

# Challenge Fund for Youth Employment

Information Session on Call for Solutions for  
Thematic Call: Scalable Employment Models

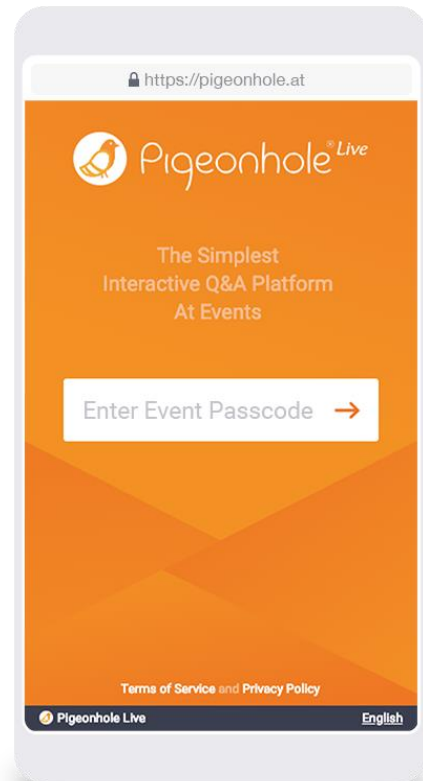
Date 20th January 2022

CHALLENGE  
FUND  
FOR  
YOUTH  
EMPLOYMENT

# Agenda

- ✂ The Fund explained – 10 mins
- ✂ Background to this call – 20 mins
- ✂ Priorities of Selection – 20 mins
- ✂ Application and Submission process – 10 mins
- ✂ Q&A – 30 mins

# Use Pigeonhole to ask your questions throughout the session



Go to

[www.pigeonhole.at](https://www.pigeonhole.at)

Enter passcode

CFYE

# 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](http://www.pigeonhole.at) and enter the password **CFYE**

1

# The Challenge Fund for Youth Employment

Context and background

CHALLENGE  
FUND  
FOR  
YOUTH  
EMPLOYMENT

# 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 run several competitive 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.

Mostly challenges are run at a country level. This is the second thematic call which focuses on at least 2 CFYE countries.

# What the Fund offers



## Co-investment

The CFYE aims for a portfolio that has a 1:2 (33%) leverage outcome on average, meaning that every 1 EUR provided by CFYE is matched with 2 EUR from other sources.



