Unlocking Capital for Green Jobs: Bridging the Missing Middle

May 27th, 2026

INCLUDE

CHALLENGE FUND FOR YOUTH EMPLOYMENT

Agenda | May 27th 13.00-14.30 CET

Time	Session
13:00 – 13:05	**Webinar Opening**
13:05 – 13:15	*Framing of the Finance Gap for Green Jobs* Presented by **Joscha Betke – Knowledge Manager at INCLUDE**
13:15 – 13:30	*The Challenge Fund for Youth Employment Approach: Co-Financing and Results-Based Payment Model* Presented by **Nour Serry – Fund Management Lead at CFYE**
13:30 – 13:45	*Blended Finance in Practice and Post-Investment Technical Assistance* Presented by **Olayide Odediran – Strategy and Insights Lead at Acumen**
13:45 – 14:00	*The Green Tunisia Fund Blended Finance Approach* Presented by **Khaled Dridi – Senior Vice President – Head of Early Stage Department at UGFS**
14:00 – 14:30	**Discussion and Peer Exchange**

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The Green Jobs Challenge

Green Economy in Africa = once-in-a-generation opportunity

- **Accelerate renewable-powered industries**
- **New value chains & circular value creation across sectors**
- **1.5-3.3 Million new jobs in Africa's green economy by 2030** (FSD Africa/ Shortlist)

Fostering cross-sector collaboration develop:

- **Workforce enabling ecosystem**: demand & supply of labour
- **Skills gaps**: enhance formal education programs, vocational training curricular, and on-the-job training
- **Green industrial policies**: comprehensive support policies for green sectors
- **Targeted investments** in high-potential sectors and value chains

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CFYE-INCLUDE Research Partnership

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CFYE's approach: Investing in employment including wage-earning jobs or self-employment, in the formal or informal sector. The goal is expected to be achieved through three outcome pathways

Match

Improve

Create

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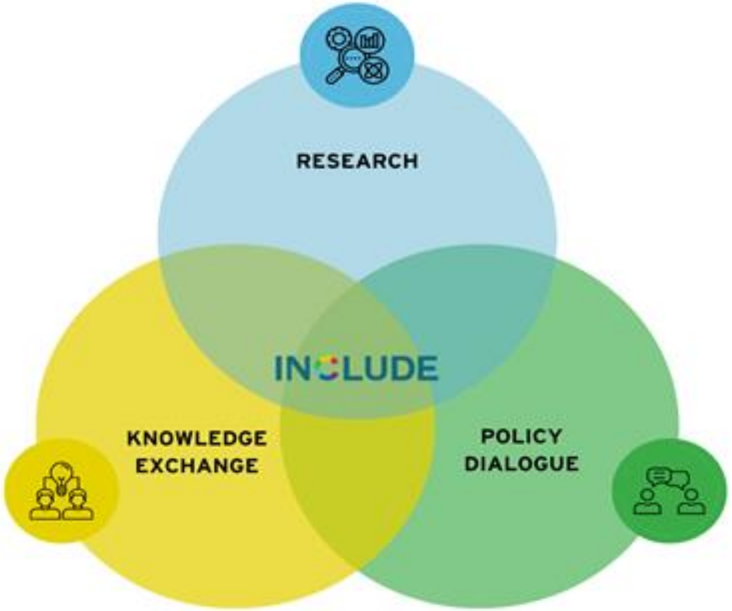
KNOWLEDGE PLATFORM ON INCLUSIVE DEVELOPMENT POLICIES



