

**Artificial  
Intelligence for  
Fund  
Intelligence:  
Leveraging AI  
for Learning at  
CFYE**

# FOREWORD

This brief is part of the **learning brief series**. The series of learning briefs distills six years of implementation experience from the **Challenge Fund for Youth Employment (CFYE)** into practical insights for designing and delivering youth employment programmes. Drawing on evidence across sectors and geographies, the briefs examine **what has worked, what has proved challenging, and which approaches have delivered sustainable outcomes for young people and businesses**.

Each brief focuses on a theme such as **delivery model, inclusion, business growth, or innovation**; covering topics ranging from job quality and gender inclusion to partner selection, localisation, and results-based financing. Together, the series moves beyond theory to offer **actionable guidance for practitioners, funders, and policymakers shaping future employment initiatives**.

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# WHY THIS BRIEF?

Since its start in 2019, the **Challenge Fund for Youth Employment** (CFYE or 'The Fund') has generated vast amounts of data, from job outcome numbers and implementing partner narratives, to youth surveys and focus group discussions. Yet the capacity to analyse and connect these varied data streams rarely keeps pace with the volume collected. This gap **limits what we can learn, how quickly we can adapt, and how effectively we can reach our goal of connecting 230, 000 young women and men with decent employment opportunities.**

**Artificial Intelligence (AI)** offers a practical way to close that gap. CFYE became an early adopter of AI for programme learning, using it **not to replace human judgement, but to expand what the team can learn across varied sources and contexts.** Through pilots in several learning workstreams, including a Pathways to Employment (PTE) study, implementing partner Theory of Change (TOC) reviews, and gender research, CFYE **developed approaches that are replicable, rigorous, and grounded in the practical realities of working with programme data.**

This brief shares **key insights, practical challenges, and actionable guidance for implementers and practitioners** considering **AI-enabled learning** in their own programmes.



# KEY INSIGHTS

## From Human-in-the-Loop to Team-in-the-Loop

CFYE's pilots unveiled that **AI adds the most value when embedded in structured workflows with frequent human intervention**. In CFYE's Pathways to Employment (PTE) Study, AI-collaborative thematic analysis was used to synthesise qualitative and quantitative data across a range of themes that was broader than would otherwise have been feasible.

The Research, Data and Impact (RDI) Team, together with the Learning Team, broke the analysis into clear steps: **using AI to process large volumes of qualitative data, surface patterns, and accelerate coding while returning to human review at each sensitive interpretation stage**.

This "human-in-the-loop" approach worked well analytically, but it came with a risk: when AI use sits within individual workflows, **knowledge concentrates with the few people running the tools**. Across the PTE study and TOC Review methodology, CFYE made sure to **align its AI strategy with its localised approach**. In TOC Review interviews, **country teams reviewed AI-generated thematic analyses to validate priorities, correct interpretations, and shape analytical direction**.

The PTE study's multi-disciplinary and cross-workstream team likewise ensured that AI-generated knowledge (as well as skills for AI use) spread across CFYE and could inform its activities. These "team-in-the-loop" practices **enable context-sensitive validation while simultaneously spreading AI skills and insights across the organisation**.