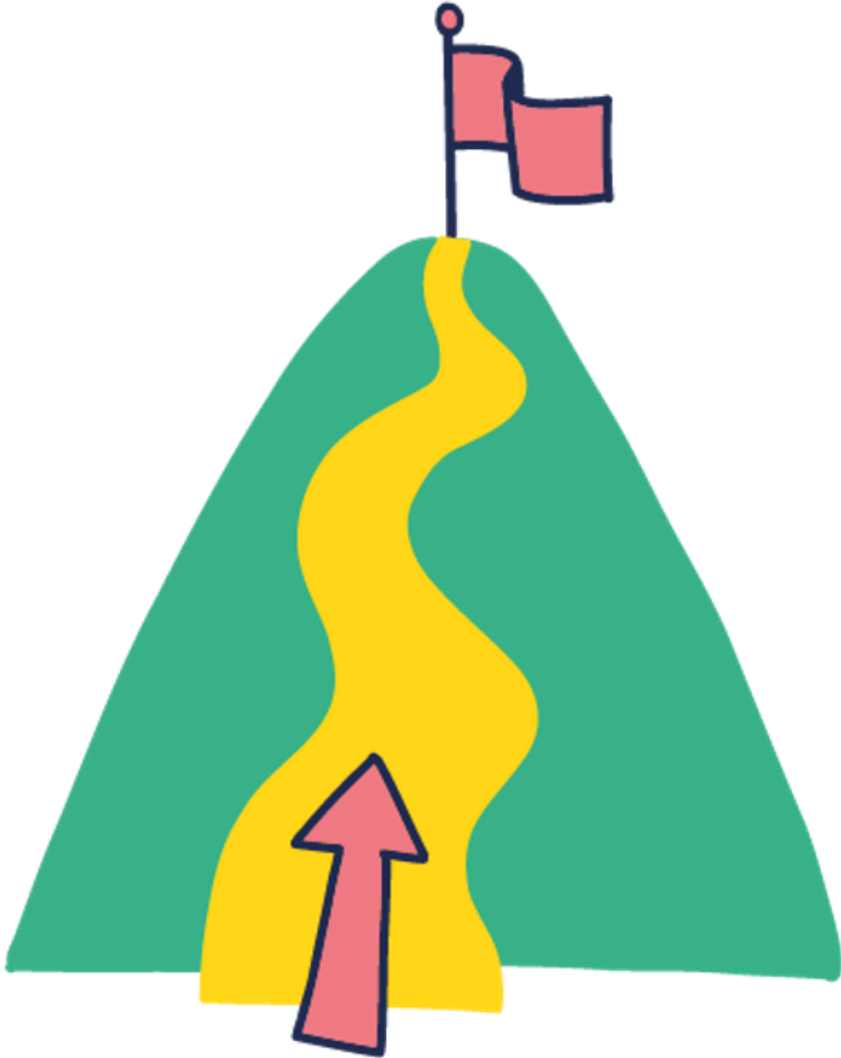
## Technical Assistance

In-kind technical support is also offered by the Challenge Fund. Technical Assistance will only be available for the Implementing Partners selected through this call if relevant for the learning agenda.

*The total contribution of CFYE will have a minimum value of 500,000 Euro.*



# Where are we now?



Projects in implementation phase = Uganda, Egypt and Nigeria

Projects in Inception Phase = Kenya, Jordan and Sudan

37 Implementing Partners in 6 countries targeting > 87,000 youth of which 65% female

Upcoming Countries for Launch in the 4<sup>th</sup> Call for Solutions = Tunisia, Morocco, Senegal, Burkina Faso, Ethiopia, Uganda

# CFYE Outcomes



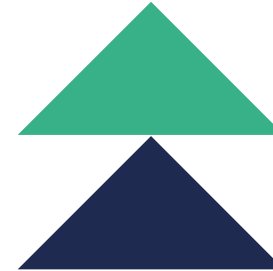
## Create

A young person takes up a decent job that has been **newly created** as a direct or indirect result of the CFYE intervention. It may also result from entrepreneurship interventions leading to self-employment.



## Match

Young people **are hired into decent jobs**, through CFYE-supported matching services or through their own initiative following a skills development intervention (excluding self-employment)



## Improve

Young people experience an **improvement in the working conditions within a job they already have** (including self-employment), due to a CFYE-supported intervention.

# Employment Types



## Self

An individual works for himself or herself, as a freelancer or owner of a business, who has autonomy over business practices.



## Wage

There is an employer and an employee. The employer dictates the terms of employment, usually through a contract. This could include:

- i) Salary job in a private firm
- ii) Informal wage work on a farm or in a microenterprise
- iii) Wage work in households