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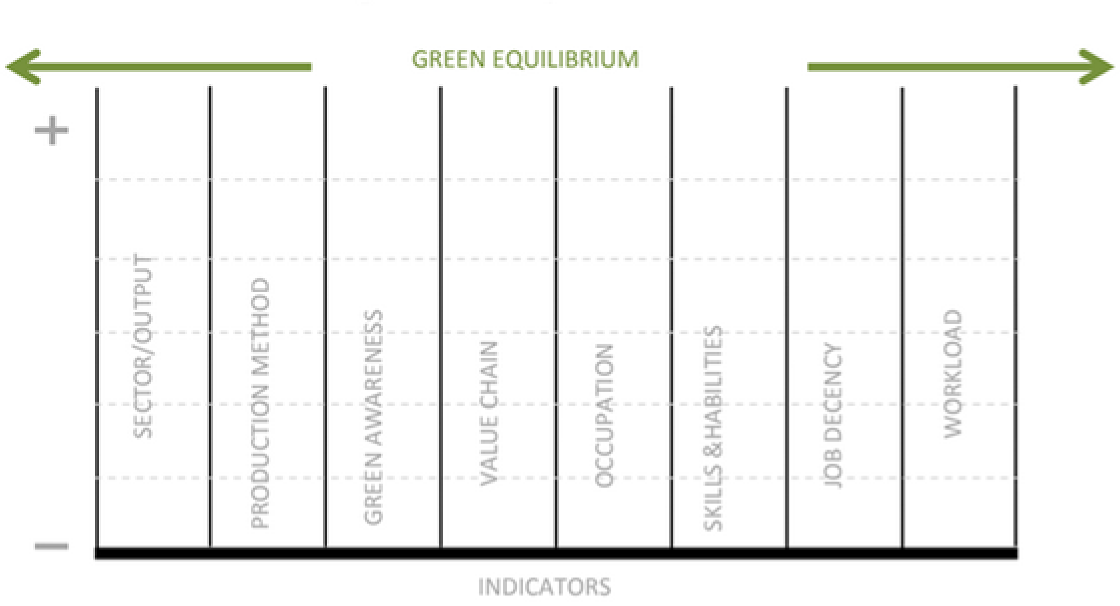
Phase 1: What & Where are Green Jobs?

Green jobs = offer employment in businesses that maintain or restore environmental quality while also providing dignity, fair income, and opportunities for personal and professional development.



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Phase 2: Informal Jobs in Circular Economy

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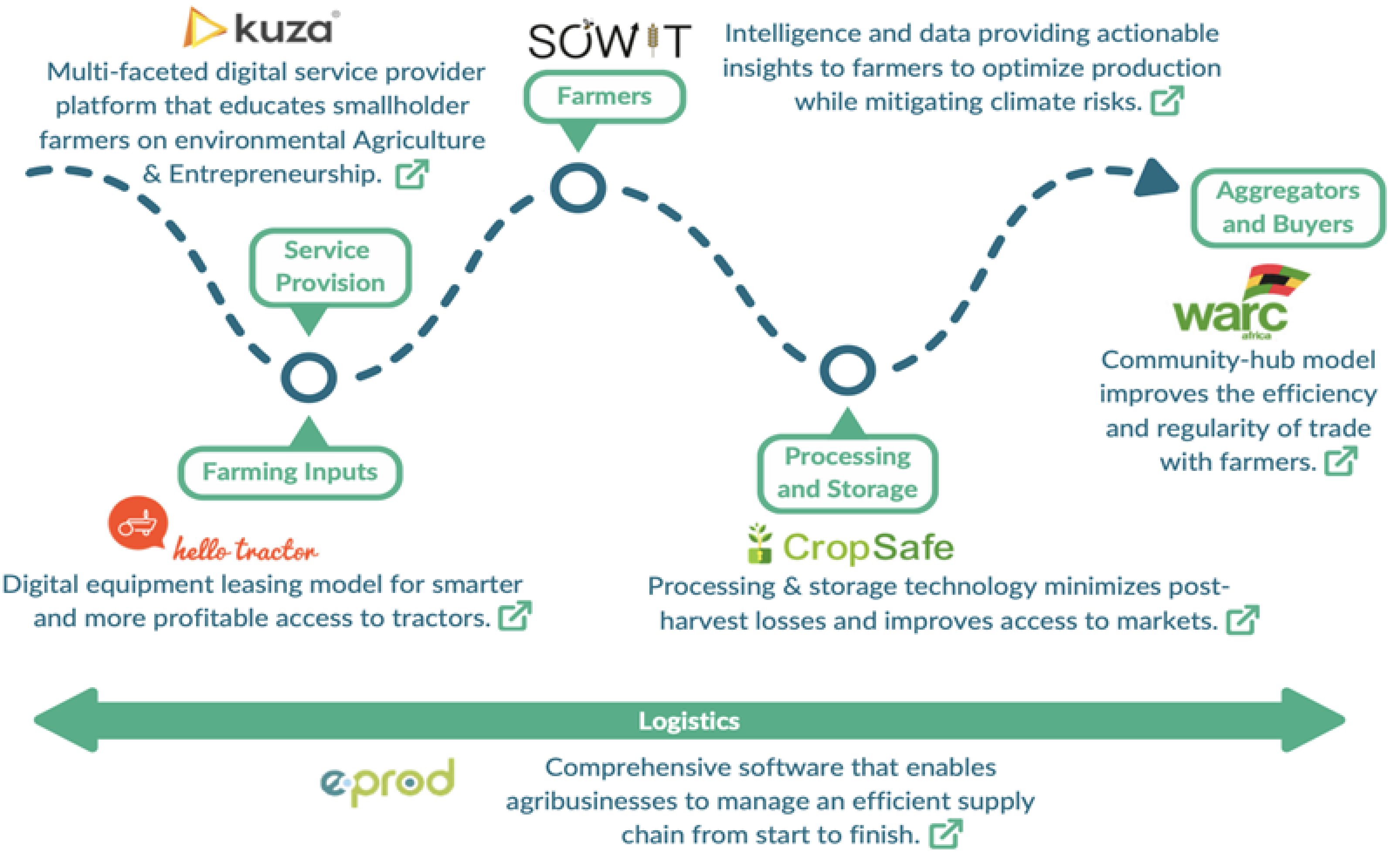
Phase 3: Green & Digital Tech in Agriculture



