



CHALLENGE
FUND
FXR
YOUTH
EMPLOYMENT

2025

Annual Report

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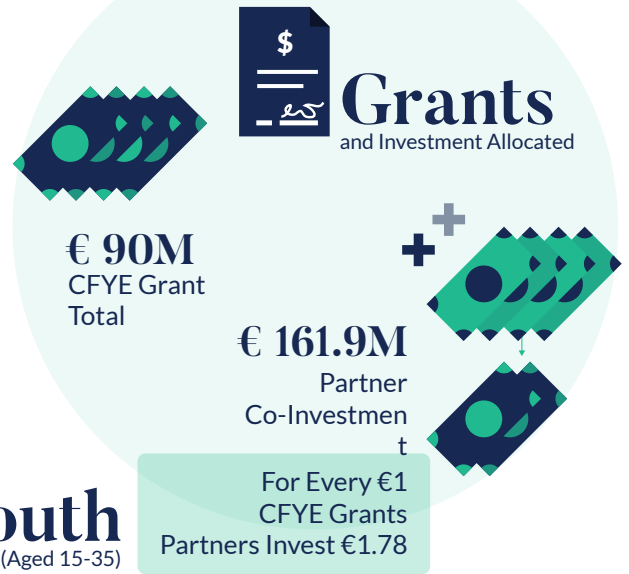
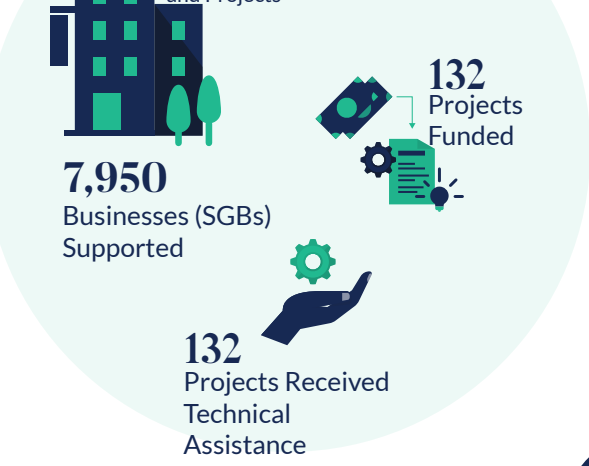
*This report has been produced by the [Challenge Fund for Youth Employment](#)
The Challenge Fund for Youth Employment (CFYE) is a 7-year programme (2019 - 2026) funded by the Netherlands Ministry of Foreign Affairs, managed by Palladium, VSO Nederland and Randstad.*



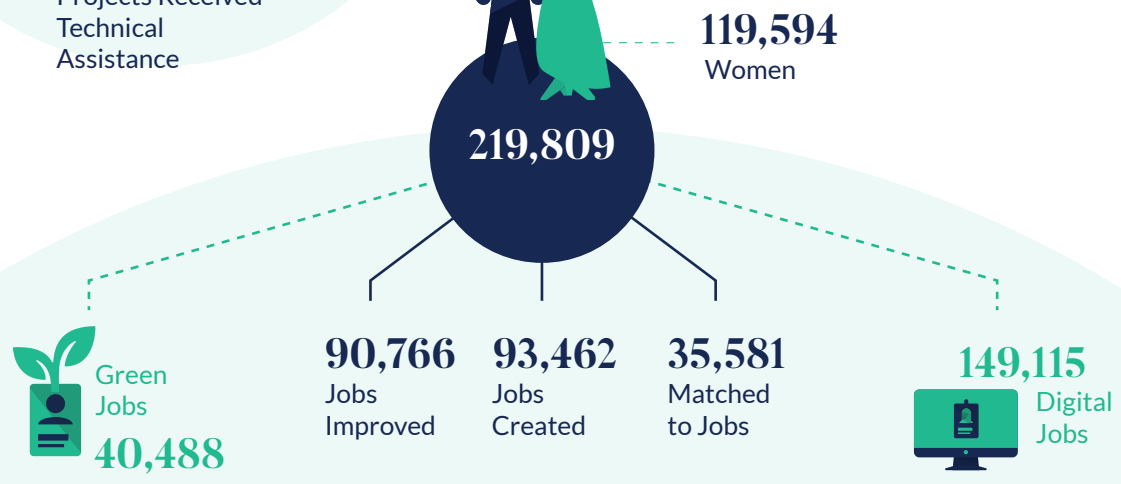
CFYE: Our Impact so Far

2025

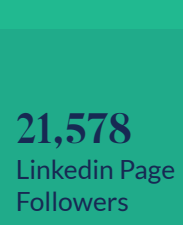
Enterprises and Projects



Youth (Aged 15-35)



Our Effort and Reach





*Fund
Level
Results*

The Challenge Fund for Youth Employment explained

The Challenge Fund for Youth Employment (CFYE) is a 7-year, and €134 million programme funded by the Netherlands Ministry of Foreign Affairs and managed by a consortium consisting of The Palladium Group, Voluntary Service Overseas (VSO), and Randstad. The Fund's mission is to create a prosperous future for 230,000 young women and men in the Middle East,

North Africa, Sahel & West Africa, and Horn of Africa regions by 2026. With operations in 11 focus countries, CFYE, through its Implementing Partners¹ (IPs), offers young men and women, job opportunities that are demand-driven and productive, with a stable income and safe working conditions, contributing to their personal development and social protection.

Our Approach

The Fund serves as a catalyst for growth, ensuring that expansion translates into meaningful employment opportunities for youth. This is achieved by focusing on several key elements:

Collaboration with the Private Sector: The Fund works directly with private sector partners to ensure that job creation efforts are responsive to market needs and sustainable in the long term.

Additionality: It emphasises creating value that would not be achieved without the Fund's intervention, ensuring that its financial and technical support leads to genuine, measurable increases in employment.

Co-Creation: By engaging stakeholders in the design and implementation of initiatives, the Fund fosters innovative, locally led solutions and shared ownership, maximising the impact on youth employment.

Payment by Results Approach: CFYE operates on a Payment by Results (PbR) model which links payments to milestones and maintains focus on measurable employment outcomes.

These elements guide CFYE in equipping businesses to expand their market access and attract investment, leading to the ultimate outcome of increased job opportunities for young men and women in Africa and the Middle East. Thorough and context-specific partner selection processes have been pivotal since the launch of the first Call for Solutions² and have continued to be adaptable and aligned with the Netherlands Ministry of Foreign Affairs policy directions until the last Call for Solutions (Call 6).

CFYE recognises three main pathways to youth employment: creating new jobs, matching young people to existing opportunities, and improving the quality of their current jobs. These three categories (create, match, and improve) constitute CFYE's overall outcomes, and together they form the main impact metric. Overall, by the end of 2026, the Fund aims to reach its ultimate target of enabling 230,000 young people with access to new or better employment, ensuring at least 50% of these opportunities are dedicated to young women. Each outcome pathway is discussed in more detail in the next section of this report. In addition, the report discusses several cross-cutting themes: green jobs, digital jobs, and gender.

¹ In this document, the acronym IP refers to Implementing Partners. The terms 'Implementing Partner', IP, businesses and projects are used interchangeably.
² At CFYE a Call for Solutions (also referred as 'Call for Proposals', or simply 'Call') is a competitive application process through which the Fund invites organisations to submit innovative, scalable project concepts that address youth employment challenges in specific countries or thematic areas. Applicants respond by submitting a Concept Note, outlining the problem, the proposed solution, the Theory of Change, consortium structure, and financing, against eligibility and selection criteria defined for that call.

Progress To Date

Since its inception in 2019, CFYE has supported 132 unique³ projects, selected through six country Calls for Solutions, two Top-Up Calls, and one Thematic Call (Scalable Employment Models, SEM)⁴. Together with the CFYE Local and Central teams, Implementing Partners (IPs) co-create their Theories of Change and Results Frameworks, which include agreed job targets.

Presently, the Fund supports 57 unique projects still in implementation stage, among which 23 received a top up grant to continue activities. To date, across all 11 countries of operation, 75 projects completed⁵ their activities including 44 projects that closed fully organically and concluded their contract. Notably, in the summer of 2025, Burkina Faso became the first country to finalise all activities and close out all the projects in the portfolio.

In its final phase, CFYE will have a strong emphasis on sustaining progress across ongoing initiatives, while remaining fully aligned with the overarching objectives of the Fund. So far, the Fund awarded all its projects a combined amount of €90 million,⁶ whereas by the end of 2025, our calculations show that co-funding raised by all projects is €161.9 million⁷. Some of our IPs attracted an additional funding of €38.8 million from other funders during implementation. They reported that CFYE affiliation helped in the mobilisation of €30 million from this amount.

- ³ Unique projects have a specific project design. While an implementing partner can have two unique projects, granting a top up project does not count as an additional unique project, as it keeps the original project design.
- ⁴ The Scalable Employment Model (SEM) call or 'Thematic Call' was launched as a Regional Call by CFYE with the main objective of scaling initiatives that can successfully create decent job opportunities for youth in CFYE countries, and/or replicate it in other countries. The call provides opportunities to design and/or strengthen mechanisms that can anchor employment outcomes in the business case of locally operating Small and Growing Businesses (SGBs).
- ⁵ By "completed" CFYE refers to IPs who have closed naturally, or have withdrawn, or have been terminated by CFYE.
- ⁶ Noting that grants for the second round of the Top Ups were recalculated based on amounts that remained (were unpaid) from previous contracts. Therefore, the total amount of the grants awarded did not increase this year.
- ⁷ More detail on how co-funding is calculated available in Annex 3, CFYE Results Framework.

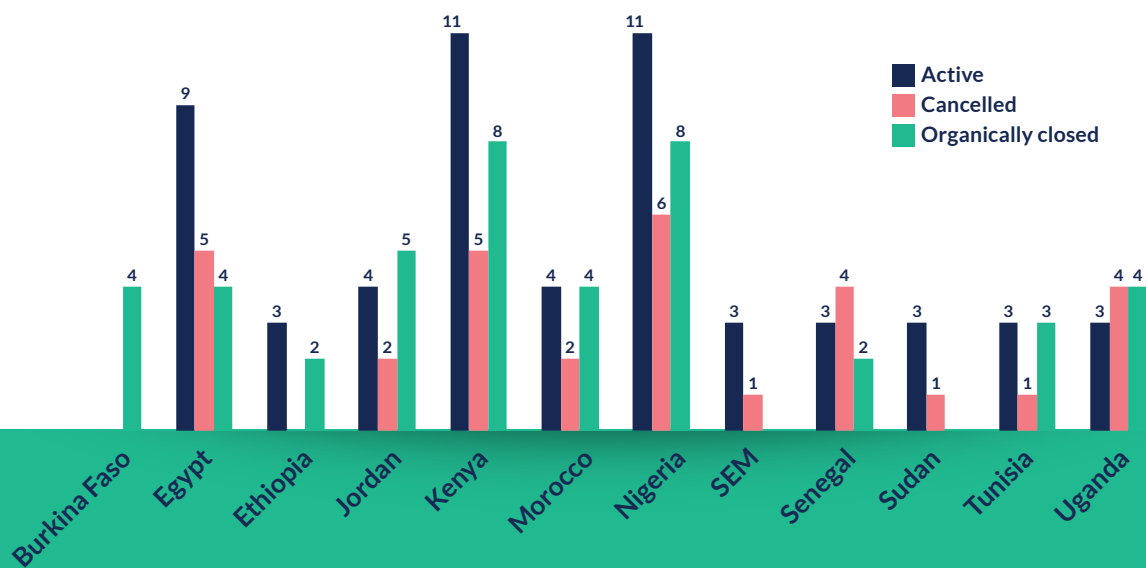


Figure 1. Number of Active, Organically Closed, and Cancelled Projects per Country.



