

# Pathways to Employment

Paper 2



## Social Enterprises

CHALLENGE  
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YOUTH  
EMPLOYMENT

# Acknowledgements

The CFYE team gratefully acknowledges the implementing partners (IPs) and young people who generously shared their time, insights, and experiences through interviews, surveys, and reflections that informed this study.

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*Artificial intelligence (AI) tools were used to support qualitative and quantitative data synthesis and analytical processes. All AI-assisted outputs were subject to human review, verification, and editorial judgment.*

*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.*

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# CHALLENGE FUND FXR YOUTH EMPLOYMENT

CFYE is a €134 million initiative funded by the Netherlands Ministry of Foreign Affairs. Our goal: **create, match, and improve jobs for 230,000 youth—at least half of them women—across 11 countries in MENA, Sahel & West Africa, and the Horn of Africa.** Since 2019, CFYE has issued competitive “Calls for Solutions,” inviting private-sector companies (typically part of a consortium of partners) to submit ideas for addressing the youth-employment challenge in partnership with the Fund.

CFYE has co-invested - via matching grants and complementary technical assistance (TA) - in **132 IPs**. Partner IPs commit to creating, matching or improving a certain number of decent jobs for youth over a 2-3 year project duration. The programme supports the Netherlands' *Youth@Heart* strategy and the UN SDGs on education and employment.

## What is CFYE aiming to achieve?

CFYE adopts a market-driven approach to address both supply and demand side youth employment barriers:

**Supply side:** Targeted upskilling and career-readiness initiatives that meet fast-changing labour-market needs and overcome gender barriers - for example, partnering with Nigerian digital-service providers to train young women in coding and entrepreneurship.

**Demand side:** Job creation and job quality improvements through business support - such as Uganda's Balloon Ventures, which offers micro-loans and advisory to women-led firms so they can grow and hire other youth.

## CFYE's Outcome Pathways

CFYE supports a range of pathways that enable young people to access decent work<sup>1</sup>. These pathways fall under three job outcomes:



**Create:** Young people gain employment through new work opportunities created as a direct result of CFYE support.



**Match:** Young people are connected to existing jobs through job placements and matchmaking services.



**Improve:** Young people already employed experience enhancements in job quality, such as better pay, improved working conditions, access to social protection, and career growth.

## Results-based Payment Approach

CFYE operates a Payment by Results (PbR) model. 10% of funds are released on finalising the project Theory of Change; 12.5% through quarterly and annual reporting; 37.5% for activities leading to jobs (outputs); 40% via annual job reports.

<sup>1</sup> This follows the International Labour Organization (ILO)'s definition of decent work. This is defined as work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. For CFYE, all jobs supported through the programme must respect fundamental labour rights, as set out in the ILO core standards.

# The Pathways to Employment (PTE) Learning Series

*Youth unemployment across Africa and the Middle East is a complex and urgent challenge. With over 60% of the population under the age of 25, the region faces a demographic surge that, if not matched with economic opportunity, risks deepening cycles of unemployment, underemployment, and exclusion, particularly for women and marginalised youth.*

Each year, more young people enter the labour market than there are jobs to absorb them, especially in less developed economies. Formal employment remains out of reach for most: In 2023, only about one in five youth in low-income countries could expect to secure regular paid employment and nearly three-quarters of young adults in Sub-Saharan Africa remained trapped in insecure work<sup>1</sup>, underscoring the persistent gap between demographic potential and economic opportunity.

Despite growing interest in youth employment programmes<sup>2</sup>, many interventions remain fragmented and overly focused on supply-side solutions such as upskilling. While important, this narrow focus often overlooks the demand-side of the employment equation. In other words, *what are the requirements, commercial motivations, and constraints faced by employers who ultimately create and sustain jobs?*





This highlights a critical gap: the need for more evidence and investment in programmes that directly engage employers and respond to labour market realities with demand-driven solutions.

The **Challenge Fund for Youth Employment (CFYE)** seeks to address this gap through the **Pathways to Employment (PTE) Learning Series**. Drawing on standardised data collected over 6 years of implementation and targeted case study research with selected partners, the PTE series aims to generate practical lessons on how different business models can create and sustain decent work for youth.

To better understand the types of businesses in CFYE's portfolio and their contribution to job outcomes, we have segmented our 132 implementing partners (IPs)<sup>3</sup> into the following business model categories:<sup>4</sup>

- 1 ILO (2024). *Global Employment Trends for Youth 2024: Decent Work, Brighter Futures (20th Anniversary Edition)*. International Labour Organization. Retrieved from <https://www.ilo.org/publications/major-publications/global-employment-trends-youth-2024>
- 2 Donors such as Germany (GIZ), European Union, multilateral banks (World Bank, African Development Bank), foundations such as MasterCard, and private sector companies like Accenture, Microsoft, and Adecco Group have prioritised youth employment in their strategies.
- 3 IPs are private sector led consortia or single companies contracted by the Challenge Fund for Youth Employment (CFYE) to design and deliver projects that create, match, or improve jobs for young people. IPs are selected through competitive calls for solutions and are responsible for implementing their proposed business models.
- 4 In this paper, we use "business models" as shorthand for the broad categories of enterprises that CFYE partners with. Our categorisation is informed by the Dutch Good Growth Fund (DGGF) report *Segmenting the Missing Middle*. The assumption is that DGGF's fourth category—Livelihood Sustaining Enterprises—is reached through CFYE's fourth category, Intermediaries.

Table 1. CFYE Portfolio Categorisation

	Category*	Model	Definition
      	Social Enterprises*	Social Enterprises	Businesses that combine commercial incentives with an explicit social and/ or environmental mission, aiming to create both financial sustainability and measurable impact.
	High-growth Ventures*	Platforms for offline work**	Platforms that connect general and blue-collar workers to in-person, non-digital jobs and gigs
		Platforms for digitally-delivered work**	Platforms that train and connect young people to digitally-enabled and digitally-delivered jobs
		Platforms for Skills-Building**	Platforms that offer training and skills development to enhance workers technical capabilities
		Digitizing Micro-enterprises**	Online platforms that connect potential buyers and sellers and helps to sell or buy products or services
	Dynamic Enterprises*	Agribusinesses	Businesses that produce, or provide support services to the sourcing and/ or processing of agricultural products, provided they generate revenue from these activities
		Non-agri SMEs	Businesses that operate in typical “bread & butter” industries
	Intermediaries	NGOs	Conventional non-profit organizations that set up projects to support micro-entrepreneurs and/or self-employment
		Intermediaries	Organisations that combine capital deployment with technical assistance to support the growth of small and growing businesses. Rather than creating jobs directly, they work through the businesses they finance and support, meaning they have an indirect impact on employment through the businesses in their portfolios.

\* Our categorisation is informed by the Dutch Good Growth Fund (DGGF) report *Segmenting the Missing Middle*. The assumption is that DGGF’s fourth category—Livelihood Sustaining Enterprises—is reached through CFYE’s fourth category, Intermediaries.

\*\* Subcategories within the High-Growth Ventures category broadly align with the classification used by the Jobtech Alliance.

## Four Promising Business Models

The PTE series offers a reflective, practitioner-led inquiry into how these business models are performing within the CFYE context. It aims to surface trends, generate insights, and inform the decisions of actors in the youth employment ecosystem.

For this learning series, we have selected four promising business models for deeper analysis:



### 1. Platforms for Skills-Building:

Platforms that train and connect young people to digitally enabled and digitally delivered jobs.



### 2. Social Enterprises:

Businesses that combine commercial incentives with an explicit social and/or environmental mission (for example waste management services or health products), aiming to create both financial sustainability and measurable impact.



### 3. Agribusinesses:

Businesses that produce or provide support services to the sourcing and/or processing of agricultural products, provided they generate revenue from these activities.



### 4. Intermediaries:

Organisations that combine capital deployment with technical assistance to support the growth of small and growing businesses. Rather than creating jobs directly, they work through the businesses they finance and support, meaning they have an indirect impact on employment through the businesses in their portfolios.

*Importantly, this is not an evaluation of CFYE's net impact, nor an academic study establishing causal relationships. Rather, it is a learning initiative designed to support donors, investors, practitioners, and private sector actors in designing more connected, market-grounded youth employment programmes that are more effective, scalable, and inclusive.*



# ***Social Enterprises***

*Pathways to Employment Paper 2*



# Pathways to Employment 2 Social Enterprises



Social Enterprises can transform community challenges into market opportunities often creating inclusive jobs in the process.

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Social Enterprises operate with thin margins and constrained access to growth capital, making it difficult to scale and create decent jobs, or retain talent.



but there are challenges



Young people, especially women and marginalised groups, face limited access to finance, skills, and information about available jobs.

