & Selection Process



What to Do If You Are Interested in Applying?



Your main point of contact from CFYE will be an in-country representative and the Fund Management Team. They will be sending you the regular updates about the decision-making process of your submissions. They can be reached via the country-specific email inbox visible on the country's landing page.

Access your Application Pack

1. Application & Selection brochure, with a process map and timelines
2. Concept Note template, with a guidance note
3. Business Case template, with a guidance note
4. Frequently-Asked Questions

[CLICK HERE](#)

Refer to the Country-Specific page on the website

Submission Portal Online Demo

CHALLENGE
FUND
FOR
YOUTH
EMPLOYMENT

Questions?

For more information:

<https://fundforyouthemployment.nl/>

Pipeline & partnerships:

uganda@cfye.nl