Figure 2. Cumulative Fund Level Targets and Cumulative Verified Results for Men and Women (2025)

Impact

By the end of 2025, CFYE-supported projects created a total of **219,809** employment opportunities for youth, with **119,594** positions filled by young women (54.4%). In addition to these results, 67,392 jobs were generated for individuals aged 36 and above, who are outside the Fund’s target demographic and therefore not included in programme objectives or cumulative achievements.

When evaluating the 2025 outcomes against the 2025 cumulative targets (252,267), the Fund has achieved 87% of its projected job totals. If disaggregated by gender, the results related only to young men were almost in full alignment with the target (99% achievement). The cumulative targets for 2025 remain above the Fund’s overall mandate of 230,000 jobs, thereby making it likely that the programme will exceed targets by the end of 2026.

Reflections on Job Projections for 2025

In November 2024, as part of the preparation of the 2025 Annual Workplan, CFYE submitted projected job figures derived from the aggregated targets of individual projects for 2025. These projections reflected the portfolio approach: partnerships are developed through staggered Calls for Solutions, and are based on milestone delivery, verification of results, and the unlocking of payments against achievements (PbR), with job reporting as the basis.

Following this design, two projection scenarios were developed for 2025: a conservative scenario assuming 75% achievement of the projected results (206,372 jobs) and an optimistic scenario assuming 85% achievement (233,889 jobs). As illustrated in Figure 3, CFYE’s actual performance up to 2025 was estimated viably: actual jobs created, matched, or improved exceeded the conservative projection total by 13,437 jobs.

In 2025, CFYE completed all the Calls for Solutions, meaning that the full portfolio was in its implementation phase and all partners were reporting project outcomes. 2025 was also the year with the highest number of IPs completing their projects and organically closing. Hence, it was expected that more results would be achieved towards the final years of the programme.

Considering the strong results achieved in 2025, CFYE further adjusted its projections for the 2026 Annual Workplan, estimating job creation of 222,410 under the conservative scenario and 258,874 under the optimistic scenario. Based on the current delivery rate (95.6% in 2025), CFYE is on track to surpass its ultimate impact target of 230,000 jobs for young women and men.

Figure 3. Verified Results vs Conservative and Optimistic Results Projections (2025)



Implementing Partners' Perspectives on CFYE

Every year in February, CFYE shares a survey to measure the satisfaction level of IPs and gather feedback on its operations⁸. The questionnaire touches on multiple aspects of the project activities, relating to Fund Management, Monitoring, Technical Assistance (TA), and day-to-day communication. While the survey is anonymous, IPs are also given the opportunity to directly reach out to CFYE Country Teams and Fund Management to express concerns or recommendations, if they wish to.

As Figure 4 highlights below, the vast majority of the IPs would recommend CFYE as a funding partner, believe that the team has been responsive and helpful, and think that the cooperation with the Fund is open and trusting. In comparison to the highly positive outcomes observed in 2024, there was a marginal decrease in the percentage of IPs who agreed with the team's responsiveness (-1%), those who perceived the collaboration as open and

trusting (-3%), and those who would recommend CFYE as a funding partner (-8%). Notably, the survey response rate improved significantly from 68% in 2024 to 89% in 2025, with 51 out of 57 active IPs participating in the survey.

Due to the anonymity of responses, CFYE is unable to determine any trends linking the stage of implementation of the surveyed IPs to their satisfaction levels. Nonetheless, it is possible that variations in satisfaction are attributable to different phases of project delivery. Last year, several IPs who filled out the survey were still in their inception phase, whereas at this time, all CFYE's projects are in their implementation phase.

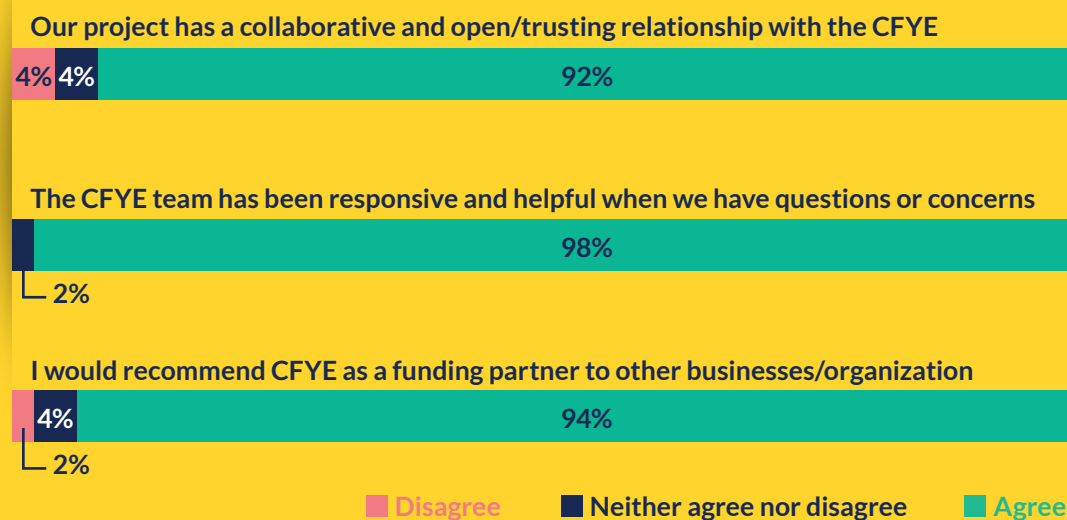


Figure 4. Results of the 2025 IP Satisfaction Survey

Source: Annual IP survey (No. of responses =51)⁹

⁸ Data collection was anonymous, unless the partners wanted to identify themselves voluntarily, as no information was collected to identify IPs. CFYE allowed for partners to express themselves in multiple ways. Open-ended questions were included in all thematic sections (technical assistance, overall support of CFYE, fund management), additionally, partners could request a follow-up message from any member of the team (in this case, they needed to identify themselves).

⁹ The survey was sent out to IPs who were active during February 2026.

Our 2025 Highlight

Burkina Faso Portfolio Close-Out

This year marked a landmark achievement for CFYE as its first country portfolio closed out: Burkina Faso.

Burkina Faso became the first CFYE portfolio to close organically in September 2025, marking a significant milestone achieved under challenging circumstances. In a context shaped by economic fragility, security risks, and climate pressures, Implementing Partners **Auxfin, Pan-African Microfinance Burkina Faso, La Fabrique, and Woord en Daad** worked closely with CFYE to deliver impactful results.

The overall portfolio target for Burkina Faso was **4,768 jobs**, which was overachieved with a total of **4,885 jobs created, matched, and improved**. Of these, **4,168 jobs were for young women**, which exceeded the gender target (**3,278**) by **890 jobs**, representing a significant gender achievement for the portfolio. These results were possible for several reasons but can mainly be attributed to Auxfin's performance, given young women's strong participation in key activities such as **nutritious gardens, Non-Timber Forest Products (NTFPs) processing and harvesting, and other community-based, homestead-adjacent economic activities**. Auxfin further reinforced these results by undertaking an intensive **five-day field mobilisation** to strengthen data collection and ensure results were fully captured and verified.

Given the socioeconomic context of Burkina Faso, the implementation of this portfolio presented diverse challenges: some were operational and inherent to individual businesses in the portfolio, and some were linked to contextual constraints that directly affected project design, delivery, and verification. The economic climate discouraged financial institutions from lending to young entrepreneurs, while taxation concerns prompted many to remain in the informal sector. Security threats restricted mobility for both CFYE and project teams, complicating outreach, monitoring, and support. In parallel, the convergence of insecurity and climate change disrupted agricultural productivity, displaced rural communities, and made seasonal verification particularly difficult due to poor connectivity and access limitations.

Despite these conditions, the Burkina Faso portfolio advanced through co-creating solutions, adaptive implementation, and flexibility between IPs and CFYE. Regular local and remote support, iterative problem-solving, and context-responsive adjustments were critical in maintaining delivery and safeguarding job outcomes. These adaptive practices not only enabled the portfolio to reach its targets but also strengthened the sustainability of interventions in one of CFYE's most fragile implementation environments.

CFYE Insights on Burkina Faso:

[Burkina Faso – Fragile Contexts Case Study Solutions for Youth and Women Engagement in Fragile Contexts](#)



Pathways to Jobs







Create

Around 50% of the overall jobs planned by CFYE belong to the 'create' category¹⁰, which refers to the number of young people who gain employment as a result of newly generated decent work and income opportunities. By the end of 2025 IPs contributed to creating 93,462 jobs for youth, 53,931 of which were for women (57.7%), with more than half being waged¹¹ jobs. These roles include both permanent and temporary waged positions, ensuring income stability and opportunities for career progression.

As CFYE increasingly supports sectors with strong potential for scalable job creation, the digital economy continues to emerge as a major driver of new employment, particularly for young women. A compelling example is Mamamoni, a Nigerian business founded by Nkem Okocha. Her early experiences observing women in her community facing financial barriers motivated her to create practical, digital financial solutions that expand access and opportunity for underserved women.

Ms. Okocha first began training women in financial literacy before expanding Mamamoni into a Fintech social enterprise providing digital financial services to underserved women across Nigeria. Through CFYE's partnership and co-financing, Mamamoni launched the **Female Agent Network, Nigeria's first women-only digital financial agent network**, which trains young women to use digital tools for payments, money transfers, account opening, and bill processing. As a result, women not only are equipped with digital financial skills, but they also access new, decent income-earning opportunities in Nigeria's rapidly expanding digital financial ecosystem. This is particularly useful in expanding access to financial services for young women in rural and urban-slum

communities, who have historically been excluded from formal banking.