## KEY INSIGHT



Social Enterprises can provide young people with a pathway to formal and meaningful work

## KEY INSIGHT



Agent models expand reach but require sustained support to work effectively

## KEY INSIGHT



Commercial sustainability remains a challenge, with uneven pathways to viability

## KEY INSIGHT



Trade-offs between scale, inclusion, and sustainability shape business model choices

## KEY INSIGHT



Job quality improves through intentional design

# Executive Summary

## PTE 2: Social Enterprises

Youth employment across Africa and the Middle East remains a critical challenge, compounded by demographic pressures and fragile labour markets. While many young people are eager for meaningful work, they often find themselves trapped in informal, low-wage jobs.

In this context, Social Enterprises offer a compelling model for inclusive job creation, particularly for young women. By embedding youth employment and inclusion into their core operations, these businesses have the potential to transform community challenges into market opportunities.

However, Social Enterprises face persistent barriers on both the supply and demand sides of the labour market. On the supply side, young people, especially women and marginalised groups, face limited access to finance, skills, and information about available jobs. On the demand side, Social Enterprises operate with thin margins and constrained access to growth capital, making it difficult to scale and create decent jobs, or retain talent.

Social Enterprises in CFYE's portfolio span the following sectors:

Sector	Examples of CFYE Implementing Partners (IPs)
Circular Economy	<i>Eco Brix</i> in Uganda, which formalises waste collection and recycling
Last-mile Outreach	<i>Healthy Entrepreneurs</i> in Uganda, which trains youth to deliver health products, <i>Niokobok</i> in Senegal, which runs a network of micro-entrepreneurs that resell wholesale goods in their communities, or <i>Mamamoni</i> (Nigeria) that links unbanked youth to digital wallets, micro-credit, or savings products, creating livelihood opportunities for agents and improving access to financial services.
Manufacturing	<i>Pad-Up</i> in Nigeria, which employs women to distribute reusable sanitary pads.
Renewable Energy	<i>African Clean Energy</i> in Uganda, which distributes a proprietary hybrid energy system providing access to clean cooking and basic electricity to rural populations.

PTE Paper 2 explores Social Enterprises through the following research questions:

- ▶ How do Social Enterprises turn community challenges into market opportunities while delivering impact at scale?
- ▶ How do Social Enterprises improve youth employment outcomes, including for young women and marginalised youth?
- ▶ How do they strike a balance between commercial sustainability and social impact?
- ▶ What constraints persist, and how can funders support them?





## Key Insights from CFYE

- 1. Social Enterprises can provide young people with a pathway to formal and meaningful work:**

Many young people are seeking not just income, but work that offers stability, dignity, and a sense of purpose. By integrating youth into better-structured value chains, these businesses offer pathways out of subsistence activities into roles with clearer responsibilities, better working conditions, and opportunities to progress. For example, *Eco Brixs* transitions informal waste pickers into formal recycling roles with training and support.
- 2. Gender inclusion drives business success and requires tailored approaches:**

Women face unique barriers such as mobility constraints. Addressing these barriers through inclusive hiring can create employment opportunities for women while also strengthening business performance, for example by expanding an enterprise's customer base where female agents are better able to reach women in their communities. Additionally, inclusive practices often lead to improved employee retention and higher productivity. Enterprises such as *Pad-Up* and *Niokobok* offer flexible roles, community-based operations, and targeted outreach. However, these tailored approaches usually require additional costs for training and recruitment, which need to be managed to ensure inclusion efforts remain financially sustainable as enterprises grow.
- 3. Job quality improves through intentional design:**

Improvements in HR practices, working conditions, and diversity policies lead to better retention and performance. In *Mamamoni's* model, agents gain access to loans, business mentorship, and savings cooperatives, which are designed to enhance financial security and retention.
- 4. Agent models expand reach but require sustained support to work effectively:**

Many Social Enterprises rely on youth agents for distribution. These models are most effective when agents can sustain their roles and earn reliable incomes but this depends on ongoing investment and hands-on support to the agent network. *Niokobok* provides sustained support through digital tools, training, and flexible scheduling to ensure agents can maintain their roles and income.
- 5. Commercial sustainability remains a challenge, with uneven pathways to viability:**

Thin margins and limited access to capital often constrain growth. In response, Social Enterprises are experimenting with diversifying revenue streams, refining product-market fit and improving operational efficiency. Many also rely on blended finance and TA as they work towards commercial viability. While some enterprises are likely to reach this point, others are likely to continue requiring external support due to the costs associated with delivering social impact in challenging contexts.
- 6. Trade-offs between scale, inclusion, and sustainability shape business model choices:**

Across the portfolio, Social Enterprises navigate tensions between expanding reach and maintaining job quality, investing in inclusion and managing costs, and responding to donor requirements while adapting to market realities. How these trade-offs are managed plays a key role in determining both business performance and employment outcomes.

The effectiveness of Social Enterprises in driving youth employment depends on their ability to align social impact with viable business models. Continued innovation in business models, financing, and capacity building will be key to unlocking their full potential.





## Section 1

# *Introduction*

## Defining the Challenge

Social Enterprises show strong potential to create inclusive jobs for young people, particularly in underserved and informal sectors. However, this potential is constrained by barriers<sup>5</sup> affecting both who can access these opportunities and how quickly and sustainably they can be created.

On the supply side, many young people struggle to access quality jobs due to structural constraints. Youth are often caught in an informality trap, where entry-level roles offer low and unstable incomes with limited protections or progression pathways, while formal jobs require training and ID documents, which many youth lack at the time of application. In Kenya, for example, waste pickers often begin in unsafe, low-paid roles before moving into more structured recycling businesses. These barriers are compounded by gender norms, which shape participation and working conditions. In Uganda, women in recycling face stigma and safety risks linked to working at night or in male-dominated public spaces. At the same time, youth seeking to become waste aggregators or last-mile distributors often find entry costs prohibitive.<sup>6</sup> In Nigeria, most youth cannot cover up-front costs such as for personal protective equipment (PPE) and tricycles for recyclables collections. Moreover, licensing fees and land lease requirements can have an initial fee of up to EUR 630 making it prohibitive for many young people<sup>7</sup>.

On the demand side, Social Enterprises face constraints that limit their ability to offer stable and quality jobs. Thin margins and cashflow pressures are widespread, with 63% of CFYE's Social Enterprise IPs reporting operational risks such as delayed payments, affecting wage reliability and job formalisation. Trust and reliability challenges also persist, particularly in decentralised, cash-based roles. In Senegal, enterprises report difficulties finding youth able to handle cash and deliver to last-mile customers. As enterprises grow, the need for mid-level managerial and operational talent increases, while such profiles are often hard to find. 73% of CFYE's IPs considered in this research report cite this as a risk to implementation, while high turnover among entry-level workers limits incentives to invest in training. Finally, limited access to growth capital constrains expansion. In Uganda for example, green SMEs report that lenders view their models as too experimental, restricting their ability to scale and create jobs.

These barriers underscore a core tension. Social Enterprises are well placed to create inclusive and meaningful jobs for young people, yet their ability to sustain and scale this impact is limited by gaps in finance, formality, and workforce readiness. With sufficient capital and support, they can formalise work and show that social impact and commercial viability can reinforce one another.

<sup>5</sup> Challenge Fund for Youth Employment (2021). *Scoping Reports*. Netherlands Ministry of Foreign Affairs.

<sup>6</sup> Olaniran, S. O., & Mncube, D. W. (2018). Barriers to effective youth entrepreneurship and vocational education in Nigeria. *Academy of Entrepreneurship Journal*, 24(4). <https://www.abacademies.org/articles/Barriers-to-effective-youth-entrepreneurship-and-vocational-education-1528-2686-24-4-184.pdf>

<sup>7</sup> <https://www.facebook.com/share/1Br8GwxEwX/>



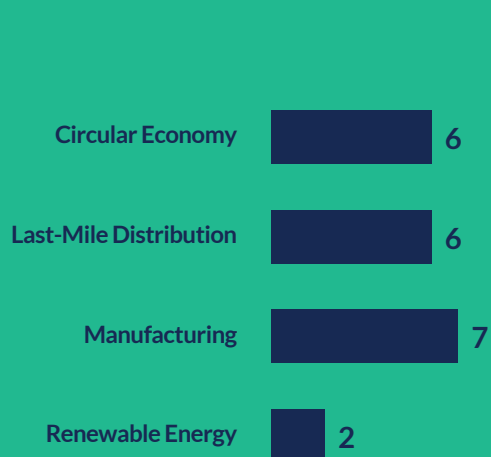
## What are Social Enterprises?

We define Social Enterprises as businesses that combine commercial incentives with an explicit social and/or environmental mission, aiming to create both financial sustainability and measurable impact. Within CFYE's portfolio, these enterprises bridge the divide between informal livelihoods and formal employment, creating decent work opportunities for young people.