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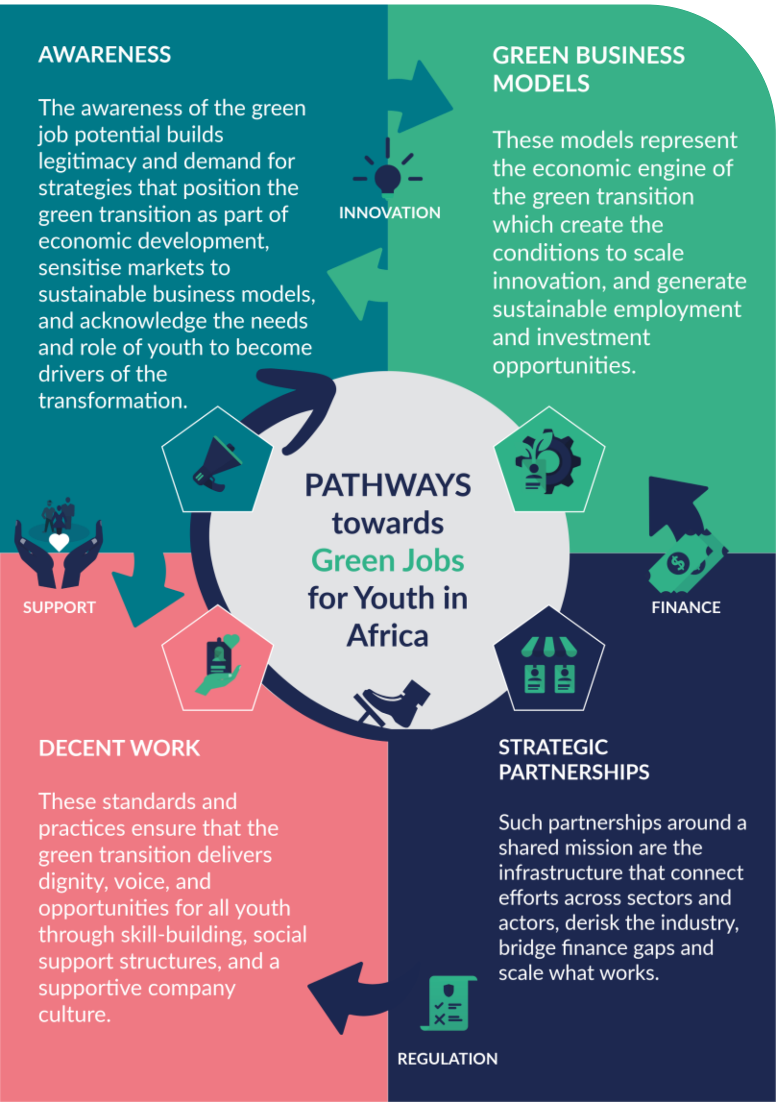
Future of Work Pathways



Awareness
A credible and comparable evidence base to inform donors and investors on reducing risk, improving investment decisions, and supporting countries build effective green economy strategies.