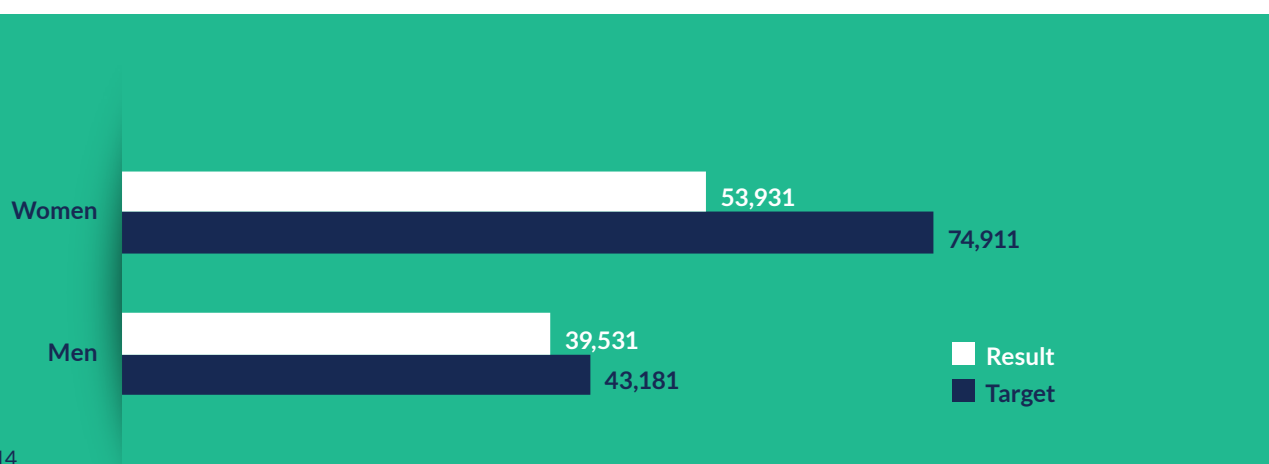
"The digital economy continues to emerge as a major driver of new employment, particularly for young women."

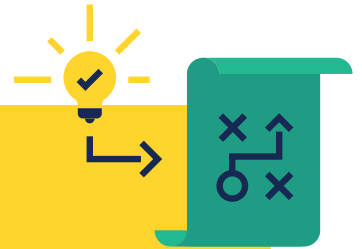
To date, Mamamoni has created 1,923 job opportunities, all of which for young women. Together with waged jobs, entrepreneurship and self-employed jobs are essential elements of CFYE's comprehensive 'create' pathway.

10 Please note that Implementing Partners can follow multiple pathways to employment. E.g. one project can generate employment opportunities through both create and match pathways.

11 'Waged' refers also to "temporary waged" - completing at least 45 days of work in a 6-month period - includes seasonal work.

Figure 5. Created Jobs Targets and Verified Results for Men and Women (2025)





Insights Guiding our Work in...

Digital Jobs and Women in the MENA Region – Exploring the Challenges, Opportunities, and Best Practices

To explore similarities and differences across our partners and CFYE projects' location, in 2025, CFYE partnered with New Silk Roads to conduct a regional study titled "[Digital Jobs and Women in the MENA Region – Exploring the Challenges, Opportunities, and Best Practices](#)". The research explored how digitally enabled work, such as remote jobs, platform work, e-commerce, and digital service, can unlock meaningful employment pathways for young women across **Egypt, Jordan, Tunisia, and Morocco**. The research was conducted using insights from both CFYE Partners and the local teams, with the aim to identify both the persistent barriers that limit women's participation in digital sectors as well as the structural opportunities that make digital work one of the most promising engines for inclusive employment in the region.

The report also outlined clear recommendations to strengthen women's participation in the digital economy. It calls for **aligning university and TVET curricula with real market demand**, expanding **early STEM exposure for girls**, and addressing workplace barriers with **flexible arrangements and gender-sensitive HR policies**. It further recommends **expanding mentorship and financing**

for women's digital entrepreneurship and improving post-maternity reintegration through childcare support and flexible work options. Together, these pillars create a roadmap for enabling more women to enter and thrive in digital careers.

What followed the launch of this report is an interesting conversation between the former CFYE Technical Assistance and Learning Manager, Marlou Rijk, CFYE Country Lead for Egypt, Ola Farrag, and New Silk Roads Operations and Communications Manager, Safa Omrani, who merged the study's insights with concrete examples from the CFYE Portfolio. The episode titled Mind the Gap: Gender Inequality in Digital Jobs in the MENA Region, sparked a reflection on how women across the four countries are deeply motivated and often highly skilled, but continue to face systems that were never designed with women in mind, making flexibility, safety, and structural support essential for real inclusion.

Listen to the Full Episode:

[Spotify](#)

[Youtube](#)







Match

Of the overall jobs planned in the CFYE portfolio, 15% are ‘matched’ jobs. CFYE-supported projects belong to the match category when their solutions are designed to connect young women and men to existing paid employment opportunities through CFYE-supported skills development, career or matchmaking services, and digital platforms. Through these efforts up to the end of 2025, IPs following a match pathway contributed to a total of 35,581 young people being successfully matched to jobs. Of these, 18,410 positions were filled by women, representing 51.7% of all jobs in this category.

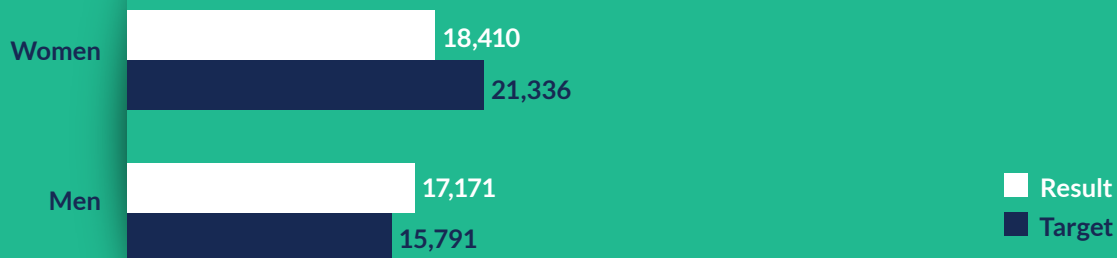


Figure 6. Matched Jobs Targets and Verified Results for Men and Women (2025)

After six years of implementation and continuous knowledge exchange with local teams and implementing partners, one learning stands out: **matching young people to jobs cannot be pursued in isolation**. It is strengthened by investments in skills development, equipping youth with the right skills to access relevant and sustainable job opportunities.

Our partner in Jordan, Madfoatcom, is an example of a business who, by investing in skills building for marginalised, excluded, or underemployed youth and women, specifically Jordanian and Palestinian youth, helps them face structural barriers to entering the labour market. Many of these young people aspire to build long-term careers in the digital sector, yet lack the practical skills or pathways needed to turn that aspiration into reality.

Sara Muawad is one of the young women who received tailored and on-the-job training from Madfoatcom, with the support of CFYE, proving that employment opportunities become more meaningful and durable for youth when paired with targeted skills development. At just 19 years old, Sara found herself in a familiar situation for many young women in Jordan: eager to work, motivated to learn, yet facing an employment landscape that offered few real openings. She was pursuing an English degree and actively participating in creative and community initiatives, but like many youth entering the job market, she struggled to convert her academic potential into employable skills. Her job search was discouraging as most roles required experience or a degree she did not have yet.

Through Madfoatcom's training track, Sara came to a turning point. She was taught skills that were both practical and transformative, such as time management, customer communication, digital tools, and electronic payment systems. This training has provided Sara with enhanced confidence, competencies, and self-reliance, supporting her freelance career in the digital payments sector.

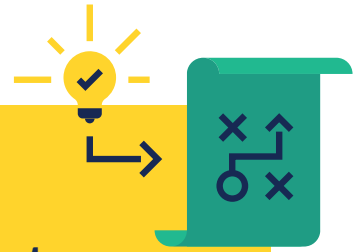
What stands out in Sara's story, and in the broader Madfoatcom model, is that when training is directly linked to real employment pathways, whether through waged work at Madfoatcom's partner companies or self-employment opportunities within their agent network, it ensures that jobs matched are not temporary career gap fillers, but stepping stones to sustainable careers.

Read the Full Story: [Empowering Women in Digital: Sara Muawad's Journey with Madfoatcom - Challenge Fund for Youth Employment](#)

Madfoatcom, contributed to the Match job pathway along with 53 other CFYE-supported projects that provide skills training and match youth to relevant opportunities. Career counselling interventions, delivered either before hiring or as part of on-the-job support, work in tandem with job matching to facilitate successful employment outcomes. These interventions aim to support youth to develop both soft and technical skills in multiple sectors, from the most traditional to the most innovative, including training in agricultural practices, solar panel installation, cybersecurity, and coding.

"When training is directly linked to real employment pathways, jobs matched are not temporary career gap fillers, but stepping stones to sustainable careers."





Insights Guiding our Work in...

Platforms for Skills-Building: A Preview of Our First Pathways to Employment Study

Why is job matching essential in CFYE's focus countries, and why are skills-building platforms proving so effective at driving it? The answer begins with a structural disconnect at the heart of youth employment.

Across Africa, as graduation rates rise, employers continue to report difficulty finding talent that are ready for the jobs offered. This mismatch reflects systemic gaps between what education systems provide and what rapidly evolving labour markets demand. Many young people enter the job market with solid theoretical knowledge but lack the applied experience, soft skills, or exposure needed to meet employer expectations. Meanwhile, employers, especially in digital and tech-enabled sectors, face talent shortages that limit their growth. Job-matching support becomes essential in this context because skills development alone is not enough.

Without bridges to employers, young people are left to navigate hiring systems that lack transparency, informal recruitment practices, and networks they often do not have access to. Many lack information on which skills are in demand, how to position themselves, or even where to look for opportunities. Women and marginalised youth face additional barriers, from mobility constraints to gender biases to limited access to digital tools, that make transitions into work even harder.

Employers, for their part, often lack structured recruitment processes, do not have the time or resources to upskill junior staff, and therefore default to experienced hires, with young applicants being excluded. **Job matching is therefore not merely a supplement to training; it is a mechanism with the potential to transform skills into employment outcomes.**

CFYE's role is to address this gap by supporting business models that integrate training with employment pathways. The Fund's Match pathway is built on the principle that youth employment improves when skills are aligned with demand, and transitions into work are intentionally supported. CFYE co-invests in and supports partners that work directly with employers, co-create curricula that reflect market needs, and embed job placement and career services into their models. Through grants and technical assistance, CFYE helps these partners build placement teams, improve employer engagement systems, professionalise outcome tracking, and experiment with digital matching solutions.