## Dependent Self-Employment

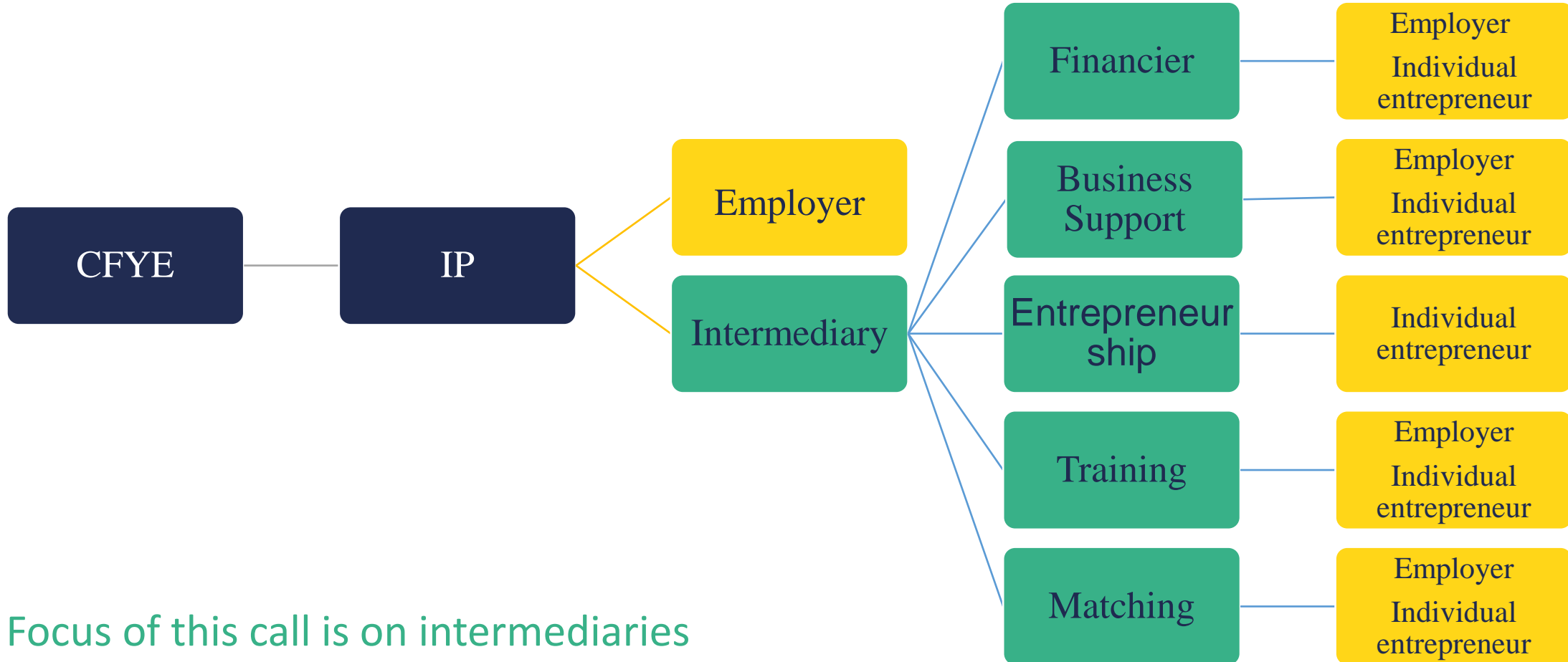
Designates self employment in the gig economy, where a person may have no autonomy over business decisions such as unit price or terms of payment

# 2

## Background

Background information Scalable Employment  
Models

# Current Portfolio - Two Types of IPs



Focus of this call is on intermediaries providing finance and business support

# Objectives of Scalable Employment Models Call

1. To **scale** initiatives that successfully create decent job opportunities for youth in countries of its current operation and/or replicate it in other countries
2. To design or strengthen **mechanisms** that will exist beyond the duration of CFYE that anchor employment outcomes in the business case of locally operating **Small and Growing Businesses**.
3. To contribute to **CFYE's learning and innovation agenda**



Full terms of reference can be found on [CFYE's website](#)

# Justification of some criteria applied



1. **Future of work is green**, currently 20% of the jobs are green
2. Focus on Uganda, Kenya and Nigeria. Keen to see some examples from elsewhere.
3. Importance of digital tools to create the high numbers
4. More difficult to reach youth with less education and based in rural areas
5. Jobs should be at least 24 hrs and at most 48 hrs. Living wage should be paid.



# CFYEs Learning Agenda

The purpose of our Learning & Innovation Agenda is twofold:

1. To support the achievement of **our impact objective** to generate decent jobs for 200,000 youth, half of whom are young women in the Middle East, North Africa, the Sahel and the Horn of Africa
2. To build a strong **evidence base** on **how** to generate and sustain decent youth employment models through the private sector in these regions



# Guiding Principles Learning & Innovation Agenda

CFYEs Learning & Innovation Agenda has the following guiding principles:

- ▶ Learning from concrete challenges & opportunities of IPs in designing, delivering and sustaining their employment intervention
- ▶ Addressing critical knowledge gaps around youth employment in our focus regions
- ▶ Linked to our Theory of Change and Strategy
- ▶ Validated and refined by our client, our Implementing Partners and knowledge partners
- ▶ Adaptable based on emerging findings, but planned to hold through the Fund lifecycle
- ▶ Designed to continuously improve IP's interventions & Fund design, contribute to a solid evidence base and communicate & influence externally