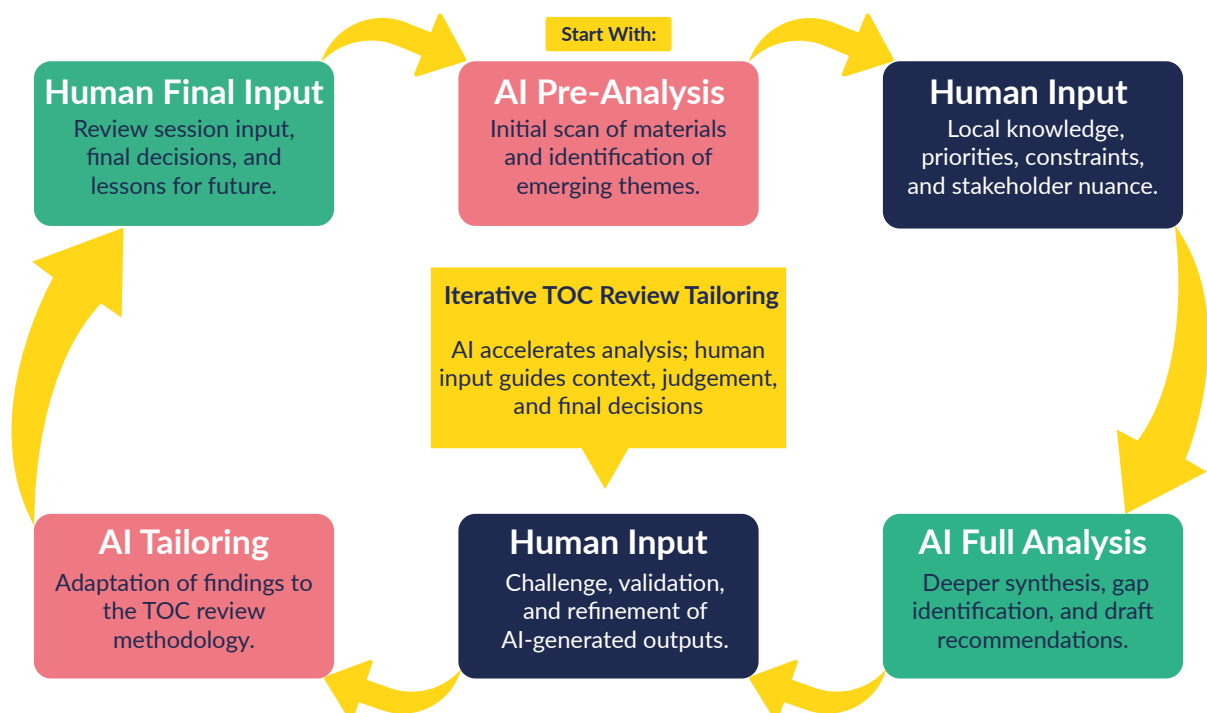


Figure 1: An iterative AI-human workflow for tailoring Theory of Change (TOC) reviews, combining automated analysis with contextual human judgment in a continuous feedback loop. For more details, see Innovation Spotlight.

# KEY INSIGHTS

## Data Readiness Shapes What AI Can Deliver

AI does not eliminate the need for sound data architecture: it amplifies it. Due to a rapid launch timeline, early systems stitched together multiple platforms and formats, and data flows were only later consolidated on Salesforce, the Fund's Management Information System.

Over time, small, practical adjustments were made to the types and structure of data collected in response to evolving programme strategy. Where these adaptations remained "implicit knowledge" rather than explicit documentation, they proved difficult to incorporate into AI workflows, **increasing the risk of incomplete analyses and unreliable outputs.**

In practice, this challenge was also productive. It pushed the Fund to ask sharper questions: **which data fields are fit-for-purpose for AI analysis? What transformations improve usability? What prompt design and review steps respond to the data's particularities?**

CFYE's TOC reviews highlighted the importance of clearly defining the scope of AI access, engaging in a mutual design process in which we engineered prompts to fit the data's shape, and also restructured data to fit AI's capacities. These are sound analytic habits with or without AI; AI simply makes them harder to ignore. Ultimately, this reinforced the methodological rigour that should underpin any programme's learning.

## Transparency and Ethics as Infrastructure

In work that influences the employment and welfare of young people, CFYE knew early on that **AI use raises ethical questions around data governance**, privacy, rigour, and bias. This was addressed **by embedding ethical reflection directly into AI-enabled workstreams**, drawing on tools such as the ETHICAL framework and holding dedicated team discussions on assumptions and biases in AI use.<sup>1,2</sup>

Across these conversations, the team consistently returned to the value of local knowledge and judgement, shaping an approach in which AI depends on localisation (by treating country-team feedback as essential input) to support localisation (by making insights explicit and available for local decision-making). In the TOC Reviews, this meant building in repeated country-team reviews; in the PTE Study, it meant structuring a multi-disciplinary group where **local perspectives shaped analytical priorities from the outset.**



# ACTIONABLE GUIDANCE

**1. Invest in AI Literacy Before Expanding Access.** CFYE's experience shows that investing in AI literacy early (through training and by encouraging knowledge sharing among workstreams) will ensure that **expanding AI use is driven by a team that can engage with these tools critically and safely.**

**2. Design AI Workflows Around Teams, not Individuals.** Structure AI-enabled analysis to include built-in review and sharing pathways and prioritise AI use in workstreams with multi-disciplinary group structures to support circulation and peer review. CFYE applied this approach with success through the Pathways to Employment study. Where smaller teams develop AI outputs, **involving locally based workstreams in orchestration enables context-sensitive validation** and diffuses learning across the organisation.