Skills-building platforms are central to this approach because **they sit at the intersection of skills development and employment access**. Their digital and hybrid models allow them to update job seekers' profiles rapidly in response to employer feedback, provide flexible learning for youth with competing responsibilities, and reach talent pools that traditional institutions often miss. **Yet their real added value lies in how they connect learning with labour-market entry**. Platforms work closely with employers to design relevant content, offer practical assignments that bridge the experience gap, and organise apprenticeships, internships, and recruitment pipelines that make transitions into work smoother. In this ecosystem, job matching is not a final step: it is the outcome around which the entire platform model is built.

These themes will be explored in depth in an upcoming *Pathways to Employment Study on Skills-Building Platforms*, to be released in Spring 2026, which will delve deeper into how **digital platforms can strengthen job-matching pathways and unlock more effective solutions for youth employment**.



Improve

Around 38% of the overall jobs planned by CFYE are considered ‘improved’ jobs. Job improvement occurs when young people experience a significant enhancement in the quality of their current employment, reflecting meaningful progress in areas such as earnings, job security, or working conditions. Up to the end of 2025, the Fund was able to improve 90,766 jobs, 47,253 (52.1%) of which were for women, demonstrating CFYE’s commitment to advancing decent employment opportunities, especially in vulnerable sectors.

Eco Brixs, one of the largest recycling facilities outside Kampala, Uganda, and CFYE Implementing Partner, offers a tangible example of what improved jobs look like in practice. In Uganda, where more than six hundred metric tons of plastic waste are produced daily and less than ten percent is recycled, many young waste workers operate informally in unsafe and unpredictable conditions. Ecobrixs’ goal is to provide structured roles in plastic aggregation, sorting, and packaging, offering more stable earnings, a safer and more organised work environment, and a predictable cycle of income generation.

Their mission also expands access for Persons with Disabilities (PWDs), not limiting job improvement to increased earnings and safety but creating better conditions for a group that usually faces discrimination, limited mobility, and restricted opportunities in the labour market. The organisation addresses these barriers by creating accessible workplaces, providing disability-awareness trainings and fostering a culture that actively supports and recognises workers’ abilities.

[Read the case study on Ecobrix’ Inclusion Approaches.](#)

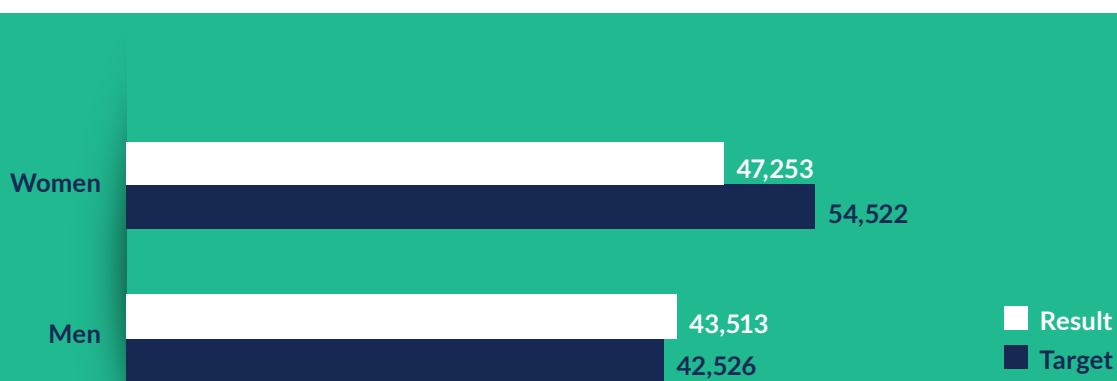
Some of Ecobrix’ most meaningful improvements include:

- ▶ Job Formalisation: waste recyclers move from unpredictable, unsafe work into more structured roles with a more reliable income.
- ▶ Safer and healthier waste recycling: organised sorting and packaging spaces replace dangerous or unsafe informal practices.
- ▶ Increased accessibility for PWDs and young women: out of 56 collection centres, 50% are managed by PWDs and/or women, and startup capital is made available for PWDs to help them start and manage collection centres.

This approach strengthens inclusion, enhances job satisfaction, enables PWDs to participate confidently in paid employment, and demonstrates that job improvement can take multiple forms.

Eco Brixs, together with the other 44 active projects following an improve pathway, showcases how inclusive design, structured employment and supportive workplace cultures can unlock better opportunities for groups who have long been underserved, contributing to more resilient and equitable local economies.

Figure 7. Improved Job Targets and Verified Results for Men and Women (2025)



Technical Assistance Deployed to Support Job Improvement

In 2025, CFYE's Technical Assistance (TA) Facility deployed a number of targeted interventions aimed at improving job quality, retention, and learning within the workplace. These TAs went beyond job creation to strengthen the systems, leadership practices, and organisational cultures that support sustainable employment, particularly for youth and women.

Two illustrative examples are included below:

Jordan, Egypt, and Tunisia: Lead the Future Inclusive Leadership Training

In 2025, IPs in Jordan, Egypt, and Tunisia participated in Lead the Future: Inclusive Leadership for Sustainable Employment, a regional leadership training programme. The TA responded to recurring challenges observed across the portfolio, including early staff drop-out, weak onboarding and retention practices, and difficulties translating gender and inclusion commitments into day-to-day management behaviour.

The two-day interactive training focused on strengthening leadership capabilities that directly influence workplace learning, inclusion, and retention. Participants including CEOs, HR managers, and project leads were equipped with practical tools to improve self-awareness, communication, and inclusive decision-making.

A key output of the training was the development of concrete, organisation-specific action plans aimed at improving inclusive hiring, onboarding, team communication, and long-term retention, particularly for youth and women. By strengthening leadership practices and internal learning cultures, the TA supported IPs to move beyond job creation targets towards more stable, supportive, and sustainable employment outcomes aligned with CFYE's quality jobs agenda.

Eco Brixs: Human Resources Technical Assistance

As Eco Brixs expanded its workforce across multiple sites, CFYE supported Eco Brixs through a dedicated HR TA focused on strengthening internal human resource systems. The TA aimed to ensure that growth translated into better jobs rather than increased operational risk or staff attrition.

Through this intervention, an expert was onboarded to work closely with the company's newly appointed HR manager to review and upgrade existing HR policies and systems, including staff welfare, performance management, grievance handling, and internal communication processes. A strong emphasis was placed on digitalising HR processes and ensuring that policies were not only compliant but also understood and applied consistently across the organisation.

By improving clarity around contracts, supervision, appraisal, and staff support mechanisms, the TA contributed to improved job security, accountability, and transparency within Eco Brixs. These changes are expected to support higher staff retention, safer working conditions, and clearer progression pathways, improving overall job quality while protecting both employees and the company as it continues to scale its green jobs model.



Job

Types





Green Jobs

CFYE considers 'green' those IPs classified as green businesses, meaning enterprises that use environmentally friendly practices or provide products or services contributing to climate mitigation, adaptation, or reduced environmental impact. All jobs created, matched, or improved within these IPs are counted as green jobs.

Similar to 2024, 40 projects contributed to green job creation, including one cross-country project. By the end of 2025, the total number of green jobs created, matched or improved amounted to 40,989, accounting for 18.5% of all jobs generated so far.

Table 1 shows green job targets and results across regions and countries. Senegal, Ethiopia and Burkina Faso, despite having smaller portfolios, contributed to a big portion of the results, as most of their projects

were classified as 'green'. Notably, Burkina Faso and Ethiopia both overachieved on their targets, the latter generating more than 10,000 green jobs. These figures, together with the ones referring to 'digital' jobs in the next section, are not supplementary to those indicated in the "create, match, or improve" chapters, which reflect CFYE's primary outcomes. Rather, they provide an alternative view aligned with the business and sector priorities of the Netherlands Ministry of Foreign Affairs (combi-tracks).

Table 1. Green Projects per Country and their Targets and Verified Results (2025)

Country ¹²	# Projects	2025 Targets for Green Jobs	2025 Results
Burkina Faso	2	3,258	3,723
Egypt	1	2,695	1,079
Ethiopia ¹³	3	9,866	10,161
Jordan	2	1,090	844
Kenya	10	13,713	9,451
Morocco	2	477	55
Nigeria*	5	5,245	3,623
SEM	1	4,000	2,051
Senegal*	4	2,141	905
Sudan	2	295	237
Tunisia	3	1,379	907
Uganda	5	11,722	7,953
Total	40	55,881	40,989

Partnerships That Deliver

¹² The asterisk (*) indicates countries with an increase in the number green projects compared to last year, 2024. This increase is due to categorisation tagging which took place in 2025, even if these businesses were already contracted in 2024.

¹³ This report uses all verified jobs for Ethiopia that fall in the reporting cycle of calendar year 2025, however, it should be noted that at the time of report development and publishing a large portion of the job results for Ethiopia related to the 2025 calendar year were still under verification. Therefore, in future reporting, once these additional jobs are verified, the total verified jobs for Ethiopia for 2025 will be higher than what CFYE is able to report in this Annual Report.

Catalysing Youth Employment in the Green Economy

For the past four years, CFYE has closely partnered with the INCLUDE Knowledge Platform on Green Jobs and the Future of Work to generate rigorous, evidence-based insights on what it takes to create decent jobs for Africa's youth. The partnership has brought together existing research, case studies from pioneering green businesses, and system-level learnings to understand what works, why, and how to scale its impact.

Our episode of **Future Economies Start with Youth - The Podcast**, was the platform for an inspiring conversation between representatives from Knowledge platforms, Private Sector, and Implementing Partners working in the green sector. Joscha Betke, Knowledge Manager at INCLUDE Knowledge Platform, Núria Vlonk-Cunha Soares, Managing Director of NABC, and Samirah Bello, Global Head Strategic Partnerships at ThriveAgric, explored how green and digital transitions can create meaningful employment opportunities for young people across Africa, examining the ecosystems, partnerships, and policies needed to turn potential into progress.



Summarising four years of research partnership, translated in a **Synthesis Report** drafted by **The INCLUDE Knowledge Platform**, this episode explores what green jobs look like across diverse sectors, why youth are critical agents of change, what keeps green innovations from scaling, and how stakeholders can move from pilots to systemic impact.

Listen to the Full Episode:

[Spotify](#)

[Youtube](#)



Digital Jobs



For youth and, in particular, women, digitally enabled jobs can offer greater flexibility, safer entry points into the labour market, and more inclusive pathways to economic and employment participation. CFYE defines projects as ‘digital’ when businesses use digital platforms for job results or invest in digital tools and skills to assist enterprises or employees by design. To further categorise digital jobs, CFYE utilises the Job Tech Taxonomy developed by Jobtech Alliance, which divides Jobtech platforms into five categories (see graphic below). This classification helps to efficiently track the number and type of digitally enabled jobs in the CFYE portfolio.