# Learning Themes

**Theme 1: Defining, enhancing & measuring decent work for youth**

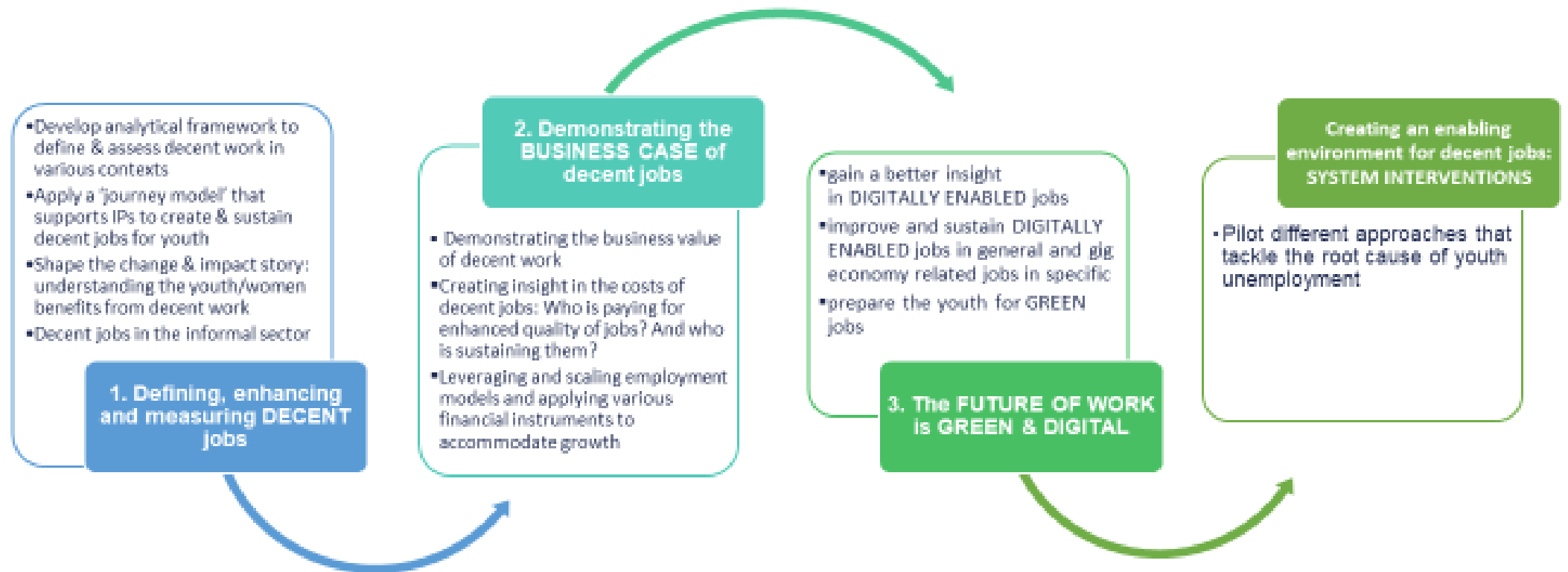
**Theme 2: The business case for decent work for youth**

**Theme 3: The Future of Work for youth**

**Theme 4: Strengthening the youth employment ecosystem**

**(Theme 5: The CFYE's strategy and model)**

# Emerging topics for learning agenda 2022



# 3

## Priorities

Eligibility Criteria and Focus of Selection

# Step 1: Eligibility Criteria (1)

1. **Principles:** Should be able to adhere to CFYE's guiding [principles & priorities](#).
2. **Exclusion Criteria:** the programme and involved organizations must pass the [FMO exclusion criteria](#).
3. **Local Presence:** You (the lead organization), or at least one of your consortium partners, has a local operating presence in the countries in which you will operate.
4. The proposed project or initiative needs to work **in at least two CFYE countries**, namely: Tunisia, Kenya, Uganda, Sudan, Ethiopia, Jordan, Egypt, South Sudan, Nigeria, Senegal, Mali, Lebanon, Burkina Faso, Algeria, Morocco and Niger
5. **Legality:** The Lead Organisation and consortium partners are legally registered and proof of registration as private sector, foundation, NGO etc. is provided.
6. The lead organisation has been in existence for **at least 3 years**
7. **Total Targets:** The proposed programme will create and/or improve at least **2,000** jobs for young men and women.
8. **Women Targets:** Of the total youth employment created, matched, or improved, at least **50%** are for women.
9. **Private Sector:** The proposed activities support private companies in creating decent jobs for young men & women.