**3. Assess & Prepare Your Data Architecture.** AI's potential for programmes like CFYE is **best exploited when data architecture is fit-for-purpose.** By considering the role of AI while (and not after) they build their data architecture, documenting shifts in practice explicitly, and other good data management practice, programmes will be able to exploit AI as a catalyst for their learning processes without sacrificing rigour.

**4. Build Transparency Mechanisms from the Start.** Documentation tools and a culture of transparency are key to encouraging ethical AI use. These discussions led directly to the development of **CFYE's AI Logbook:** a tool where team members record inputs (prompts, data types, iterations), outputs, risk assessments, and peer review requests for each AI-enabled task. Tools like the Logbook address the need to make expanding AI activity at the Fund visible, reviewable, and open to continuous improvement and learning. When teams share the tasks, data, prompts, and risks in their AI use, it **creates ethical accountability, and generates valuable institutional learning about effective AI practice.**

**5. Localise AI-Enabled Learning.** AI can be a key support for the localisation agenda, and CFYE found that **AI use is stronger when it incorporates local knowledge at multiple stages.** Practitioners should build workflows that treat local teams' knowledge input not only as final validation, but as iterative input that shapes analytical direction and validates findings throughout the process. This approach strengthens both the rigour and the relevance of the outputs, and helps ensure AI use that supports, rather than bypasses, localisation.



# INNOVATION SPOTLIGHT

## Background

CFYE conducts a **Theory of Change (TOC) Review** with each implementing partner at the end of their engagement. These structured interviews **help donors and practitioners understand how partners approach job creation, gender strategies, and pathways to employment**. While a standardised question set ensures comparability across the portfolio, it can **limit the ability to probe into each partner's unique context and learning**. CFYE needed a way to maintain consistency while generating richer, partner-specific insights.

## Intervention

To address this, CFYE introduced an **AI-collaborative methodology** that enhances the TOC Review process through a structured, “team-in-the-loop” workflow. AI supports the analysis, but human judgement, especially from local country teams, guides every stage. **AI accelerates the analysis while country teams guide interpretation**, creating a transparent, repeatable workflow where AI identifies themes, teams validate and refine them, and the final interview questions are tailored to each partner while maintaining portfolio-wide comparability. This combination **ensures both efficiency and contextual rigour** in every TOC Review.

## Results

The approach **delivers TOC Review questions that are both data-driven and tailored to each partner while still maintaining a consistent thematic structure** across the portfolio. It deepens the insights surfaced in interviews, embeds localisation through country-team input and validation throughout the AI workflow, and reduces AI-related risks through structured human oversight. Overall, it makes the process **more efficient and ensures consistently high-quality reviews for every partner**.

## Why it Matters



This innovation **shows how AI can strengthen human-centred learning** by making deeper, portfolio-wide analysis possible while still elevating local expertise. By embedding AI in a structured, team-in-the-loop workflow, **organisations can use it transparently and ethically to generate clearer insights and more targeted support for partners**. The result is stronger evidence on what drives quality jobs, without losing contextual nuance.

# LOOKING AHEAD

AI-collaborative learning is quickly becoming part of how funds like CFYE learn, helping teams go deeper through early exploratory analysis that informs hypothesis-setting and surfaces nuance, as well as go wider by freeing time to pursue additional questions and supporting synthesis across qualitative and quantitative sources. Together, these gains **strengthen how programmes learn, adapt strategy, and ultimately connect young people with decent employment.**

The Fund's approach to AI learning shows that no matter the initial context and the end goals, **future programmes stand to gain from AI strategy that is transparent and team-driven.**