So far, 78 Implementing Partners, including 1 cross-country initiative include a digital component¹⁴. By the end of 2025, these IPs generated 149,115 digital jobs, accounting for about 67.8% of the total jobs supported by CFYE’s portfolio.

Table 2 shows digital job targets and results across regions and countries. With 14 IPs implementing their projects in the digital sector, Egypt and Kenya have contributed significantly to the digital jobs results totals, creating, matching or improving 40,259 and

27,218 employment opportunities respectively so far. Nigeria’s digital job targets stand out at 28,238, with achievement to date of 20,420 digital jobs generated. Jordan and Morocco stand out in other ways, as a very high proportion of their portfolio consists of businesses in the digital sector (81% and 80% respectively). Finally, the table highlights significant outcomes from the SEM Portfolio (Thematic Call), with Jobtech Alliance substantially surpassing its targets and creating more than 21,000 digital jobs across several CFYE countries.

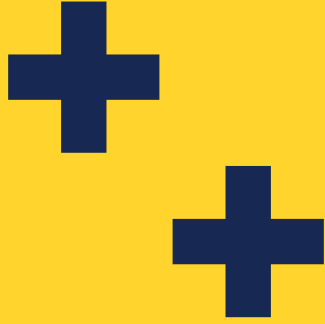
Table 2. Digital Projects per Country and their Targets and Verified Results (2025)

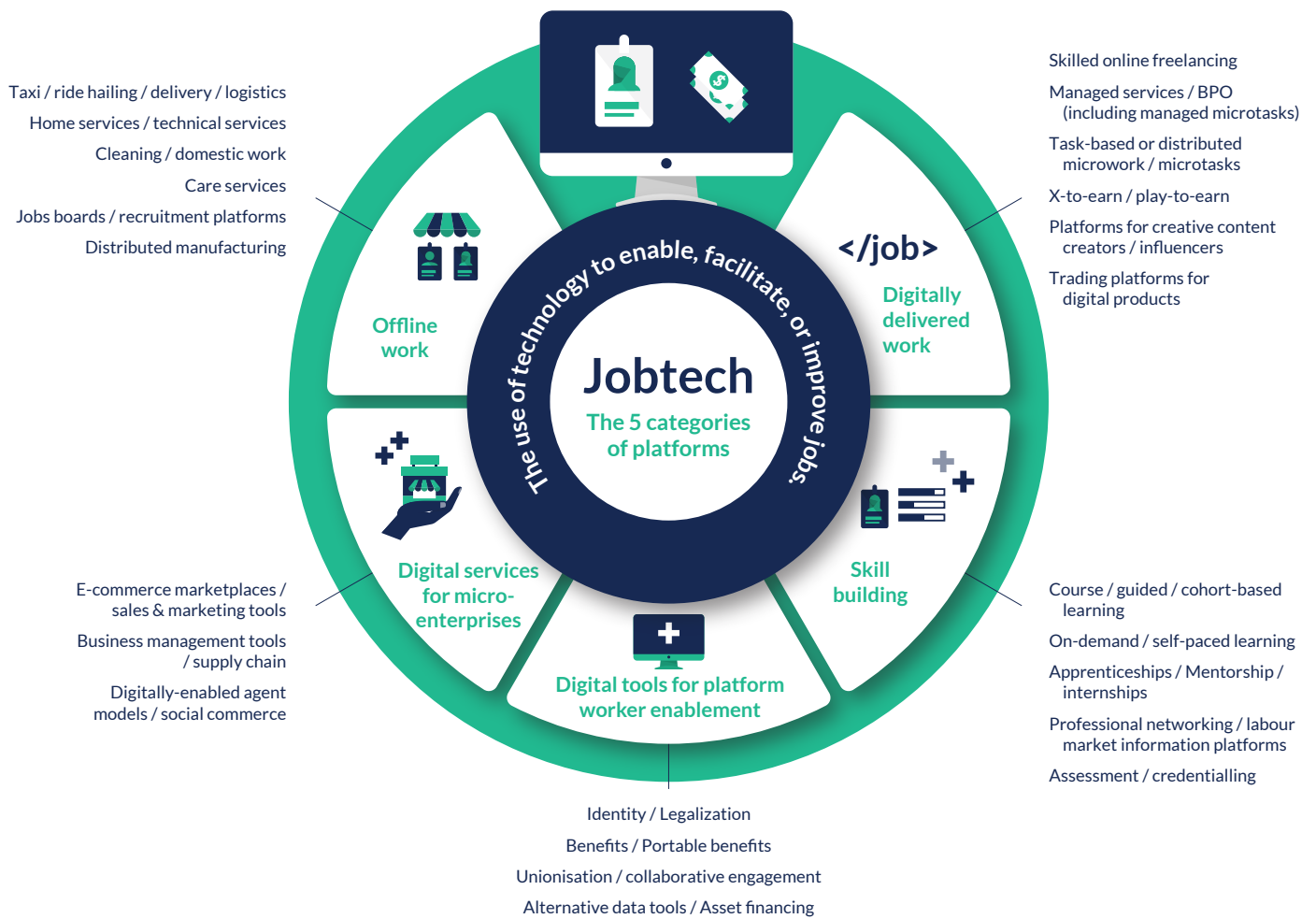
Country ¹⁵	# Projects	2025 Targets for Digital IPs	2025 Results
Burkina Faso	2	2,328	2,961
Egypt	14	42,704	40,259
Ethiopia	2	16,136	9,558
Jordan	9	13,011	12,892
Kenya	14	37,440	27,218
Morocco*	8	4,906	2,911
Nigeria	18	28,238	20,420
SEM	1	15,000	21,100
Senegal	3	1,975	2,493
Sudan ¹⁶	3	872	94
Tunisia	3	6,802	3,446
Uganda	1	7,891	5,763
Total	78	177,303	149,115

¹⁴ Although no new projects were contracted in 2025, two IPs had their project categorized as a digital in 2025, resulting in additional digital projects. These projects reported on jobs for the first time in 2025, contributing to the increase in digital jobs numbers.

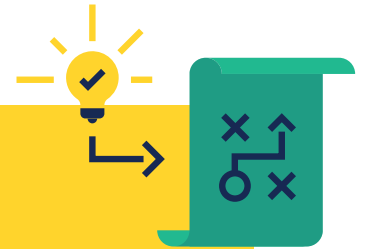
¹⁵ See note 12

¹⁶ Following the reactivation of the projects in Sudan, CFYE is currently verifying jobs reported by IPs for 2025. This process is taking longer than expected because of the exceptional circumstances in the country. Therefore, these jobs have not yet been included in the Digital Job Table.









Insights Guiding our Work in...

Green and Digital Jobs: Learnings from the CFYE- INCLUDE Knowledge Platform Learning Partnership

Since 2022, the Challenge Fund for Youth Employment and the INCLUDE Knowledge Platform have worked together through long-term research and learning partnership, aimed at strengthening the evidence base on youth employment and the future of work in Africa. Over four years, this collaboration has examined how innovations in Africa's growing green economy can generate decent employment for young men and women, while also identifying the conditions that enable youth to participate meaningfully in green and digital labour markets. Through action-oriented and private sector-focused research, the partnership has offered a view of both the opportunities and the persistent barriers shaping the green and digital transition on the continent.

After focusing on the waste sector in 2024, in 2025, the partnership entered a new phase exploring the emerging "green-tech" space, where digital and green technologies intersect. A Study Brief and two Case Illustrations investigated how agribusinesses across Africa are deploying digital and green solutions to improve productivity, strengthen climate-smart practices, and how they contribute to the expansion of

employment opportunities for youth. The research highlighted two CFYE partners, ThriveAgric and Startupbootcamp Senegal, highlighting how technology can reshape youth roles across agricultural value chains.

Drawing on the Case Illustrations and a sense-making session involving agribusinesses within and outside the CFYE portfolio, CFYE country teams and youth representatives, several lessons emerged about what enables green and digital technologies to translate into meaningful employment for young people:

- 1. Digital & green technologies do not directly guarantee youth employment improvements, but they do enhance how farmers interact with opportunities in the value chain.**

These technologies often improve how farming is done rather than replacing existing work. Precision tools, digital advisory services, and solar-powered cold storage increase access to information and markets. Youth employment creation or improvement often emerge indirectly, as a result of increased efficiency and better access to opportunities within the value chain.



2. Technology alone will not lead to change without a focus on co-design with farmers, integrated service delivery, and trust-building mechanisms.

Youth roles in digital advisory, agri-tech support, and mobile-based extension work depend on farmers recognising their value. Co-designing, simple delivery models, and clear communication of benefits are as important as the technologies themselves, especially in low-literacy and low-connectivity settings.

3. Technology is changing young people's perception of their role within agriculture, bridging the gap between technology and farmers.

Digital and green innovations help youth reimagine agriculture as a modern, entrepreneurial sector. Young people see themselves as drone pilots, data analysts, service providers or digital extension agents, roles that offer independence and purpose beyond traditional farm labour.

4. Youth employment outcomes depend on how intentionally agribusinesses engage and include young people.

When youth are given meaningful responsibility, fair pay, and opportunities to grow, they remain engaged and thrive. Training must go beyond digital literacy to include agronomy, environmental sustainability, and soft skills.

5. Ecosystem support and multistakeholder partnerships are essential to address structural barriers that limit the full potential of technology adoption.

Youth, especially women and rural youth, still face limited access to devices, connectivity, finance, and relevant training. Strong partnerships among donors, cooperatives, governments, and training institutions are needed to create enabling environments for inclusive green and digital employment.

However, green and digital adoption does **not automatically translate** into decent youth employment. Key challenges remain:

- ▶ **High start-up and technology costs** limit adoption by farmers and agribusinesses.
- ▶ **Limited ecosystem support**, including financing, infrastructure, and market linkages.
- ▶ **Mismatch with local realities and access gaps**, especially when tools are not designed for low-connectivity or low-literacy environments.
- ▶ **Language and communication barriers**, where sustainability narratives must be simplified and localised to resonate with communities.

CFYE plays a pivotal role in embedding these guiding principles throughout its portfolio, ensuring that project implementation is both intentional and impactful. At the same time, context-driven research helps identify and address specific barriers that hinder job creation and quality improvement.

Visit our [Page](#) to read reports and case studies: [CFYE x INCLUDE Knowledge Platform Partnership - Challenge Fund for Youth Employment](#)





Gender

CFYE was established with a clear objective to broaden economic opportunities for young women. From the outset, CFYE embedded gender targets into its mission, ensuring that 50% of all young people supported through funded projects are women. This commitment was reflected in the design and delivery of the Fund, requiring Implementing Partners to prioritise job outcomes for young women, while maintaining flexibility in how these targets were achieved across different job pathways.