# Step 1: Eligibility Criteria (2)

**11. Leverage & CFYE Contribution:** The minimum contribution of the fund is € 500,000. This should be matched at the start of the co-investment with an amount of at least half of the contribution requested from CFYE. A strategy also needs to be in place showing how additional capital will be leveraged that will result in a non-CFYE contribution being double the amount requested.

	CFYE's contribution	Minimum non-CFYE capital at start progr.	Minimum non-CFYE capital at end progr.
Min	500,000	250,000	1,000,000
Ex 2	2,000,000	1,000,000	4,000,000
Ex 3	3,000,000	1,500,000	6,000,000
Ex 4	5,000,000	2,500,000	10,000,000

Sources of co-funding allowed:

- Co-funding from private sector organisations, consortium members and donors is allowed. Important to highlight conditions that might be attached and clarify how this will be harmonized with conditions of CFYE.
- Co-funding raised from loans. CFYE money can be used as first loss capital. However, business model / projections should show feasibility to repay the loan.
- Co-funding may be raised from revenues generated during the programme. Feasibility to be shown in the business model / projections.
- Co-funding can NOT be raised from other Dutch-Funded programmes if it is non-refundable capital.
- Payments made by or co-investments from SGBs supported.

# Step 1: Eligibility Criteria (3)

- 11. Youth:** The jobs created, matched or improved would be for youth aged **15-35 years**. Unless the minimum working age is otherwise stipulated by local labour laws.
- 12. Employment type:** Initiatives in both the informal and formal sectors are eligible. However, there is need to specify the employment type: wage employment, self-employment or dependent self-employment.
- 13.** Applicant organisations can begin project implementation no later than July 2022. It will be up to the applicants to ensure they meet the due diligence requirements. Requirements are specified in the Guidance Pack that is submitted alongside the Business Case template.

# Second stage of the process: Evaluation Criteria (1)

## ✕ Organisational Capabilities (25%)

- *Expertise and team experience,*
- *On the ground presence,*
- *Strong programme management experience,*
- *Experience in designing support or finance models that include and enhance employment outcomes delivered by SGBs,*
- *Experience in designing and implementing monitoring and evaluation frameworks,*
- *Relevance and quality of key learnings,*
- *Quality of impact reporting*
- *In case of a consortium, clarity on division of roles and complementarity between consortia members*

## ✕ Financials (25%)

- *CFYE Cost per job. Positive consideration will be given for those intermediaries whereby the CFYE costs per job are around 500 EUR. As a point of reference current anticipated CFYE and total cost per job (create, match and improve) are EUR 271 and EUR 850 respectively,*
- *Committed capital from third parties to support the proposed programme,*
- *Commercial viability of the proposed business model,*
- *Explanation provided on why a CFYE contribution is required to assess the additionality.*
- *Additional points will be given to proposals using financial incentives and/or payments for achieving pre-agreed job and inclusivity targets.*



# Evaluation Criteria (2)

## ✂ Programme proposal (25%)

- *Quality of problem analysis and proposed pathways to employment*
- *Likelihood that proposed interventions will result in the projected number of jobs, supported by past experiences and in case of higher targets, the strategies that will be deployed to ensure higher targets are met.*
- *Pipeline plan – strength of relationship with and support models for Small and Growing Businesses in the proposed intervention countries*
- *Theory of change*
- *Quality of gender strategy.*
- *Quality of risk assessment*
- *Likelihood that the programme will continue after the end of the CFYE support*

## ✂ Impact Focus (25%)

- *Proposals that operate in at least one or more countries besides Kenya, Uganda and Nigeria given CFYE's strong presence in these countries. (5%)*
- *Proposals reaching youth with less education and based in rural areas. (5%)*
- *Proposals creating green jobs. (5%).*
- *Attention for the decency of the jobs representative of the type of job, location and formality. (5%) To qualify as a decent job, the average monthly income should be representative of the local cost of living, depending on location, has no more than 48 hours/week of work, and jobs are maintained for at least six months.*
- *Extent to which the proposal clearly shows that youth will benefit. (5%)*