Decent Work
Creating decent work that matches young people's aspirations to enter, stay, and thrive in the labour market is a risk mitigation strategy that also yields operational benefits.

Green Business Models
Green enterprises need patient capital and technical assistance to innovate, address market-entry barriers and scale more sustainable, youth inclusive and market-ready models of value creation.

Strategic Partnerships
Collaboration with a diverse range of stakeholders around solving systemic problems connects awareness creation, business viability, and decent work into a functioning ecosystem that encourages private investment and innovation in high-potential sectors.

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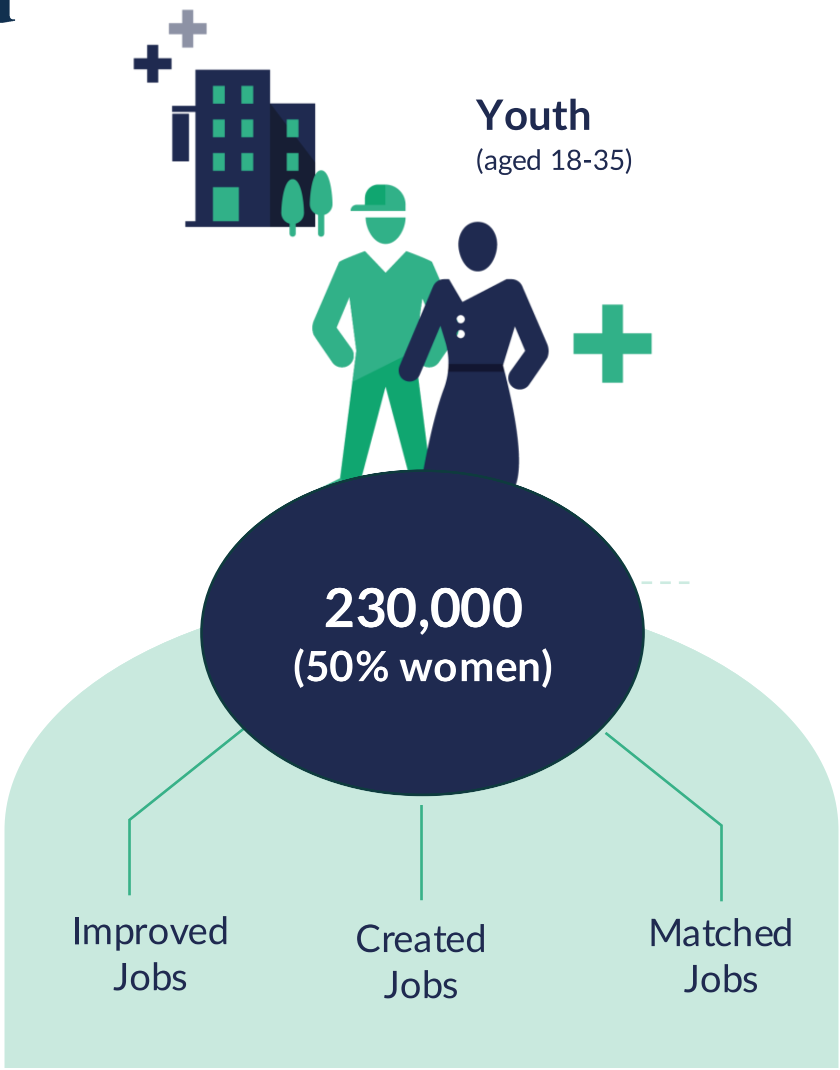
The Challenge Fund Explained

Goal

By 2026, provide **decent employment for 230,000 youth** in 11 countries in Africa & the Middle East through private sector-driven initiatives.

Approach

Launched challenge calls to build a **portfolio of over 130 projects**



Core Elements of the CFYE Model

Scoping & Selection

Technical Support

Localized Delivery with Embassies

Catalytic Capital linked to Results

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Results-Based Co-Funding

Payments are tied to measurable deliverables →

No progress means no funds are disbursed.

Return on Investment → the impact goal

Co-Funding requirement → with every Euro invested, additional capital is leveraged.