To date, almost 60% of the targeted jobs for 2025 are dedicated to young women. By the end of 2025, Implementing Partners in the CFYE portfolio have created, matched, or improved 119,594 jobs for young women, representing more than 54% of the total jobs and overachieving the contractual targets set by the Netherlands Ministry of Foreign Affairs (115,000 jobs for young women). Table 3 shows the achievements disaggregated by gender and country.

While milestone-based payments and a rigorous outcome verification mechanism ensured performance against these targets and their achievement, Gender Technical Assistance (TA) was critical in enabling partners to navigate context-specific barriers and convert job commitments into outcomes. To adapt to local contexts and ensure approaches could be adopted in the long term, CFYE's Gender TA model evolved significantly during the programme's lifetime, shifting from broad awareness-raising to targeted support delivered by local gender experts with private-sector expertise, working under the guidance of a central Gender Lead.

CFYE combined practical, standardised tools, such as the Gender Equality and Social Inclusion (GESI) Diagnostic Assessment and Gender Action Plan, shaped by the insights of local specialists and the needs of each Implementing Partner, ensuring that support was both structured and deeply rooted in local realities. This approach translated into meaningful changes on the ground: training was moved closer to where women live, recruitment improved through visible female role models, workplaces became more inclusive with facilities that support retention, safeguarding systems were strengthened, and outreach expanded through partnerships with women's networks or organisations. Hence, partners were able to turn gender commitments into genuine organisational shifts, ultimately creating more accessible, dignified, and sustainable employment opportunities for young women.

“CFYE's Gender TA model evolved significantly during the programme's lifetime, shifting from broad awareness-raising to targeted support delivered by local gender experts with private-sector expertise”

Table 3. Cumulative Gender Targets and Verified Results per Country (2025)

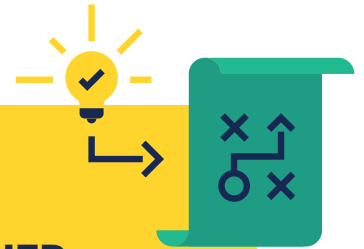
Country	Targets for Men	Targets for Women	Results for Men	Results for Women
<i>Burkina Faso</i>	1,496	3,272	717	4,168
<i>Egypt</i>	19,503	27,101	23,778	20,392
<i>Ethiopia</i>	5,700	13,989	6,747	6,825
<i>Jordan</i>	6,051	7,350	6,493	6,584
<i>Kenya</i>	22,441	25,766	20,294	15,962
<i>Morocco</i>	2,876	2,117	1,477	1,457
<i>Nigeria</i>	7,626	26,477	5,817	20,009
SEM	19,351	19,349	24,109	27,608
<i>Senegal</i>	1,709	2,968	598	2,632
<i>Sudan¹⁷</i>	423	632	42	195
<i>Tunisia</i>	4,650	5,451	2,135	2,759
<i>Uganda</i>	9,672	16,297	8,008	11,003
Total	101,498	150,769	100,215	119,594

To date, CFYE has surpassed the Fund-level female target, with over 119K jobs for young women created, matched, or improved. However, as illustrated in Table 3, differences between gender targets and achieved results exist. These gaps are largely attributable to the natural progression of Implementation Partner (IP) delivery cycles: some IPs are much closer to completing their CFYE activities than others, making their gender targets appear closer to being met, while others still have longer implementation time remaining.

In several countries, CFYE has found that securing decent work opportunities for young women is more challenging than for young men due to persistent cultural norms, difficult country contexts, fragile environments, and other structural barriers. In response, CFYE has worked with country teams and IPs to intentionally over-target young women in order to mitigate the risk of underachievement in relation to CFYE’s goal of 230K jobs, at least half of which for young women. Combined with proactive CFYE provided gender TA, this approach has enabled the Fund to balance and even exceed the female target at the Fund level.



17 See note 16



Insights Guiding our Work in...

(Young) Women Employment in Egypt: Empower HER

So far, in Egypt, CFYE has worked with 18 Implementing Partners, of which nine are still active. As of 2025, these IPs achieved a total of **44,170 jobs - 20,392 of them for young women.**

As implementation gained momentum, Egypt's country team recognised the need for a deeper, more contextual understanding of women's employment pathways. This led to the launch of the **Empower HER Report**, a two-phase initiative designed to shed light on both the ecosystem of women's economic empowerment and the lived experiences of young women in Egypt's labour market.

Launched in 2024, Phase One mapped the programmes, institutions, and initiatives supporting women's economic empowerment across wage employment and entrepreneurship. Building on this foundation, Phase Two in 2025 shifted focus to the demand side: capturing the voices, aspirations, and constraints of young women aged 18–35 through targeted focus group

discussions. Their perspectives provided essential insight into the barriers they face, from mobility and childcare to workplace culture and information access, while highlighting what meaningful opportunity looks like from their point of view.

Together, the two phases of Empower HER laid the groundwork for the next stage of CFYE's work in Egypt: forging stronger partnerships among the actors identified during the mapping, creating new forums to reach young women with relevant opportunities, and enabling direct collaboration between these stakeholders and CFYE's Implementing Partners.

CFYE hosted the second Empower HER Stakeholders' Meetup to celebrate the launch of the Final Report in November 2025, joined by Eva Witteman, Head of Mission at the Embassy of the Netherlands in Egypt, alongside many dedicated partners and ecosystem actors committed to advancing women's inclusion in the labour market.





Fund Strategy and Operations





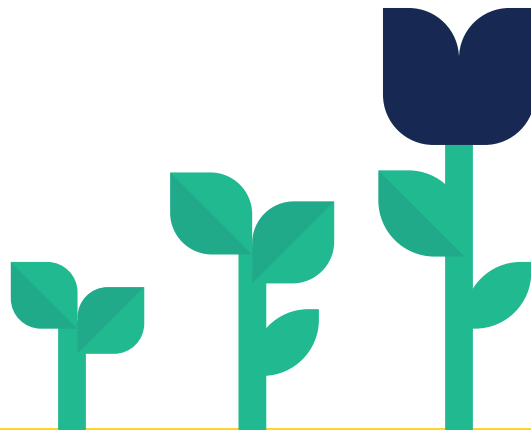
Fund Strategy, Management and Operations

In 2025, the Fund's portfolio was fully in implementation phase after concluding the last (internal) call for proposals of top ups at the start of the year. It was also the year when the Fund witnessed a significant shift towards closing out Implementing Partner projects.

The strategic focus was on prioritising key activities to optimise delivery during peak implementation in all 11 countries, while also closing a significant portion of the portfolio. The delivery strategy continued to take a strong risk management approach, working across different country delivery teams in a coordinated way to ensure delivery optimisation and efficiency.

Among its main achievements in 2025, CFYE:

- ▶ Concluded all Calls for Solutions, with the last one, the second top-up call for existing Implementing Partners, taking place at the beginning of the year.
- ▶ Successfully closed 29 projects across 11 countries of operation.
- ▶ Fully closed out all Implementing Partners in Burkina Faso, marking it the first country portfolio to be completed, with successful delivery of job results totaling 4,886.
- ▶ Finalised CFYE's final external evaluation at the end of October 2025.



Portfolio Management

External Audits

With a significant portion of the portfolio closing in 2025 (29 projects closed organically), CFYE has engaged **Forvis Mazars**, an external auditing firm, to carry out the end of project audits on behalf of the programme. This enabled efficient and closely monitored final financial reporting.

Forvis Mazars brings a robust international presence to the external audit process, with a deep understanding of both global standards and local regulations. Their approach combines a central coordination team with in-country representatives across the program geographies, ensuring that each audit is informed by local expertise and carried out to consistent standards throughout the CFYE portfolio. Rather than providing subjective opinions, the resulting audit reports focus strictly on communicating the factual findings identified through sampling and site visits, offering an objective account for CFYE's review.

The audits are specifically designed to confirm that Implementing Partners have expended CFYE funds appropriately and can provide evidence of the use of co-funding in line with the requirements set out in their funding agreements. This approach supports transparency and accountability across the portfolio.

Upon conclusion of the close-out period, CFYE shares the final audit report with the relevant Implementing Partner, alongside the payment decision and an explanation of the payment scenario. Where a payment is due, the IP is asked to submit their final invoice to enable the last disbursement of Project Contribution. This process ensures clarity for all parties and reinforces the Fund's commitment to rigorous financial management.

Reinforcing the Payments-by-Results Framework

In 2025, the Fund Management team focused on managing risks by continuing to tie Project Contributions to the Payments-by-Results framework and taking a more hands-on approach with Implementing Partners as closeout approaches. This meant applying stronger controls on financial reporting to ensure appropriate expenditure of project costs, as well as ensuring co-financing requirements are met. In terms of job verifications, the process was also refined to factor in stricter deadlines for IPs to report their results and for the Country Delivery teams to verify them at moments of peak reporting.

Delivery Model

The Integrated Delivery Model continues guiding the Fund's delivery approach. Country teams are empowered to be the strategic drivers of the Fund's and country-specific strategies, and in-country service delivery with active support from the central team. At the Central Level, each workstream actively supports country delivery, guided by their mandate and objectives, through the Integrated Delivery Model.

This delivery model continued to be successful thanks to the close collaboration between workstream representatives (Fund Management, Technical Assistance, and MEL) and the Country teams. This proved very supportive for the IPs as well, who benefited from better communication lines. Within the CFYE team, the flow of information and decision making was also strengthened by establishing regular **Internal Portfolio Review** meetings with all stakeholders.





Technical Assistance Delivery & Learning

Key Updates to our TA and Learning Approach in 2025

In 2025, the Technical Assistance team made the strategic decision to more deliberately connect TA and learning. Insights emerging from TA delivery feed directly into learning products, while learning outputs increasingly inform TA design and prioritisation. As CFYE approaches its final programme phase, this refined approach to TA and learning is also central to preserving the programme's legacy: capturing what worked, why it worked, and how future initiatives can build on these lessons to deliver inclusive, sustainable employment outcomes for youth.

Moving away from more siloed learning efforts, the team consolidated its learning approach into two flagship outputs, ensuring that learning is more tightly aligned with CFYE's Theory of Change, while serving both external audiences (donors, policymakers, practitioners) and internal knowledge retention needs.

- ▶ **Pillar A: Exploring Outcomes** through the *Pathways to Employment (PTE) Series* and learning briefs, synthesising evidence on what works in youth employment across different business models, sectors, and contexts.
- ▶ **Pillar B: Operational Insights** through the *CFYE Mechanism*, documenting governance, financing, delivery, risk management, and adaptive decision-making practices to inform future challenge funds and similar facilities.