In this paper, we focus on Social Enterprises that are creating pathways into employment in underserved markets in the Middle East and Africa, by integrating young people into their business models across different sectors and value chains. CFYE's 19 Social Enterprises<sup>8</sup> can be divided across four key archetypes:

### Social Enterprises Archetypes

Count of CFYE portfolio's



#### 1. Circular Economy:

Companies working towards eliminating waste and pollution

#### 2. Last-Mile Distribution:

Companies engaged in social distribution of public goods or services such as health care and financial access to Base of Pyramid (BoP) populations

#### 3. Manufacturing:

Companies engaged in production with a social impact dimension, such as reusable sanitary pads

#### 4. Renewable Energy:

Companies manufacturing or servicing technologies that utilise natural sources such as sunlight, wind and water to generate power

In practice, many enterprises operate across multiple archetypes. For example, *Eco Brix* in Uganda cuts across circular economy (waste collection), manufacturing (of products using plastic waste), and last-mile outreach (waste collectors act as agents for *Eco Brix*).

These businesses generate revenue through the sale of goods and services, while embedding young people within their value chains as employees, agents, or micro-entrepreneurs, often in roles linked directly to core operations. Many of the young people participating in these models come from low-income and informal contexts.

<sup>8</sup> In the graph on the right, some CFYE IPs, such as *Eco Brix*, have been categorized as more than one archetype.



## Who are the Featured Social Enterprises?

The table below captures the five case study IPs featured in this paper.<sup>9</sup>

Table 2. Summary table of case study IPs

	 Healthy Entrepreneurs	 MAMAMONI Digital Financial Services For Women	 NIOKOBOK CONTANE NAI	 Eco Brixs Building Zero Waste Communities	 PAD-UP CREATIONS
IP	Healthy Entrepreneurs	Mamamoni	Niokobok	Eco Brixs	Pad-Up Creations
Social Enterprise 'Archetype'	-Last-Mile Distribution	-Last-Mile Distribution	-Last-Mile Distribution	-Manufacturing -Circular Economy -Last-Mile Distribution	-Manufacturing -Last-Mile Distribution
Primary Employment Pathway	-Dependent self-employment <sup>10</sup> -Some waged jobs as staff	-Dependent self-employment	-Dependent self-employment	-Waged jobs as staff -Dependent self-employment	-Waged jobs as staff -Dependent self-employment
Cfye Project Snapshot	Healthy Entrepreneurs supports youth-led community health enterprises by combining product distribution, business support, and health education to improve incomes and access to essential goods.	Mamamoni is a digital savings and credit platform that enables low-income women entrepreneurs to access group-based finance, business training, and income generating opportunities through mobile technology.	Niokobok is a last-mile distribution platform that links informal retailers to consumer goods suppliers, generating income for youth sales agents while improving market access for small shops.	Eco Brixs transforms plastic waste into construction materials, creating jobs for youth and women across waste collection, processing, and manufacturing within a circular economy model.	Pad-Up produces and distributes reusable sanitary pads while creating employment for young women across manufacturing, sales, and community-based distribution networks.
Country	Uganda	Nigeria	Senegal	Uganda	Nigeria

## Scope of the Research

This paper draws lessons from 19 CFYE Social Enterprises operating in Nigeria, Senegal, Uganda, Kenya, Sudan, Egypt, and Tunisia. We take an exploratory, mixed-methods approach, drawing in particular on five case studies, focus group discussions, and key informant interviews with youth beneficiaries of these IPs, as well as ecosystem actors (see Annex 1 for details on Methodology). The research addresses:

- ▶ How do Social Enterprises turn community challenges into market opportunities while delivering impact at scale?
- ▶ How do Social Enterprises improve youth employment outcomes (including for young women and marginalised youth) in partnership with CFYE?
- ▶ How do they balance commercial sustainability and social impact?
- ▶ What constraints persist, and how can funders support them?

<sup>9</sup> See Annex 3 for a list of IPs in this category, their CFYE grant investment data, and job outcome results.

<sup>10</sup> These are roles carried out by workers who typically operate within the supply or distribution chain of a business, such as selling products, providing services, or collecting materials, but do not have a formal employment contract. While they have some autonomy over their work, their earnings, working conditions, and continued engagement are closely tied to the business they represent. This model is common in last-mile distribution, micro-franchising, and similar arrangements where youth or community members act as intermediaries between the enterprise and end customers.





## Section 2

# *How do Social Enterprises Contribute to Youth Employment Outcomes?*

The diagram<sup>11</sup> below illustrates how Social Enterprises contribute to two of CFYE's outcome pathways: Create and Improve. Within these pathways, Social Enterprises impact two types of jobs:

**Waged jobs:**

Jobs where youth are employed by the IP/social enterprise itself (~25% of planned jobs among Social Enterprises in the CFYE portfolio).

**Self-employment (including agent-based roles):**

Jobs where youth are integrated within the supply chain of the IP/social enterprise as agents, suppliers or distributors (~73% of planned jobs). In many cases, these roles involve forms of dependent self-employment, where individuals rely on the enterprise for income and have limited control over working conditions.

Through CFYE's intervention with Social Enterprise IPs, the Fund impacts jobs for young people under the following outcome pathways:



**1. CREATE waged jobs:**

youth are hired directly by the IP.

New positions are created as enterprises expand their operations, for example through increased production, distribution, or service delivery.

*Example: Due to the rising product demand, Pad-Up expanded its operations by establishing a new factory, resulting in the creation of additional manufacturing jobs.*

**2. CREATE dependent self-employment jobs or self-employment:**

youth become an agent at IP business or are self-employed within the supply chain of the IP.

As a result of training and/or financial support, youth suppliers are trained as agents or establish new enterprises.

*Example: Healthy Entrepreneurs trains young people as Community Health Entrepreneurs (CHEs). CHEs are provided a smartphone and onboarded onto the e-commerce platform, with credit for products to sell to consumers. CHEs receive support and training from medical staff and can order new health products through the platform as and when needed.*



**3. IMPROVE waged jobs:**

youth experience improvements in existing waged jobs.

As a result of changed human resource practices, working conditions, and/or policies enhancing diversity & inclusion, work environment at the IP business becomes more appealing to youth and/or safer for women. Young employees perform better, are more fulfilled, and therefore are retained for longer. IPs may experience increased productivity as a result.

*Example: For Eco Brixs employees, working conditions improved through increased income and staff training, which enhanced skillsets, and opened pathways for career development.*

**4. IMPROVE dependent self-employment jobs or self-employment:**

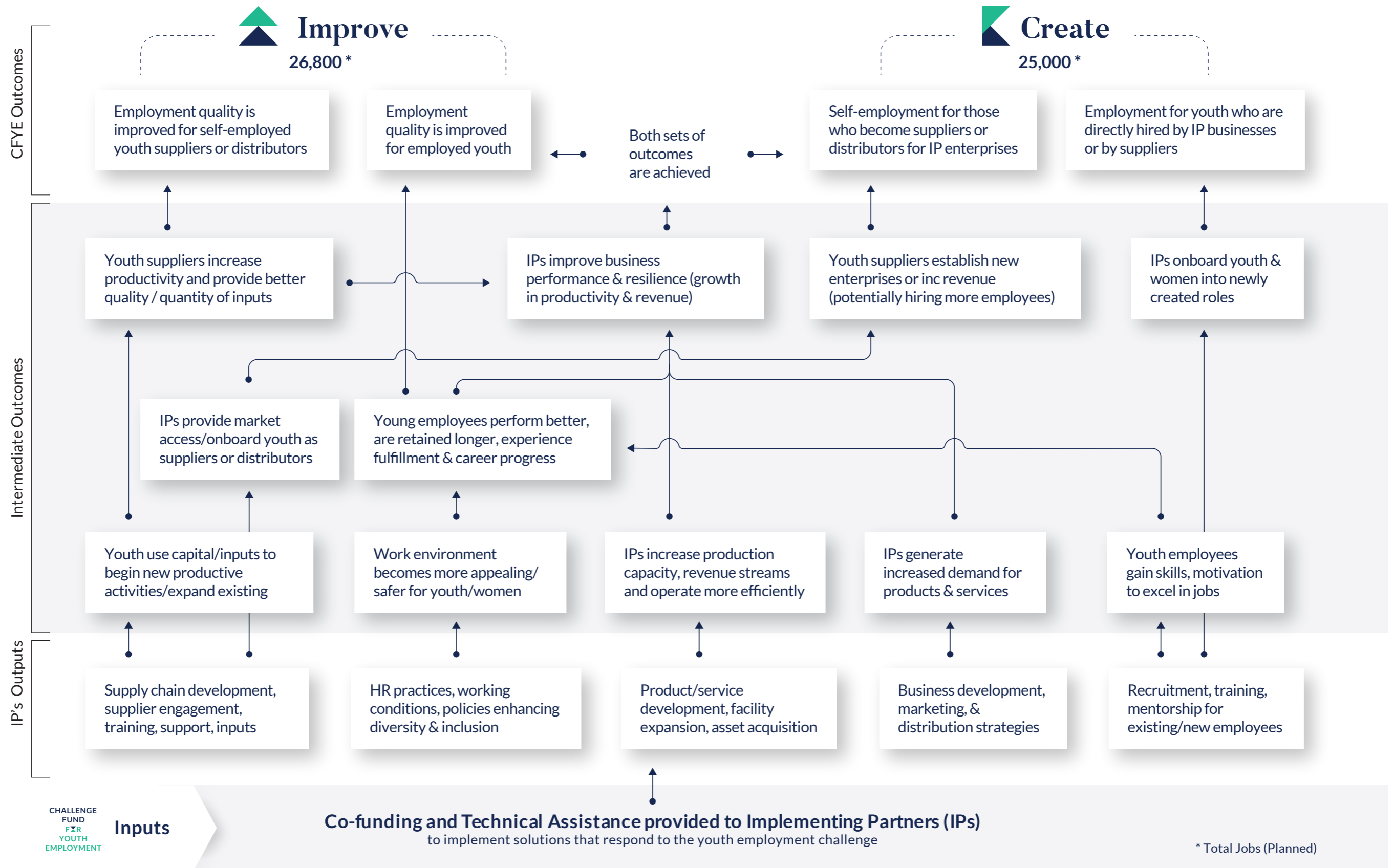
youth agents or self-employed experience improved employment quality.