De-Risk & Leverage
Catalytic Capital

Reallocate & Award
Top Ups

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M&E framework, with Data-Driven Monitoring

At the IP level

- Clear Pathway to the Outcomes
- Clear Definitions & Thresholds

At the Fund level

- Align Indicators
- Aggregation

At the beneficiary level

- (Sampling) Direct Calls, Surveys, Focus Groups

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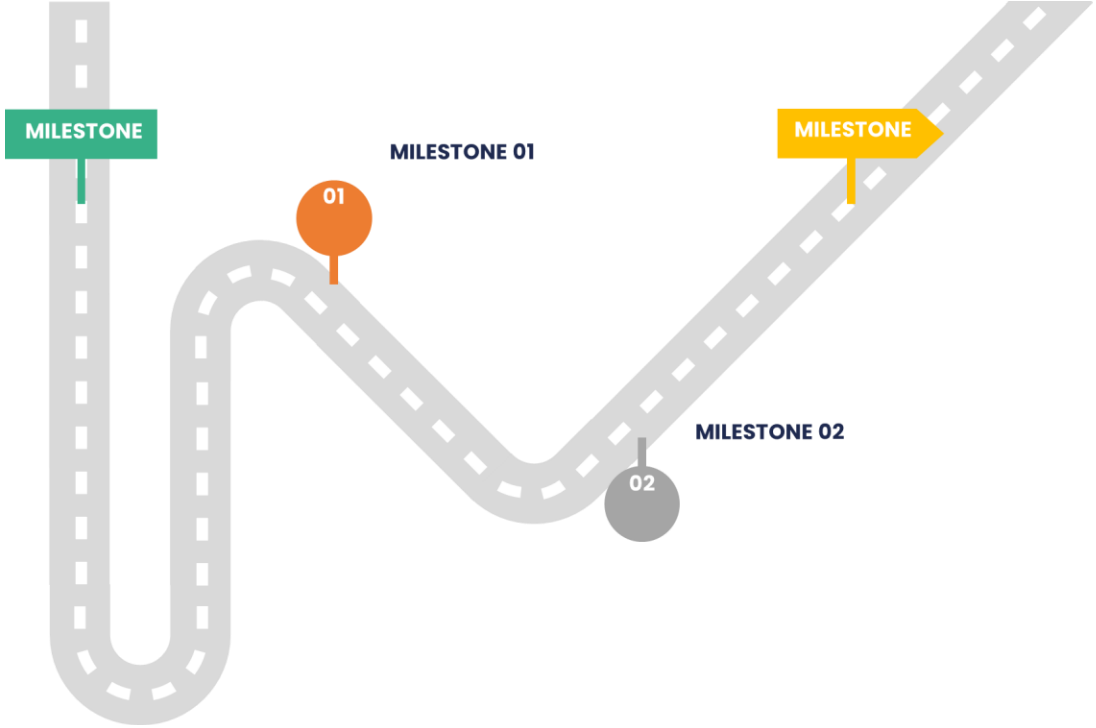
Linking Milestones to Payments



- Payments reflect critical deliverables along the pathway to achieving the project's overall goals = job outcomes
- Each deliverable has a schedule, tied with a deadline and a clear set of validation info

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Measurement of Cofinancing on Different Levels

Aiming for 1/3rd

Project	Co-funding	Projected: … Actuals: Spending … supported by external audit at closeout
Business	Sub Intermediary's Capital	SGBs' additional investments due to intermediary's support (TA or financial)
Indirect	Capital mobilised	Additional beyond cofounding, self-reported figures

All 3 levels are reported to the Ministry

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Practitioner Insights

Monitor & Evaluate

1 Strong monitoring and verification frameworks are essential, and they should be cocreated with the implementing partner

Combine with Cofinancing

2 Ensuring the implementing partner has their own skin in the game is essential for PBR to be successful rather than a burden. This creates a true form of shared risk.

Provide TA alongside

3 Targeted, and needs-based TA will provide the right support required to strengthen the business and further allow it to attract additional financing and grow for deeper impact.

Best Practices for Upholding PBR Approach

Team Capacity

- Ensure you build the internal team's capacity to handle the verification and approval layers
- Build the IP's capacity to manage financials and plan ahead for a robust project design with a theory of change

Payments

- Develop thought-through payment scenarios
- Ensure clear communication
- Work on the basis of robust agreements and milestone structures

Approvals

- Establish approval thresholds
- Establish minimum standards for approval
- Follow standard payment timelines

Flexibility

- Allow flexibility in the framework in designing and managing payment milestones
- Ensure capacity and structures allow for flexibility to be inherent to context

M&E

- Ensure robust M&E processes are available
- Provide capacity building for verifications
- Ensure you have standards for quality assurance
- Potentially outsource evaluations

What Works for Some, Fails for Others

Targeted, careful and rigorous selection and due diligence makes a difference!