Delivering Concrete Learning Outputs in 2025

The TA and Learning team translated its updated learning agenda into concrete, publicly accessible learning products that synthesise evidence from across the portfolio and reflect insights emerging from Technical Assistance delivery.

Two key publications were released during the year. In June 2025, CFYE published the research paper [Retaining Youth, Sustaining Impact: CFYE's Strategies for Long-Term Employment](#), which examines the drivers of youth retention across different business models and operating contexts. Drawing on portfolio-wide evidence, the paper explores how job quality, progression pathways, workplace practices, and broader enabling conditions influence whether young people remain in employment over time, providing actionable insights for implementers and funders alike.

Building on this, in December 2025, CFYE released the first Learning Brief on [Meaningful Youth Participation \(MYP\)](#). This brief distils practical lessons on how youth participation can be embedded more intentionally across programme design, delivery, and governance. It highlights approaches that move beyond consultation toward shared decision-making, and reflects learning generated through TA engagements focused on inclusion, voice, and accountability.

Key Updates from 2025

In 2025, The Technical Assistance team continued to refine its TA and learning approach to ensure stronger alignment between investment decisions, delivery realities, and employment outcomes. Building on insights from 2024, the approach moved decisively toward more targeted, integrated, and outcome-oriented TA and learning practices.

The TA unit saw a stronger emphasis on customised, IP-level and country-portfolio-level TA, designed around sectoral realities, maturity levels, and local operating contexts. In addition, the TA team expanded the use of calls for TA solutions, allowing Country teams to propose targeted TA interventions around themes such as gender equality and social inclusion (GESI), impact measurement and management (IMM), and social impact practices. These calls enabled more flexible, needs-based deployment of TA budgets and encouraged innovation in TA design.

2025 Highlight:

Delivering Gender TA in Nigeria

In 2025, CFYE successfully delivered a comprehensive Gender TA assignment in Nigeria, supporting ten IPs, including Hello Tractor, Co-Creation Hub, Bakery Initiatives, Utiva, WowBraids, August Secrets, Couture Living, Thrive Agric, Hemam Synergy, and Solid Chemicals, in embedding gender inclusion more intentionally and effectively into their projects.

Each IP began with an in-depth diagnostic session to pinpoint strengths, gaps, and priority areas across policies, systems, and everyday practices. Working closely with a local gender expert, IPs looked at elements such as their gender policies, internal communications, organisational

structures, inclusion practices, and engagement approaches with beneficiaries, key areas where many faced significant challenges. Additional issues such as recruitment barriers, cultural norms, and limited internal awareness were also addressed.

Management teams used the gender action plan as the central tool to review and revise internal policies, strengthen impact frameworks, and structure their improvement pathways. By the end of the assignment, each company had clearer guidelines, reference points, and approaches to ensuring gender equality is embedded in both their operations and the delivery of their projects.





Risk Management

Program Risks

CFYE's risk management framework and governance structure continues to be implemented and has proven to be effective during a year of rapid growth, both in the due diligence stage of onboarding new Implementing Partners (IPs), as well as managing risks within existing portfolios.

The risk identification process flows upwards from the IP Level to the Portfolio (Country) Level, and finally to the Fund Level. This ensures that all risks are assessed at their respective levels, while also allowing the Risk Committee to monitor IP/Portfolio level risks at the Fund level when necessary.

Risk Identification Process:

1. IP Level – Risks are flagged through a dedicated risk section within the Quarterly Internal Progress Reviews and filtered through the Portfolio/Country teams and to the Risk Committee to determine whether the risk should be monitored at Fund Level.

The IP Risk Management module (within our Management Information System) continues to be implemented across the full CFYE portfolio.

The module is designed to allow consistent risk reporting across the IPs.

- ▶ It is created for each new IP at inception stage, consolidating the risks flagged by the IP itself, as well as the CFYE team (these can be 'public' or 'internal').
- ▶ It is reviewed on a quarterly basis to ensure it remains relevant and up to date.
- ▶ It allows for transparency and visibility across the projects, enabling the IP, country, regional, or thematic risk trends to be identified, mitigated or escalated.

This is easily achieved through interactive dashboard functionality as seen in **Figure 8 & Figure 9** below.

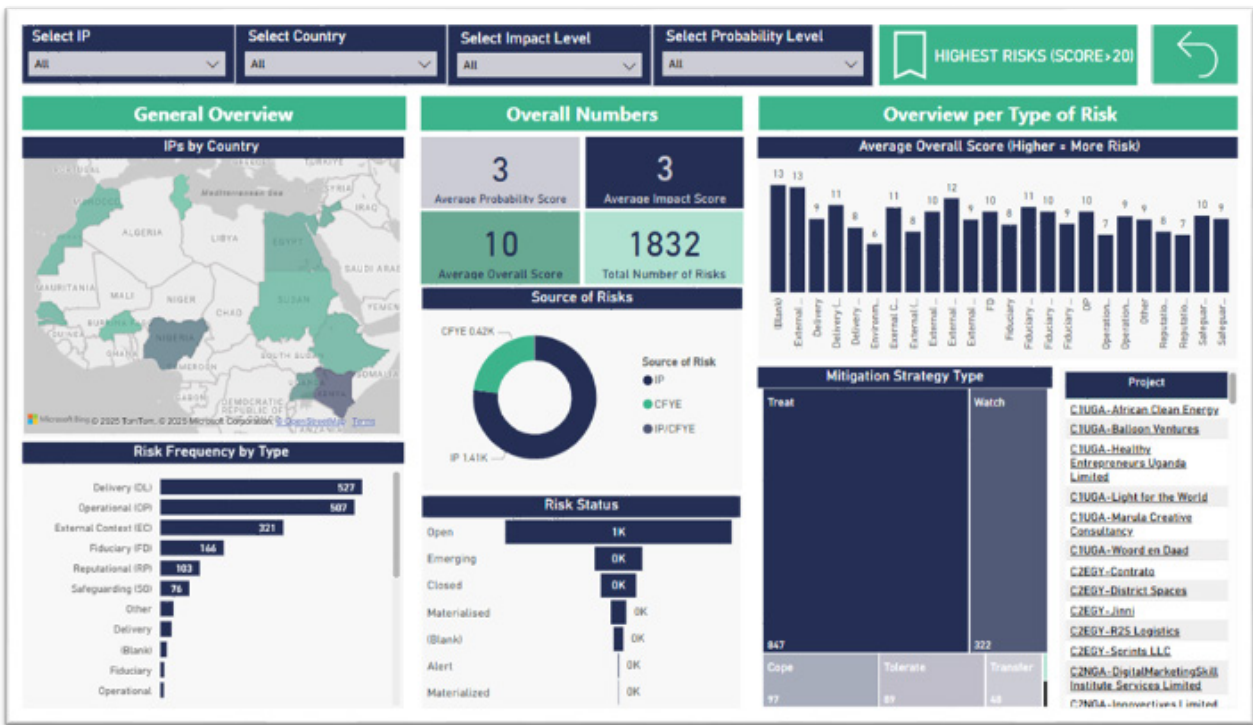
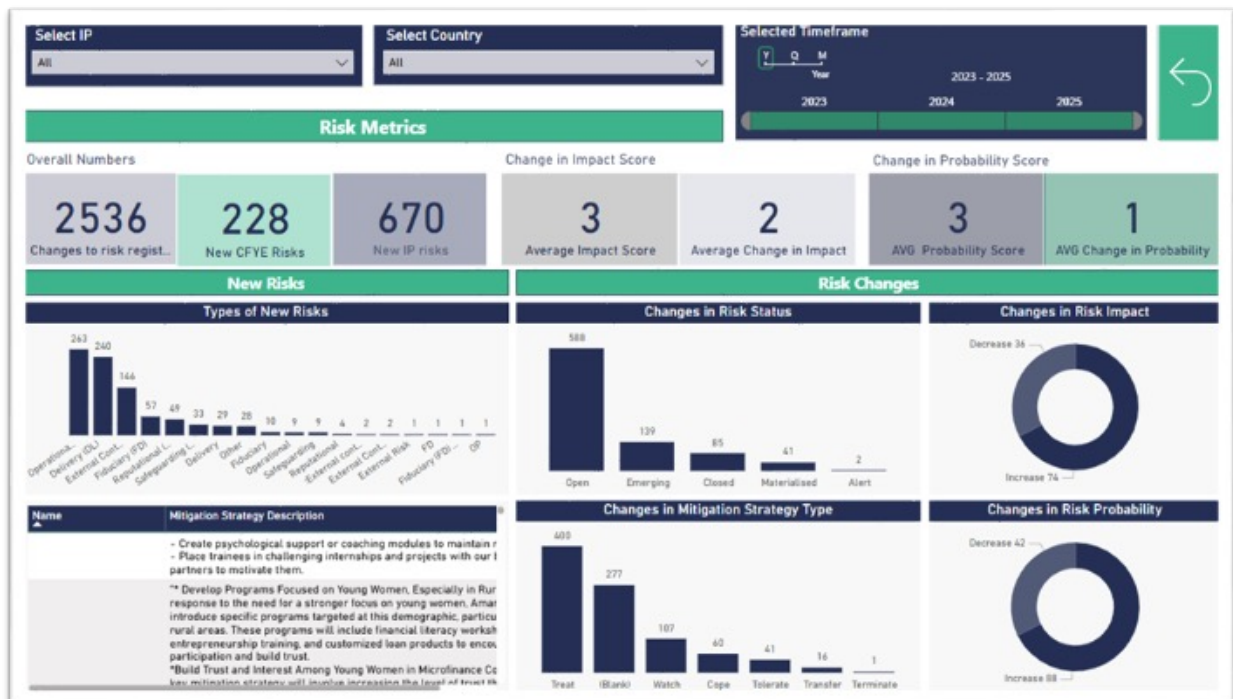


Figure 8. Risk Dashboard 1

2. **Portfolio/Country Level** – Risks are flagged through a dedicated risk section within the Quarterly Internal Progress Reviews and filtered through the Risk Committee to determine whether the risk should be monitored at Fund Level.
3. **Fund Management Level** – Monthly Risk Committee meetings are held to monitor the Fund Level risks maintained in our Issues & Risks Registry, as well as review the potential risks that have been identified at the IP & Portfolio/Country Levels to determine whether they are significant risks to the programme that need to be monitored at Fund Level and other levels.