As a result of supply chain development, supplier engagement, or training, IPs enable youth to become better suppliers or distributors, thereby improving the quality and/or quantity of their inputs.

*Example: Niokobok improved the working conditions for their Super Lingueres (agents) by providing health insurance and training, which led to an average increased income of 10%.*

11 For CFYE's programme-wide Theory of Change, see Annex 2.

Theory of Change for  
**CFYE's Partnership with Social Enterprises**





### Section 3

# *Business Models in Focus*

This section explores the common elements of Social Enterprise’s business models in the CFYE portfolio - including their value propositions, core activities, customer and beneficiary segments, and revenue models, and consider the constraints they face. Next, we identify converging trends and innovations that are shaping how these businesses evolve.

Taken together, these insights highlight how CFYE-supported Social Enterprises are innovating to build sustainable business models that generate youth employment.

## What is the Business Model for Social Enterprises?

While each IP has their own sectoral focus and operating model, their business strategies can be mapped to broader pillars. The overview below highlights how CFYE’s Social Enterprise IPs are delivering value, structuring their key activities, engaging customers and employers, and experimenting with revenue models.

Business Model Pillar	IP Focus Areas for CFYE Project	Challenges to Watch Out For
Value Proposition	<ul style="list-style-type: none"> <li>-Formalised work opportunities for low-income groups with relatively low barriers to entry</li> <li>-Inclusion of women and marginalised groups</li> <li>-Strengthening local economies</li> <li>-Positive environmental and/or social impact</li> <li>-Social distribution/access to public goods and services to Base of Pyramid (BoP) populations</li> </ul>	<ul style="list-style-type: none"> <li>-Many models remain fragile in their income-generating potential for employees/agents</li> <li>-Last-mile infrastructure challenges make delivery costly and complex</li> </ul>
Key Activities	<ul style="list-style-type: none"> <li>-Training youth/agents</li> <li>-Manufacturing</li> <li>-Product/service distribution (including last-mile delivery)</li> <li>-Waste collection, sorting, and recycling</li> </ul>	<ul style="list-style-type: none"> <li>-Revenue diversification is critical for success</li> <li>-Agent income highly susceptible to competition and price fluctuations</li> <li>-High turnover for agents who see limited opportunities for growth</li> <li>-Youth engage in self-employment out of necessity, not out of choice. Basic entrepreneurship training &amp; coaching is required to mitigate risks</li> <li>-Challenges around donor financing frameworks and alignment with outcome targets</li> </ul>
Customers & Beneficiaries	<ul style="list-style-type: none"> <li>-Underserved households, low-income women</li> <li>-Communities benefiting from environmental services (sanitation, waste recycling)</li> </ul>	
Revenue & Cost Model	<ul style="list-style-type: none"> <li>-Not always profit-maximising, but intended to be commercially viable</li> <li>-Product sales</li> <li>-Service fees/commissions</li> <li>-Cross-subsidisation</li> <li>-Impact investors</li> <li>-Donor support</li> </ul>	<ul style="list-style-type: none"> <li>-For donor support: challenges with age limits (when outcomes confined to youth category)</li> <li>-Overreliance on donor funding can constrain business autonomy and limit long-term sustainability if commercial revenues do not grow proportionally.</li> </ul>

## Converging Trends & Innovations

A look across CFYE's Social Enterprises shows a set of patterns in how businesses pursue scale, sustainability, and inclusion while operating in low-margin environments. These trends reflect where the sector is heading, the pressures IPs face in working toward commercial viability, and how business model evolution intersects with youth employment outcomes.

The following key themes emerge among Social Enterprises in the CFYE portfolio, illustrated by examples from five case study IPs and others in the portfolio.

### 1 Social enterprises are experimenting with ways to balance commercial viability with social impact in low margin contexts

Social Enterprises across CFYE's portfolio walk a tightrope between commercial viability and social impact objectives. They are experimenting with ways to generate more consistent revenue, while in most cases still relying, to varying degrees, on donor funding. The examples below illustrate both progress and challenges in balancing social impact objectives with viable, revenue-funded business models.

#### Diversifying revenue streams strengthens resilience and sustainability

Across the portfolio, IPs are diversifying revenue streams, aiming to become better positioned to achieve long-term sustainability and more resilient to external shocks.

- ▶ Nigerian Social Enterprise *Pad-Up* expanded from solely manufacturing menstrual hygiene products to developing an extensive agent network for selling goods in local communities. The company's expansion into agent-led sales has strengthened their market reach and stabilised revenues.
- ▶ *Mamamoni* in Nigeria blended microfinance with digital learning, building a system where loan repayments and partnerships generate steady income. Despite macroeconomic challenges, *Mamamoni* maintained cost efficiency and achieved near-target job creation (1,923 of 2,000 targeted jobs were created, all for women).

*So for the cost of business registration, we let [agents] know that when they register their businesses, it takes their business from the informal sector to the formal sector and they are also able to take advantage of other opportunities by the federal government or other organisations.*

#### Cashflow and regulatory challenges impede profitability

Several IPs cited cashflow pressures as constraints to scale, or even hampering their ability to maintain core activities. Addressing these challenges is essential for building their resilience and commercial viability.

*Last month we sold 1200 units. That's an entire village of people who now have access to energy... The issue we have is the delay in receiving funds from very poor customers not gaining access to significant enough consumer finance debt...*

— **Judith Walker,**  
COO, African Clean Energy

- ▶ Uganda's *Eco Brixs* considerably scaled up manufacturing of Polyethylene Terephthalate (PET) from ~30 tons/month to ~170–200 tons/month over the project period. However, their profitability was constrained by high costs linked with raw-material purchase prices, logistics, and payment delays.
- ▶ *Mamamoni's* commercial viability was compromised by recent Central Bank regulations, which required point of sale agents to open a bank account. This disrupted device procurement and delayed income generation for women agents, in turn affecting *Mamamoni* by increasing costs and slowing operational growth. In response to this bottleneck, the IP hired a consultant to assist women in registering their businesses. The IP notes that many agents may not have completed the process without this additional support.

— **Nkem Okocha, Founder and CEO Mamamoni**



## IPs navigate growth trade-offs between investment and bootstrapping, while many struggle to operate over the long term without external funding

Across the CFYE Social Enterprise portfolio, IPs face a trade-off between scaling through external capital and pursuing slower, bootstrapped growth. External funding can accelerate expansion, but often introduces pressure to demonstrate commercial results before market fit is fully proven, in turn raising sustainability risks. Conversely, organically grown businesses face slower growth, but may be more resilient to shocks and better aligned with market realities.

*“We had a significantly larger OpEx than we were able to carry for a long time...we kept maintaining that for a while because we wanted to show the track record and the capability [to investors]. But yeah, we’ve sort of run out of the capital to be able to sustain that...I think either in the coming year we close an equity round or it might be the end of the company.”*

– Interview (anonymised),  
with CFYE Social Enterprise IP founder

- ▶ By growing organically and avoiding pressure to scale quickly, Senegalese IP *Niokobok* has built resilience to market shocks such as inflation and global supply-chain disruptions. The trade-off has been slower expansion than might have been achieved with external funding.
- ▶ *African Clean Energy (ACE)* in Uganda found the expenses needed to deliver the activities linked to CFYE’s mile-stone payments exceeded the funding provided, forcing them to reconsider the project’s viability due to cashflow issues and limited investment. Past debt and COVID impacts further weakened their balance sheet, making it hard to secure new loans or equity.

In practice, most CFYE Social Enterprise IPs are not yet operating sustainably without external funding. While comprehensive break-even data is limited, portfolio evidence suggests that, with few exceptions such as *Eco Brixs*, which has operated without subsidies, many IPs continue to rely on grants and scale down operations when funding gaps emerge.