Country, sector, type of job, nature of barriers have a huge influence

Portfolio & business awareness, equips investor/funder with info to take risk-based decisions

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LEARNING BRIEF

Aligning Incentives for Youth Employment: CFYE's Payment by Results & Co-Financing Model

SCAN ME

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www.fundforyouthemployment.nl

Acumen East Africa Education Facility

The challenge: Education was undercapitalised. Ventures needed patient capital, not just grants, and a structure that rewarded impact.

5

Years and early-stage ventures; launched 2020

$6M

Deployed in patient capital

3M+

Learners reached

222K

Teachers and tutors impacted

8,300+

Schools supported

<3%

Africa VC goes to education

How We Structured It

A Returnable Grant with Three Layers;
Philanthropy Structured like Investment Capital

60% direct investment into companies

Equity and convertible notes (pre-seed to Series A)

1x capped return to funders – Acumen retains excess

Tickets: $300K - $1M per company

30% facility administration and technical assistance

Due diligence, deal making, and TA

TA covered: product development, go-to-market, AI integration, marketing, board diversity not returned

10% impact carry

Direct incentive for investment team to prioritize long-term impact outcomes alongside financial performance.

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Performance-Based Financing: Aligning Capital with Outcomes

Financial incentives ties to collaboratively-defined impact targets and tracked.

20%

Breadth

Number of people reached

30%

Poverty Focus

Proportion of customers below the poverty line

50%

Depth

Quality of education improvement linked to learning outcomes

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PBF in Practice: Silabu (Tanzania)

- **Stakeholders served**: Parents and students
- **Problem**: Accessing supplemental tutoring services is inefficient and costly
- **Solution**: Connects students with vetted tutors for affordable online or in-person tutoring
- **Impact**: 68,000 students access tutoring, and 31,000 tutors earn additional income

PBF in Practice: Silabu

196% ↑

Student reach
(Breadth)

Introduced free peer-to-peer classes as entry point

23% ↑

Parents reporting improved academic performance
(Depth)

Proportion of customers below the poverty line

10% ↓

Students below the poverty line
(Poverty focus)

Prompted strategy shift to deepen access

Outcome

Silabu unlocked non-dilutive funding from Acumen,

attracted additional grant support for tutor training,

introduced a new 'sibling discount' product, all driven by PBF survey insights.

Four Lessons for Funders on PBF

PBF enhances the business model

Designing around impact targets forces companies to think structurally about who they are serving, and whether what they are doing is working.

Design is iterative and collaborative

Involve not just the company, but third-party impact research firms and your funder advisory council. Learn from each review cycle.

Impact measurement is an art

For products that don't directly benefit the end-user, you need proxies. Usage rates and stakeholder perceptions can be highly informative.

Technical assistance is important

PBF without TA is an accountability tool. With TA, it becomes a growth engine, supporting product, go-to-market, and team development.

Discussion

How can Acumen's model support MSMEs at the blurry lines of the formal & informal sectors to grow and create decent work?

- The most critical green-economy workers like waste collectors, solar installers, and field agents are informal and often invisible in impact metrics.
- Funders typically measure 'jobs created' as formal employment. This systematically undercounts the value created and risk borne by informal workers; and the risk this places on the portfolio.
- If informal workers are not in our metrics, there is no incentive for MSMEs to invest in their work quality. We need to stop measuring at the gates of formality.

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Elements of Dignified Work for Portfolio Risk Management and Worker Welfare

These are not ethics questions alone; they are capital efficiency questions. A company with 70% annual agent attrition is burning investment. Dignity gaps show up as business problems.

LADDERS

Do workers earn fairly, understand their pay, and have a real pathway to grow — in income, skills, and economic independence?

NETS

Are workers protected from the shocks your companies expose them to? They may may need to subsidize or facilitate access to protection. A solar installer needs accident cover. A farmer needs price floor guarantees.

DIGNITY

Are workers treated as people? Can they raise safety concerns without losing their income? Do they have a real voice?

What We Need to Do - Together

Expand the definition of 'impact'

Count indirect workers, not just direct formal employment. Most of the green-economy work will happen outside a payroll.