Figure 9. Risk Dashboard 2



Project Risks

Top Risks Identified for 2025

RISK	MITIGATION
<p>Portfolio - Not meeting decent job targets due to unclarity on job/living wage. Unclarity about the decent job/living wage standards at IPs can affect the numbers CFYE can count at programme level.</p>	<p>Defining a “decent” or “quality” job is complex due to contextual and hard-to-measure factors. To address this, a tailored tool has been developed that accounts for local differences, along with indicators to track improvements in job decency over time – ensuring progress is captured even for jobs starting at low baseline levels.</p> <p>Minimum wage compliance remains an ongoing risk to monitor. FM and MEL teams continue to align on how to consistently incorporate minimum wage considerations across countries while staying aware of local labour laws. No major action is required, as responsibility for compliance rests primarily with Implementing Partners.</p> <p>The overall impact rating for this risk area is minor.</p>
<p>Portfolio (all countries) – Not meeting job targets overall nor hitting gender targets because of unrealistic assumptions (overly optimistic) and/or changing external circumstances (unanticipated implementation challenges).</p> <p>IPs are too optimistic when setting job targets in business case and inception phase, resulting in them potentially not being fully achieved.</p> <p>Gender targets are challenging in a number of locations, and CFYE has learnt that setting “over-ambitious” targets has been a key factor.</p>	<p>In Calls 5 and 6, there continued to be a strong emphasis on projects that have a substantial strategy for including women in their activities. Validated results show that about 50% of the jobs validated are for young women against a 55-60% target. CFYE continues to provide Gender TA to IPs in order to support them with meeting these targets.</p> <p>CFYE continues to monitor this risk. Projects of underperforming IPs have been ended, allowing for Top-Up investments in more successful projects. The first Top-Up round was completed in 2024, in Q1 2025 and the second Top-Up round completed in Q2 2025 and we are on track to meet the projected target of 230k jobs. Discussions with the client have started about alternative usage of funds of underperforming IPs (research, technical assistance, tracer study, etc.).</p>





Finance

Actuals

Table 4 below shows actual spending per year and total cumulative spending. Overall spending in 2025 was slightly lower than 2024, primarily due to the completion of an increased number of projects within the portfolio. At the same time, other projects received additional funding through the second and last internal top-up call for existing Implementing Partners. At the end of 2025, the portfolio had 59 active projects in 10 countries. The portfolio in Burkina Faso consisting of four projects closed in September 2025.

Table 4. Actual and cumulative spending

Description	Actuals							Total Cumulative	Total Project
	2019	2020	2021	2022	2023	2024	2025		
Fund Management Fee	555,721	2,222,883	2,222,883	2,222,883	2,259,772	2,278,217	2,278,217	14,040,575	16,318,792
Fund Management ¹⁸	486,009	1,941,316	1,963,015	1,867,222	1,875,611	1,868,138	1,640,316	11,641,626	13,967,204
Monitoring, Evaluation & Learning ¹⁹	69,711	281,568	259,868	355,661	384,161	410,079	637,901	2,398,949	2,351,588
Programme Activity Costs	42,489	1,022,462	3,961,853	11,224,989	20,757,097	28,145,774	26,965,089	92,119,754	118,268,498
Marketing & Communications	840	267,960	396,339	559,482	373,629	339,733	279,460	2,217,443	1,222,413
Technical Assistance	41,649	754,502	2,204,602	3,069,212	3,385,573	4,151,843	3,827,336	17,434,717	20,733,887
Project Contributions	-	-	1,360,911	7,596,295	16,997,895	23,654,198	22,858,293	72,467,593	96,312,198
Total	598,209	3,245,345	6,184,736	13,447,872	23,016,869	30,423,991	29,243,306	106,160,329	134,587,290

¹⁸ The Fund Management fee is based on a fixed amount per month, this is split between Fund Management and Monitoring, Evaluation & Learning based percentage of actual costs spent to total.

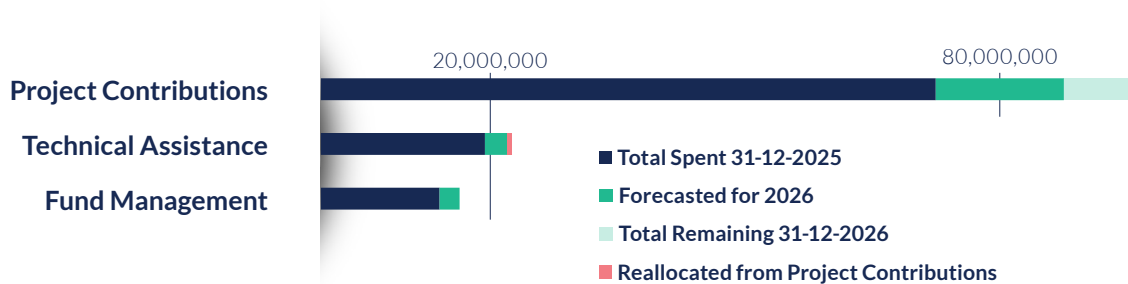
Technical Assistance (TA) expenditures decreased from the prior year due to a reduced number of partners within the portfolio, resulting in lower overall TA provision to Implementing Partners. The TA that was provided was largely focused on investment readiness, social impact and a learning platform made available to the entire portfolio. Overall, the conclusion of projects led to a reduction in available in-country resources to support technical assistance. As a consequence, the TA team could dedicate additional resources to learning and research initiatives, systematically analysing data-driven insights from our portfolio to identify lessons learned and determine effective practices.

Marketing & Communications spending in 2025 was lower compared to the previous year. This was mainly due to the fact that marketing and outreach for new Calls for Solutions was no longer needed. Overall, the number of events and activities, such as the podcast series, were in line with 2024.

Spending on Project Contributions stabilised in 2025 and will continue to decrease as more IPs will complete their CFYE-supported projects. Due to the results-based nature of the funding agreements and because no new internal (Top-Up) and external challenge calls will be launched, not all funds for Project Contributions will be spent by the end of the programme. At the end of 2026 it is anticipated that around € 8 Million of the Project Contributions will not be spent.

Figure 5 shows total spending compared to the total remaining budget per category. Both Technical Assistance and Fund Management spending are in line with the time passed, as compared to the remaining time of the CFYE contract. As mentioned above, not all funds for Project Contributions will be disbursed by the end of 2026. In December it was agreed with DDE to reallocate € 500,000 from the Project Contributions to Technical Assistance to support portfolio closing activities.

Figure 10. Cumulative Spending – Project Contributions, Technical Assistance and Fund Management





Communications & Marketing

From Strategic Storytelling to Legacy Building

Building on the strategic shift made in 2024, from traditional impact marketing to insight-driven storytelling, in 2025, the Communications & Marketing team focused on capturing lessons learned and reinforcing the Fund's positioning as a leader in private sector development, intentional investment, and youth employment. As the programme entered its final phase, communications played a critical role in celebrating impact, while laying out the groundwork for CFYE's long-term legacy.

In 2025, Communications and Marketing continued collaborating with Implementing Partners and Country teams to showcase lessons learned and celebrate closed portfolios and completed calls. Through impact stories, Implementing Partner insights, learning and short videos, external dissemination focused on highlighting results and impact at both **Country and Project Level**, the team surfaced lessons learned that can inform similar initiatives or future programming.

Rather than focusing solely on outcomes, storytelling emphasised what worked, why it worked, and under which conditions, reinforcing CFYE's role as:

- ▶ a key actor in private sector development,
- ▶ a catalyst for inclusive growth, and
- ▶ an **intentional investor** with youth employment and inclusion at the core of its impact objective.

At the same time, CFYE began planning for its final year of communications, structured around three legacy themes: **Inclusion, Model & Strategy, Impact & Growth**. These reflect CFYE's rich body of evidence and learning, developed in close collaboration with the Learning team, and will ensure that the Fund's insights, models, and results continue to inform policy and practice beyond the programme's lifetime.

Deepening Collaboration across Teams

Throughout 2025, the Communications team continued close collaboration with the RDI and Learning teams, translating quantitative results into qualitative insights and compelling narratives drawn directly from CFYE's portfolios, and designing an intentional dissemination strategy for all Learning and Communications products. This strengthened the connection between evidence, learning, and external communication, ensuring consistency across reporting, knowledge products, and outreach.

CFYE also continued to support and deepen key partnerships with the **INCLUDE Knowledge Platform**, **MDF**, **New Silk Roads** and the **Netherlands African Business Council (NABC)**, contributing to joint outputs such as research publications and podcast episodes, which amplified CFYE's learnings beyond its immediate network.



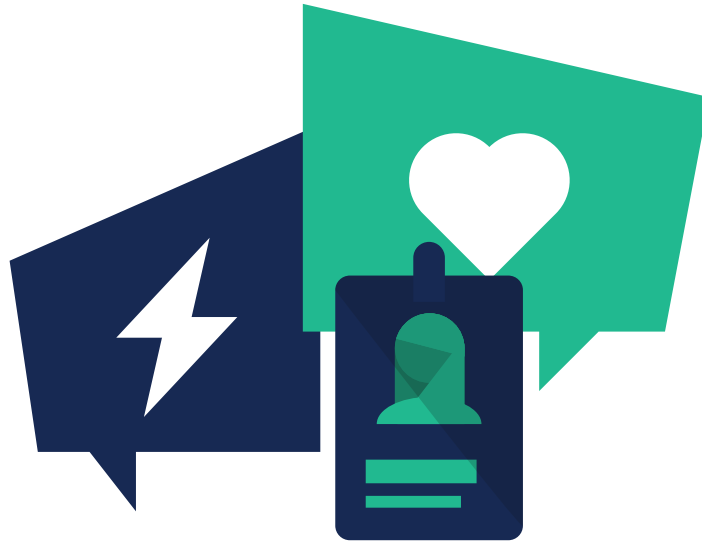
Future Economies Start with Youth - The Podcast

The *Future Economies Start with Youth* podcast remained a central platform for CFYE's thought leadership in 2025, with three new episodes addressing critical themes in youth employment and inclusive growth:

4. **Partnerships That Deliver: Catalysing Youth Employment in the Green Economy** in collaboration with the INCLUDE Knowledge Platform and the Netherlands African Business Council.
5. **Mind the Gap: Gender Inequality in Digital Jobs in the MENA Region** in collaboration with New Silk Roads.
6. **Does Payment-by-Results Shape Impact? A CFYE Perspective** featuring CFYE Team Leader, MEL Associate and Nigeria MEL Advisor.

These conversations brought together CFYE team members, practitioners, and partners to reflect on emerging evidence, structural challenges, and innovative financing and delivery models, extending CFYE's reach beyond traditional stakeholders.





Capturing CFYE's Legacy

A key milestone in 2025 was the continued production of the **CFYE end-of-programme documentary**, developed in close collaboration with team members and Implementing Partners from East Africa and the MENA Region. The film captures seven years of impact, highlighting the Fund's journey, its partnerships, and the people behind its results, while documenting the legacy CFYE leaves within the youth employment ecosystem. The plan is to screen the documentary during our Final Event, in November 2026, to showcase elements and success stories of the Fund and spark discussions between private and public stakeholders.

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