### Key Takeaways:

- ▶ Pathways to commercial viability may exist for Social Enterprises, but require willingness to pivot strategically, diversified revenue streams, and strong cashflow management.
- ▶ Volatile market dynamics, unpredictable policy shifts, and payment delays remain major barriers to scale.
- ▶ Bootstrapping can offer resilience but slows growth. On the other hand, donor funding may accelerate scale but can also distort priorities.

# Unlocking Investment in Social Enterprises

## The Current Investment Landscape

Social Enterprises across Africa and the Middle East are increasingly recognised as critical actors in inclusive job creation for young people. Yet, their access to capital remains constrained. While African startups raised over €1.8 billion in 2024, Social Enterprises continue to face scepticism from mainstream investors. Impact investors and development finance institutions (DFIs) such as FMO, Dutch Good Growth Fund (DGGF) NL, and Shell Foundation have supported select CFYE IPs (e.g., *Mr. Green Africa*, *Healthy Entrepreneurs*, and *African Clean Energy*), but these remain exceptions.

## Investment Challenges

Despite their potential, Social Enterprises face structural barriers to investment. Many operate in low-margin sectors with long repayment cycles, and their hybrid models, balancing commercial viability with social impact, are often perceived as risky by traditional investors.

*"The market infrastructure and environment is not ready to deploy at venture capital rate and speed. The model is heavy on operations, which doesn't make it too attractive to VCs. We need investors, I think we are bankable, but it is not easy to find the right fit."*

— **Laurent Liataud,**  
Founder and CEO of *Niokobok*

*Niokobok's* experience highlights a common dilemma: while the enterprise generates €300,000 in annual revenue through its Super Lingueres model, it struggles to attract equity investors who understand local market dynamics.

Moreover, CFYE's Payments by Results (PbR) structure, while effective in driving accountability, has proven challenging for experimental models. Enterprises like *Taka Taka* (Kenya) and *Proteen* (Uganda) faced difficulties aligning their operations with rigid payment milestones.

CFYE's portfolio illustrates examples of Social Enterprises leveraging funding to expand their businesses

- ▶ **Blended Capital & De-risking:** CFYE's co-financing approach has helped de-risk early-stage ventures, enabling them to attract follow-on funding. For example, *Eco Brixs* used CFYE support to invest in logistics infrastructure, which in turn improved their pitch to new funders.
- ▶ **Revenue Diversification:** Enterprises like *Niokobok* are expanding product categories and exploring niche markets (e.g., locally produced cosmetics) to boost profitability and reduce reliance on external funding.
- ▶ **Technical Assistance as a Catalyst:** Investment readiness TA has proven important for CFYE IPs. Businesses that participated in TA—such as *Eco Brixs*, *Healthy Entrepreneurs*, and *ACE*—reported improved investor engagement, better HR and financial systems, and increased operational resilience.
- ▶ **Investor Coordination:** CFYE has partnered with accelerators and investors such as *WIC Capital* (Senegal), *La Fabrique* (Burkina Faso), *Edventures* (Egypt), and *Acumen* (Global), each bringing tailored support to Social Enterprises. These actors not only provide capital but also help build investment readiness through venture studio models, gender-focused TA, and market access strategies.

## Looking Ahead

Social Enterprises remain underrepresented in Africa's investment landscape. Employment is still viewed as a secondary impact metric by many investors, and youth-specific employment outcomes are rarely prioritised.

To unlock the full commercial and impact potential of Social Enterprises, the ecosystem must evolve to offer more flexible financing instruments, tailored TA, and investor education.

## 2 Operational agility and product-market fit are key drivers of business performance and employment outcomes

While financial pressures shape how Social Enterprises operate, long term viability ultimately depends on how effectively IPs learn and adapt their offerings with market demand. Across the CFYE portfolio, IPs have worked to refine products and delivery models over time. Strategic pivots are often supported (but sometimes constrained) by donor funding.

### Operational agility helps IPs to seize new opportunities and adjust to market volatility

Social Enterprises' capability to adapt their strategies, processes or products in response to evolving market needs and operational challenges is critical, as they often operate in challenging and dynamic environments.

- ▶ *Mamamoni* embedded data tracking and quarterly reporting tools across its savings and lending operations. These systems improved portfolio performance by enabling closer monitoring of loan repayment trends and client behaviour, while also strengthening Mamamoni's credibility with external funders. The ability to demonstrate performance data in a structured way supported resource mobilisation and reduced reliance on informal decision-making as the organisation scaled.
- ▶ *Niokobok* illustrates how operational agility can be maintained even without rapid, capital-intensive growth. As its network expanded to over 2,000 women sales agents, the company retained a call centre rather than fully automating engagement. This enabled Niokobok to gather real-time feedback on seasonal demand, allowing the platform to adjust product offerings swiftly in response to market signals.

### Strategic shifts enable Social Enterprises to remain resilient and responsive to new opportunities or threats

Adaptations of product mix, delivery models, or target segments, can help IPs respond to emerging opportunities, mitigate risks, and sustain employment outcomes.

- ▶ *Niokobok's* products were typically low-priced, and it was difficult for agents to maintain healthy profit margins. By gathering regular user feedback, Niokobok learned which products were most popular in different regions and adjusted their offerings to better match local demand. In response to these challenges, the team made a strategic shift by allowing agents to purchase smaller quantities and sell them at lower prices, making it easier for agents to operate profitably.
- ▶ Uganda-based *Healthy Entrepreneurs* experimented with expanding their product basket to include water filters, solar solutions and nutrition products as additional income-generation opportunities for their CHEs. Moreover, for their CFYE project, Healthy Entrepreneurs created a new category of agents with this expanded product basket, aimed at appealing to younger entrepreneurs, and increasing coverage of more urban areas. However, launching a new value chain and engaging a younger agent network to align with CFYE's focus on youth proved to be challenging, particularly due to the older age bracket of government-recruited Community Health Workers, unviable unit economics, and regulatory barriers, and the project was terminated prematurely.
- ▶ *Marula/Proteen* in Uganda initially tried to diversify their income by branching into poultry sales. While both the farmers and Proteen earned some revenue from these activities, the team realised poultry sales were not a core income stream and decided against diluting their focus. They returned to their core business—using Black Soldier Flies (BSF) larvae to process organic waste—and found greater success by pivoting to selling larvae eggs, which drew on their existing knowledge base. This led them to establish a sustainable business model centred on breeding and selling five-day-old BSF larvae for use as animal feed and producing fertiliser, supplying smallholder farmers and larger producers, and even exporting eggs to neighbouring countries. By remaining within their established value chain, they met strong demand for both BSF and fertiliser, while delivering benefits to farmers through increased productivity and income.

## Impact goals influence strategy but can also distort incentives

- ▶ Across the portfolio, some strategic shifts were driven not only by commercial incentives but also by explicit impact objectives, such as extending opportunities to women, refugees, and marginalised communities. While these adaptations enabled IPs to reach underserved groups, they also exposed tensions.
- ▶ *Eco Brixs & TakaTaka Solutions* joint CFYE project<sup>12</sup> established a buyback centre in the Nakivale refugee camp through a partnership with international non-governmental aid organisation Malteser International, extending job improvements to refugee waste pickers.
- ▶ *Niokobok* found that CFYE's Payments by Results (PbR) framework undervalued their systemic impact, along with limiting operational flexibility and straining cashflow. Project time pressures led to an early release of their app, even though it wasn't fully ready, because the app completion was tied to funding disbursement.

*"It was one of the most important learnings. You say we are going to have 500,000 (EUR) to execute the project, but then you realise that it's linked to specific and formal milestones...We've been lucky that there is a product market fit. But if we found out on our way that we don't need an app...it would have been a massive challenge to do things differently"*

— **Laurent Liataud,**  
Founder and CEO, *Niokobok*

## Key Takeaways:

- ▶ Focusing solely on meeting targets may overlook lessons learned from testing and pivoting, which can often determine the long-term sustainability and scalability of impact.
- ▶ Direct engagement with agents and openness to evolving needs can serve the dual purposes of supporting agents and refining offerings according to market requirements.
- ▶ Exploring new directions within similar or related value chains leveraging existing core competencies is often more effective than venturing into entirely new sectors.
- ▶ IPs in the Social Enterprise category push for results frameworks to recognise dual impact (social benefits *and* jobs), which offers a more comprehensive measure of social impact and sustainability.

<sup>12</sup> See *Eco Brixs* Case Study for details



## Innovation Spotlight

# Eco Brixs and TakaTaka Solutions

*Eco Brixs and TakaTaka Solutions* rolled out a personalized Monitoring, Evaluation and Learning (MEL) application due to challenges of engaging informal waste workers in providing accurate data collection.

The app increases traceability from the point of collection through to processing, thereby providing live data on recycling activity, individual earnings, gender, age, and location.

### 3 Agent-based models offer scale but present trade-offs in job quality and retention

Within the CFYE portfolio, agent models offer high potential for reaching job targets. However, these models expose tensions between rapid expansion and job quality. In particular, the [PbR framework](#) often risks favouring short-term results over potentially more sustainable or meaningful outcomes.