# Selection Priorities

*It's a competitive process!*



- Number of Jobs
- Value for Money (CFYE grant per job and sustainability)
- Impact:
  - Quality of the jobs (decency, sustainability)
  - Green Jobs
  - Inclusivity
  - Youth benefitting
- Realistic impact pathway (labour- and market demand)
- Organisational Capabilities
- Relationship with SGBs and pipeline

# 4

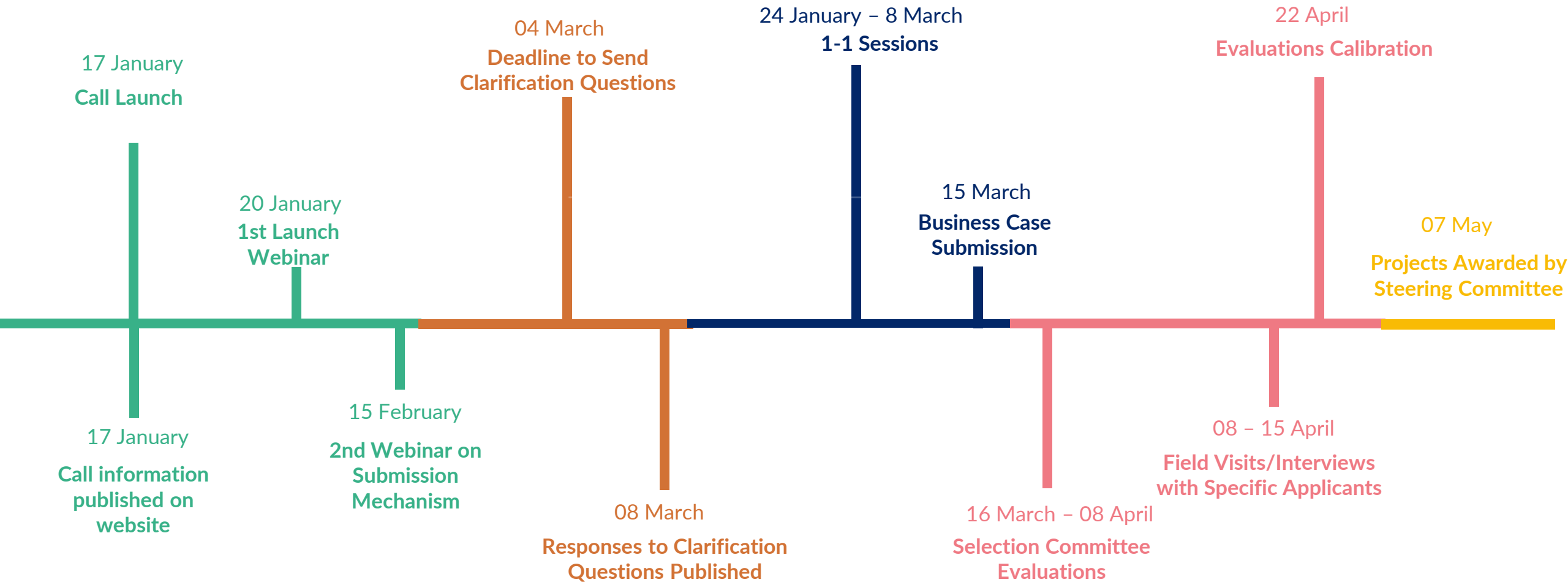
## Application Process

Timelines of application & selection, and submission process

# Fund Management Flow of CFYE

<b>Development and Submission of Business Cases</b>	<b>Evaluation of Business Cases by CFYE's Selection Committee</b>	<b>Due Diligence, Contracting and Final Award</b>	<b>Project Delivery and Implementation</b>	<b>Project Close Out</b>
<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 8 weeks to develop and submit a business case.</p> <p>1:1 sessions will be organized over 4 weeks within this development window.</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>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>Delivering project activities and on-going monitoring spanning between 2 and 3 years.</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



# Access your Application Pack

1. Terms of Reference
2. Business Case template
3. Guidance Pack
4. Answers to Questions

<https://fundforyouthemployment.nl/thematic-call-for-solutions-scalable-employment-models/>

# Questions?

**For more information:**

<https://fundforyouthemployment.nl/>

**For all enquiries, pipeline & partnerships:**

[SEM@cfye.nl](mailto:SEM@cfye.nl)