Adopt Dignified Growth indicators

Integrate work quality standards into due diligence and portfolio performance frameworks, not just ESG reporting checkboxes.

Use impact-linked capital

Tie disbursements to work quality outcomes, not only financial milestones. Align incentives across funders, investees, and workers.

Back technical assistance at scale

TA that helps MSMEs map their full value chains and build dignified work into business design pays dividends in retention, quality, and resilience.

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UGFS Consortium

WIKI STARTUP

UGFS North Africa

- United Gulf Financial Services - North Africa « UGFS NA » is an assets management company created in 2008 and managing 20 investment funds with a total size of 200 MTND;
- UGFS-NA operates in many business areas but mainly in the management of Private equity funds, early stage and Venture Capital, in which it has developed its Portfolio and has a strong expertise;
- UGFS-NA is, today, a leading local actor in funding Startups and SME and supporting Tunisian entrepreneurs to create value, jobs and making an impact, meeting the highest ethical and quality standards for fund management services.

20 Funds	AUM +80 M$	140 Companies	+7 000 Jobs

- WIKI STARTUP, created in 2011, is the first private incubator in Tunisia that has been fostering the creation of innovative startups by providing a complete innovation-oriented ecosystem and facilitating their access to expertise, specific business development tools, funding and crucial connections to an international professional network enabling rapid growth.

Our Services

- Helping high-potential entrepreneurs structure their innovative projects through incubation and acceleration programs adapted to their needs and stage of development.
- Ensure privileged access to investors by connecting them to high-potential entrepreneurs who are trained and open to exchange.
- To create white-label support programs for private/public institutions, actions & competitions with the aim of promoting, popularising innovation and entrepreneurial spirit

+750 STARTUPS REACHED	+90 ENTREPRENEURS COACHED	+100 EXPERTS, MENTORS AND ANGELS	+50 PRIVATE AND PUBLIC STRUCTURES

UGFS & CFYE: Project Impact

7.5 M Euro invested in **36 companies** leading to an employment impact of **5 000 jobs** with women inclusion rate of **40%**

Match

1,675

Improve

1,100

Create

2,225

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Our New Impact Investment Vehicle : Green For Employment (G4E)

Supported by **CFYE & Palladium**, UGFS is launching a new Impact Fund targeting two sectors :

- **Green Sector**: Renewable enrgies and all projects that contribute to reducing Tunisia's carbon footprint (Tunisia Green Fund compartment)
- **Agriculture Sector**: By enabling smallholders to afford all the resources needed to turn their farms into profitable business in a sustainable way (Seed of Change Fund Compartment)

- Green For Employement Fund structure is based on **blended finance** model to attract private investors by mitigating risks through public and concessional capital.
- This approach ensures that investments are de-risked, encouraging the participation of commercial investors while maintaining the focus on **environmental and social impact**.

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G4E : The Fund Structure

The fund is structured as a Specialized Investment Fund (Fonds d'Investissement Spécialisé - FIS) under Tunisian law, offering flexibility in investment opportunities across sectors.

The capital stack includes four investment tranches

Senior Equity	50% (25M USD)	With a 12% target IRR to attract private sector investors with a competitive return.
Mezzanine Tranche	20% (10M USD)	At 10% return to attract the private sector.
Junior Tranche	20% (10M USD)	With a guarantee and first loss mechanism.
Grants Tranche	10% (5M USD)	To de risk the capital further.

Fund Term	Target Size	Target Returns	Ticket Size
10 years	50 Million USD	Senior equity IRR of 10-12%. Concessional & First Loss Capital	Ticket sizes will range from 0.25M USD to 2M USD