#### Many IPs have paired fair income and meaningful benefits

Steady income and social protections not only attract and retain workers but also empower individuals to build sustainable livelihoods.

- ▶ *Healthy Entrepreneurs'* Community Health Entrepreneurs (CHEs) earn a monthly amount of about 14 – 47 EUR, as they procure products at a subsidised rate and typically yield 30-35% markup. For dedicated CHEs, this income can constitute 60-75% of their earnings, making their work with Healthy Entrepreneurs their primary occupation, next to other typical income generation activities such as agriculture. Moreover, CHEs also receive secondary benefits including hospital insurance and emergency credit facilities.
- ▶ Kenya's *TakaTaka Solutions* provides a suite of social benefits to attract and retain waste pickers, particularly women. Medical checkups, vaccinations and PPE are offered to all pickers, while women receive sanitary kits, subsidised kindergarten access for children, and school vouchers. These benefits enable single mothers to work longer hours (resulting in an improved income) and help build trust in a sector with little formal protection.
- ▶ *Mamamoni's* agent network and vocational training system aim to combine income generation with social protection features. Through this model, women gain access to loans, business mentorship, and savings cooperatives, which are designed to enhance financial security and retention.

#### Employee retention remains a significant challenge

Many IPs struggle to keep agents or employees engaged over time, which affects turnover and may cause disruption to supply of services or production. Employers are experimenting with retention incentives with varying success.

*"The high turnover rate at the company lately has affected our productivity and concentration at work. This has left us demoralised and limited me from giving work my full ability and potential because of uncertainty and fear of the unknown that I'm next to be laid off".*

– 34-year-old female staff, anonymised  
CFYE Social Enterprise Mr. Green Africa

- ▶ Competition from other recyclers offering higher prices caused Mr. Green Africa to lose waste pickers, threatening supply stability. To retain suppliers, Mr. Green Africa introduced a loyalty programme that pays a premium to longstanding partners and experimented with non-monetary incentives such as hand carts financed through a partnership with a financial institution. Despite these efforts, price wars continue to pose a risk, and Mr. Green Africa acknowledges the need for diversified supply sources and better trust-building with waste pickers.
- ▶ *Niokobok*: Many agents tend to sell primarily during peak periods such as Ramadan, or may pause sales due to personal reasons like family events. To address these fluctuations, Niokobok employs strategies such as weekly coaching and encouragement calls, gamification, and incentives. Retention strategies, including free delivery days and small vouchers, have reportedly helped reactivate agents who had become inactive.
- ▶ *Eco Brixs*: An annual appraisal process measured against targets, along with a monthly bonus scheme and staff development programme increased staff retention. Other retention strategies employed by Eco Brixs include timely payments, health care provision, grievance packages, and daily lunch.

## Skills-building and peer learning are important drivers of youth job satisfaction

*"At first the machines were challenging, but with training we adapted. Now I feel skilled in a way I never imagined."*

– 24 year old Female Production Assistant  
Pad-Up

Skills-building not only enhances individual capabilities, but also increases loyalty to employers.

- ▶ *Healthy Entrepreneurs*: Rather than relying on one-off training, the IP combines continuous skills development, certification, and peer learning within local networks, enabling Community Health Entrepreneurs (CHEs) to build confidence and long-term commitment to their roles. This approach has proven critical in improving retention in a sector typically characterised by high attrition.

*"I have got technical knowledge in treating people which I never used to have before joining as a CHE. We had good trainings on how to treat and prescribe some medicine and after those trainings, we are given certificates to officially treat people in the community with minor conditions."*

– 30 year old female CHE,  
Healthy Entrepreneurs

## Scaling while sustaining job quality creates structural tradeoffs for Social Enterprises

Social Enterprises face a persistent tension between scaling their operations and maintaining job quality and retention, particularly in low-margin business models. Business growth can unlock revenue and impact at scale, but often impacts feasibility. Conversely, prioritising job quality through wages, benefits, and skills training strengthens retention, but raises operating costs.

- ▶ *Niokobok*: The Super Lingueres agent network expanded quickly, in part due to CFYE's requirement to reach a set number of agents to unlock milestone payments. This pace, however, outstripped what the wider Niokobok business and team could realistically support. The IP suggested that focusing on a steadier growth plan and prioritising the retention of top agents would have been a more strategic approach.

- ▶ *African Clean Energy (ACE)* invested in job quality by offering its sales agents formal employment contracts with a base salary complemented by performance-based commissions, alongside extensive training. While this model supported higher job quality, it significantly increased the company's fixed operating costs, particularly payroll, benefits, and supervisory layers. During periods of constrained cashflow, this cost structure limited ACE's ability to scale.

### Key Takeaways:

- ▶ To improve dignity of work and social protections, IPs have paired earnings with benefits (such as insurance) and sales with business support (such as through customised training, community accountability structures, and mentorship opportunities).
- ▶ Young employees valued empowerment, flexible schedules, and community support as crucial aspects of job quality. At the same time, they emphasised the need for more consistent pay, better benefits, formal contracts, and equal training opportunities.
- ▶ The CFYE Pathways to Employment Youth Survey results additionally point to the need for Social Enterprises to invest in communication and grievance mechanisms. By ensuring these channels are clear and responsive, employers can foster a sense of empowerment and trust, ultimately supporting a more committed and satisfied workforce.



## Youth Voice Spotlight

# Balancing Scale and Job Quality in Agent Models

Tensions emerge when examining job quality within Social Enterprises through the perspectives of IPs and the youth they employ. While IPs in our case studies frequently highlighted positive aspects such as improved income, social protections, and opportunities for empowerment, many young employees and agents pointed out persistent gaps. This contrast suggests that despite notable progress and well-intentioned recruitment strategies, there remains a disconnect between the perceived benefits promoted by Social Enterprises and the lived experiences of the young people they employ.

The following captures high-level findings of the CFYE Pathways to Employment Survey<sup>13</sup> of young employees and agents of case-study IPs (n=250 (50 per IP):)

### What youth consistently value

- ▶ Flexibility and autonomy: Young agents across IPs appreciate having autonomy over their working hours and managing their own customer networks.
- ▶ Purpose and community contribution: Many take pride in improving health access (*Healthy Entrepreneurs*), menstrual hygiene (*Pad-Up*), and environmental sustainability (*Eco Brixs*).
- ▶ Skills and confidence: Training in sales, digital tools (*Mamamoni*), machinery operation (*Pad-Up*), or health counselling (*Healthy Entrepreneurs*) was repeatedly highlighted as transformative.



### Where youth identify gaps

- ▶ Inconsistent earnings and limited benefits: Youth from 3 out of 5 IPs flagged lack of formal contracts, health insurance, sick leave, and unstable pay.
- ▶ Operational delays affecting income: Nearly 40% of agents expressed that point-of-sale issues, stock shortages, or delayed pickups directly reduced earnings and caused customer mistrust.
- ▶ Few advancement pathways: Majority of agents saw limited opportunities to move into better-paid roles. Some noted they used earnings to finance exits into other businesses.
- ▶ Communication gaps: younger agents cited weak grievance channels, unresolved complaints, and limited feedback loops.

### Diverging experiences

- ▶ Gender: Women often reported greater pride and inclusion than their male counterparts, yet gave lower scores on job security, working conditions, access to benefits, and promotions.
- ▶ Age: Younger staff and agents rated wages and progression higher than older youth (30-35 years)
- ▶ Role type: Agents had 40% higher job satisfaction scores, and higher job security and wage scores than full and part-time staff (by 20-25%).

<sup>13</sup> The PTE Youth Survey draws on primary interviews and questionnaires with young people engaged in CFYE-supported businesses, conducted alongside case study research to capture youth perspectives on job access, quality, and progression. The survey is intended to complement qualitative analysis rather than provide statistically representative findings.



## Innovation Spotlight

# Healthy Entrepreneurs

*Healthy Entrepreneurs* developed a levelling system as a pathway to progression for Community Health Entrepreneurs.

Well-performing CHEs were given a chance to take part in further training to expand their product/service basket (e.g., to include injectable contraceptives).

In our FGDs, HE agents highlighted skills gained in health education, communication, and community leadership.



## Innovation Spotlight

### Pad-Up

*Pad-Up* hired women from internally-displaced person camps, providing accommodation and livelihoods, and launched a “Waste to Freedom” project that teaches inmates to recycle sanitary pad waste into rugs, with proceeds supporting legal fees and family expenses.

This approach aligns with Pad-Up’s broader objective of ensuring that vulnerable groups are not left behind in accessing decent jobs. These young women were trained in a shorter period of time, which also benefitted Pad-Up. The firm is also expanding into products made from newer recycled materials, exploring additional job types, and partnering with other social enterprises for distribution.

Such diversification reinforces Pad-Up’s social mission while opening new income streams.

## 4 Last-mile delivery models depend on trust, local systems, and community engagement

*As long as I have my bottles, I can always exchange and get money whenever I need it. It's a business that you are sure of income as long as you have stock. There is nothing that gives me joy than getting my money whenever I need it.*

— 28 year old male collection agent,  
Eco Brixs

Many CFYE Social Enterprises create public goods - such as health access, environmental clean-up, and menstrual hygiene. Their impact depends on building trust, delivering consistent quality, and supporting community engagement, while navigating the practical challenges of reaching remote populations and working within local dynamics.

### Trust built through community legitimacy and shared value drives sustained participation and resilience

When companies build transparent relationships and consistently deliver quality, they foster loyalty and encourage greater participation among both agents and consumers. This, in turn, amplifies the positive social impact and long-term success of their initiatives.

- ▶ *Pad-Up's* community education and quality assurance increase loyalty and agent success. Their education programmes ensure end-users understand product use and hygiene benefits. On the inclusion front, *Pad-Up* encountered resistance not only from the women's families—especially their husbands—but also from male employees uncomfortable with female leadership. To address these barriers, *Pad-Up's* team took steps to educate husbands on the value and opportunities of women's involvement, engaging them individually to build understanding and support.
- ▶ *Healthy Entrepreneurs'* collaboration with the government extends legitimacy to their work for local communities. At the same time, FGDs with CHEs have shed light on the challenges of working with local health ecosystems. Notably,

there is a pattern of both collaboration and competition between CHEs and government-hired village health teams, with some mistrust arising over the sale of allegedly inferior or black-market products. These tensions also extend into the personal relationships of the entrepreneurs, especially for women whose increasing economic agency has sometimes led to reduced support or growing tensions within their households.

- ▶ *Pad-Up*: *Pad-Up* relies heavily on community engagement, such as with churches and mosques, to recruit sales agents and factory workers. Engaging Pastors and Imams as community influencers is highly effective, as parents of young job seekers trust their guidance and view their endorsement as reassurance that the company is a safe and reputable place for young people to work. These religious leaders typically offer support in the form of community service rather than for financial reward.
- ▶ To support their agents' growth, *Niokobok* facilitated community-based savings structures, locally known as *tontines*. Through these savings groups, agents contributed regularly to a communal fund, enabling each member to access a lump sum on a rotating basis. This not only empowered women to purchase inventory in bulk and expand their businesses but also fostered solidarity within the agent community.

### Quantifying and institutionalising impact enables better decision-making and reinforces business credibility

Embedding impact metrics into core business processes, rather than treating them as standalone reporting requirements, helps translate into sustained performance improvements. At the same time, credible, verifiable impact data enhances trust with funders and partners.

- ▶ *Eco Brixs* is pursuing Gold Standard certification for both carbon and plastic credits<sup>14</sup>. These credits can be sold to companies seeking to offset

<sup>14</sup> Carbon and plastic credits assign a measurable value to activities that reduce environmental harm, such as recycling plastics or reducing carbon emissions. When *Eco Brixs* achieves Gold Standard certification, it means their recycling and waste management processes will have certifiably met rigorous international benchmarks for environmental and social impact. This certification will allow *Eco Brixs* to generate carbon and plastic credits for every ton of waste they collect and process.

their own carbon footprint or plastic usage. The revenue generated from selling these credits can be used in various ways, such as increasing earnings for collectors, or reinvesting in other environmental initiatives. Moreover, certification can enhance credibility and attract new funding opportunities.

*“The plastic credits in particular can have a big impact for the collectors because you get credit for collecting and credit for processing. So we can absorb processing credit and the collecting credit we can defer to them with an increased buying price.”*

— Andy Bownds,  
CEO & Co-Founder, Eco Brixs

### Reaching “last-mile” communities remains a persistent challenge

Logistic complexities and infrastructure barriers frequently impede efforts to serve these hard-to-reach groups. It also remains more challenging for IPs to establish market access where there is less population density.

- ▶ *Proteen* started by targeting rural vanilla farmers through consortium partner Enimiro’s extension network. They found this to be challenging for a number of reasons. Logistically, it was harder to reach these ‘last-mile’ farmers, and they would often have less resources available to set up and maintain the BSF larvae harvesting systems. Midway through, the project pivoted to targeting farmers in urban and semi-urban areas, which worked better in terms of logistics and penetration.

### Key Takeaways:

- ▶ Building trust through communication and consistent product quality has proven essential in encouraging repeat engagement.
- ▶ Successful uptake depends on how well Social Enterprises understand and align with local institutions, such as health teams, religious groups, and savings circles, which can facilitate trust.
- ▶ Reaching remote or underserved communities increases operational costs, yet it can also expand market share and open new customer segments.

## 5 Digital tools are strengthening operations but often require hands-on support for users

Digital tools often underpin supply chains, payments, service delivery, and performance management in IP operations. However, adoption remains uneven.

### Expanding distribution channels and introducing digital tools can enhance agents’ earning potential and strengthen local ecosystems

By broadening distribution channels and introducing digital tools, IPs can enhance agents’ resilience. However, the effectiveness of these network expansions hinges on whether supporting technologies and partnerships are responsive to agents’ operational realities.

Slow uptake of technology can lead to challenges in streamlining operations, scaling outreach, and ensuring that products and services reach consumers effectively. In the youth surveys and

FGDs, complaints about network issues, point-of-sale machine reliability, and delays in transactions were common, sometimes undermining customer trust. Understanding these barriers is essential for Social Enterprises to design solutions that are user-friendly and tailored to agent and consumer needs.

- ▶ *Healthy Entrepreneurs’* telehealth and e-dispensing allows CHEs to dispense medicines via barcode scanning. This digital channel complements the offline sales and responds to a broader trend towards technology-enabled healthcare distribution. This innovation aims to increase monthly revenues for CHEs and make the self-employment model more resilient.



## Innovation Spotlight

### Mr. Green Africa

*Mr. Green Africa (MGA)* tested Aggregation Agent and Collector Agent models, using small shop owners and community caretakers as dropoff points. These models underperformed because households were unwilling to deliver plastic to the agents, due to stigma and limited storage space.

MGA responded by introducing mobile trading points—trucks that travel to waste pickers and buy plastic directly.

This flexible approach dramatically increased integration rates and reduced travel time for waste pickers

*“...We train the women in physical trainings. What we now also did was create these trainings in bite sized [explainer videos]. So if I’ve taught a woman how to do transfer...and she has forgotten, so there’s a video she can always go back to. It’s no more than one minute that she can watch.”*

— **Nkem Okocha,**  
**Founder and CEO Mamamoni**

Many of Mamamoni’s beneficiaries (60%) access training and loans digitally. However, onboarding remains slow among rural and older women. Mamamoni adapted its fintech-enabled microloan and training approach to reflect beneficiaries’ digital readiness and market conditions by offering blended delivery, ensuring inclusivity for low-literacy users.

- ▶ *Eco Brixs* attempted to digitise plastic waste payments via mobile money, but faced significant challenges including transaction fees, payment delays, lack of phone access among collectors, agent preferences for cash, and increased risk of fraud due to reliance on third parties to receive funds. Currently, the project relies on supervisors to handle cash transactions, which also brings challenges linked to fund accountability and theft.

- ▶ *Niokobok*: While the deployment of a mobile app was central to their operations, the team encountered challenges in ensuring the app’s accessibility for users with low literacy and limited digital experience. As a result, *Niokobok* continued to rely on its call centre—which requires staffing 5 to 6 full-time female employees—to collect feedback. Agents appreciate this high-touch facility for communication.

### Key Takeaways:

- ▶ Digital inclusion in low-connectivity contexts requires integrating both high-tech and high-touch or offline approaches.
- ▶ Prioritising user research, offering continuous support, and implementing phased roll-outs and blended delivery models have supported IP efforts towards greater digital inclusion.

## 6 Embedding inclusion in core operations expands participation but introduces trade-offs

IPs have made strategic design choices to increase participation for women and marginalised youth. Many struggle to balance technological innovation with rolling out solutions that are inclusive and not only catering to the digitally savvy or urban youth. This requires contending with issues such as low digital literacy, mistrust of technology, and social norms.

### Inclusive staffing models enhance trust and broaden participation

- ▶ As the direct link between Social Enterprises and the communities they serve, frontline staff presence builds trust and the effectiveness of outreach, particularly for businesses aimed at including and empowering women and marginalised groups.

- ▶ *Pad-Up*’s model combines factory-based employment with a network of agents, primarily young women, who sell products within their communities. This structure ensures that menstrual hygiene becomes a channel for women’s inclusion as well as youth livelihood. 81% of jobs are held by women, surpassing the project’s CFYE target of 73%.

- ▶ *Eco Brixs* found that appointing women as micro-franchisers and buy-back centre managers increased female participation in recycling. Moreover, 20% of *Eco Brixs* staff are Persons with Disabilities (PWDs), and 20 staff members are from the deaf community. These figures underscore the IP’s commitment to advancing social inclusion and diversity within the company.