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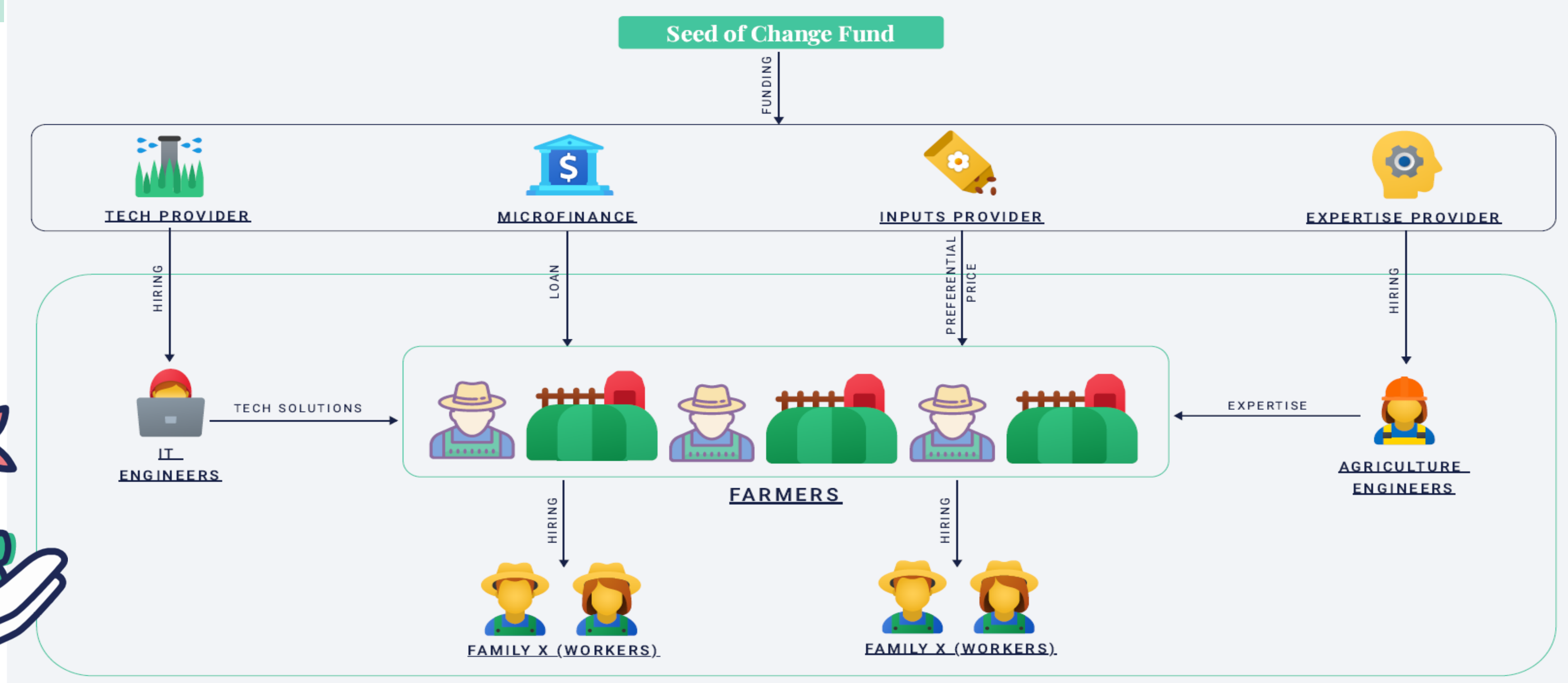
G4E : Seed Of Change Fund Compartment (SCF)

SCF will **enable smallholders to afford all the resources needed** to turn their farms into profitable business in a sustainable way. The empowerment will be conducted indirectly via **the investment in key ecosystem's stakeholders**.



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Group Discussion

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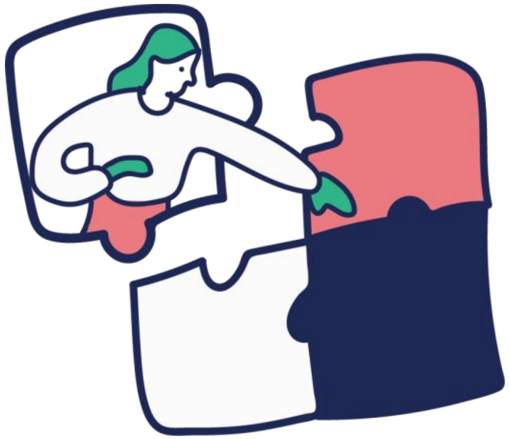
Discussion Questions

1. Which blended finance models work best in practice to bridge funding gaps and create green jobs?

2. What is the future of SME Finance to unlock youth-led green entrepreneurship at scale?

3. How can we incentivise the private sector to commit to creating decent green jobs?

4. How to address (a) *low confidence in green business models*, (b) *a lack of investment-ready enterprises*, and (c) *inadequate policy support* to formalize and scale green businesses?



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Thank you for your participation & contributions!

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