*I wasn’t doing anything because I was pregnant, I was formally teaching and the pregnancy made me stop. When I came in contact with Mamamoni It helped me financially. I was living in a room before and now with Mamamoni point of sale the income I have made, I was able to move to a better apartment.*

— **30 year old female agent,**  
**Mamamoni**



## Innovation Spotlight

# NIOKOBOK

*Niokobok* effectively leveraged TikTok as a recruitment platform, attracting approximately 70,000 agent applications in a short period, significantly exceeding their recruitment capacity.

WhatsApp remains a vital communication channel within the network, where Super Ligueres actively exchange tips, strategies, and support to enhance their performance.

The collaboration with CFYE'S TA was instrumental in developing the Super Ligueres app, which functions as the key interface between Niokobok and its extensive agent network, streamlining communication and operational efficiency.

## Inclusion is most effective when embedded in core operations, not retrofitted to meet targets

By embedding empowerment into their operations and creating pathways for marginalised youth to participate, IPs ensure that inclusion and equity are not afterthoughts or measures to meet donor requirements.

*Here, we don't see any difference between men and women. Everyone is given the same chance to work and succeed.*

— female staff member  
Pad-Up

- ▶ *African Clean Energy (ACE)* undertook several measures to improve recruitment and employee retention. Walk-in interviews proved effective for rapidly hiring sales agents, especially women. ACE management emphasised internal promotions, motivating staff to perform. However, the majority of new jobs remain sales-oriented, leaving job creation largely susceptible to market volatility.
- ▶ *Marula/Proteen* temporarily restricted hiring to women during certain project phases to meet CFYE inclusion requirements. However, this approach was misaligned with its market driven production model, where labour demand was shaped by operational needs. This experience illustrates the limits of enforcing gender targets where inclusion is not structurally supported by the business model.
- ▶ *Pad-Up*: Feedback to Pad-Up from the Blind Association of Nigeria exposed the inability of blind individuals from participating as agents because point-of-sale devices lacked accessibility features, such as tactile buttons. The IP is committed to adapting future devices to be more inclusive.
- ▶ *Vitalite* invested heavily in training rural women to sell and service solar products, providing equipment such as digital tools and bicycles. While group-based training achieved strong participation, attrition increased once women were expected to operate independently. Resistance from family members, linked to safety concerns and mobility norms, led Vitalite to adapt informally by training male relatives alongside women, underscoring how gender inclusion efforts must account for social norms and household dynamics.

## Diverse roles can attract a broader talent pool

Expanding the range of job opportunities within Social Enterprises is important for fostering inclusion and reducing dependence on low-value roles.

- ▶ *Mr. Green Africa (MGA)* in Kenya struggled to meet gender and youth targets for CFYE because women are deterred by safety concerns and there is stigma associated with handling waste. To attract more women, MGA is experimenting with less physically demanding roles such as aggregator agent positions and is providing protective equipment. The company acknowledges that sustained messaging is necessary to improve the sector's image.
- ▶ *TakaTaka Solutions* trains women with driving licenses to operate machinery and aims to expand technical job opportunities for them. By purchasing vehicles and investing in logistics capacity, the company is able to reach new areas and offer young women positions such as drivers, machine operators and site supervisors.

### Key Takeaways:

- ▶ Social impact is more meaningful when gender and inclusivity outcomes are part of the strategic design and not simply catering to donor requirements.
- ▶ Building inclusivity requires ongoing investment in technology and stakeholder engagement, ensuring that excluded groups are considered in business operations and planning.

## Gender-Responsive and Inclusive Design

Youth perspectives show that Social Enterprises can shift norms and expand opportunities for women and marginalised groups, but they also surface structural barriers.

### Where women feel empowered

- ▶ Women's economic agency: *Pad-Up*, *Mamamoni*, and *Niokobok* agents described gaining independence, confidence, and improved household status.
- ▶ Inclusive hiring and representation: *Eco Brixs'* employment of women, youth, and people with disabilities was repeatedly cited as a source of pride and belonging.
- ▶ Community respect: Youth working in several IPs said their work improved their credibility and social standing.

### Where barriers persist

- ▶ Gender norms: Women cited family resistance to travel and fieldwork
- ▶ Uneven access to progression: In one of the five IPs, men reported higher rates of promotion than women, and women with higher education reported job quality lower than male peers
- ▶ Safety and stigma: Women avoided certain roles (e.g. waste aggregation, late-evening deliveries) due to physical demands or social perceptions
- ▶ Accessibility gaps: Youth with disabilities highlighted device or tool limitations for blind users.

### A mixed picture across groups

- ▶ Young women feel valued in mission-driven models, but emphasise persistent inequities in pay, conditions, and training
- ▶ Youth outside capital cities reported that models expanded access to income and networks, but required tailored support
- ▶ Low-literacy youth appreciated blended approaches (*Mamamoni*, *Niokobok*) but flagged digital barriers





## Innovation Spotlight

# Mamamoni

*Mamamoni's* entire business model can be considered gender-transformative, designed for low-income women's economic participation. Ninety-six percent of jobs are female, with incomes rising 40-60%.

The programme combines customised training, mentorship, and credit access, allowing women to transition from informal lending to sustainable entrepreneurship.

Mamamoni female employees reported being respected by husbands and serving as role models for other women. Focus Group Discussions (FGDs) revealed that female entrepreneurship redefines gender norms and expectations in local communities.

## 7 Ecosystem partnerships are essential for scaling and overcoming resource constraints

Partnerships spanning government, finance, distribution, and knowledge exchange remain critical for Social Enterprises to scale. These collaborations especially enable organisations to overcome challenges such as limited resources, regulation in the sector, and fragmented distribution networks. However, the tension often lies in accessing the right partners and aligning missions.

### By working with government agencies, Social Enterprises can integrate into existing systems and avoid duplicating or competing with public services.

- ▶ *Healthy Entrepreneurs' collaboration with district health departments enabled the recruitment of hundreds of young Community Health Workers (CHWs) as agents, or CHEs. This improved local legitimacy and ensured their services were aligned with public health systems, but it also came with notable challenges. Navigating bureaucratic government structures often meant grappling with operational delays, particularly around budgeting.*
- ▶ *Mr. Green Africa (MGA)'s collaborations with government waste-storage facilities provided access to additional storage space, and Pad-Up obtained priority fuel access from the government, which was critical for maintaining production during periods of fuel scarcity.*

### Community, NGO, and peer alliances foster trust, facilitate access to local networks, and enable knowledge-sharing

- ▶ *By launching the Uganda Recycling Association, Eco Brixs has been able to create a platform for dialogue, especially around local policy. Moreover, partnerships with regional peers, such as Mr. Green Africa, enhanced knowledge transfer and sector-building efforts. Under the CFYE project, Eco Brixs partnered with TakaTaka Solutions (Kenya) to scale collection, invest in machinery, and extend its buyback network. While TakaTaka's entry into Uganda faced logistical and market challenges that made its model unviable, Eco Brixs was able to take on the implementation responsibility and sustain the project. The experience provided valuable lessons on market adaptation and the realities of scaling Social Enterprise models across borders.*

- ▶ *Eco Brixs encountered challenges in partnering with non-governmental organisations (NGOs) and community-based organisations (CBOs) when establishing collection points in new areas. Despite their involvement in waste management, Eco Brixs found that these organisations often lack sustainability planning, tending to rely heavily on donor funding.*
- ▶ *Mr. Green Africa (MGA) partnered with shop owners and building caretakers to host aggregation points, expanding its collection network and making it easier for waste-pickers to drop off materials. These partnerships helped MGA mitigate space constraints, build community trust, and formalise operations.*

### Key Takeaways:

- ▶ *Ecosystem collaboration is essential for scaling Social Enterprises, but it requires alignment of social and commercial objectives.*
- ▶ *Partnerships enable IPs to access resources, build trust, and formalise operations. This often extends benefits beyond sustainable employment to health, environmental sustainability, and women's empowerment.*



## Section 4

# *Lessons Learned and Looking Ahead*

This section distills the key lessons we have learned from CFYE's partnership with Social Enterprises to expand employment opportunities for youth. Drawing on practical experience, we highlight below the factors that drive success, where challenges persist, and what donors, implementers, and Social Enterprises should consider for future partnerships on scaling sustainable opportunities for youth employment.

## 1 Social Enterprises face challenges in reaching commercial sustainability, yet they can deliver decent jobs, public goods, and overall social value

IPs that combined disciplined operations, a focus on getting unit economics right, and clear, tested value propositions advanced fastest toward sustainability. Yet, while Social Enterprises intend to be commercially viable, it is important to note that they are *not always profit maximising*. Often, the founders are socially-minded and willing to accept lower profits. Different models sit along a spectrum of sustainability, with some able to move toward commercial viability over time and others likely to require ongoing subsidy. For example, like many Social Enterprises, *Eco Brix*s prioritises community outcomes and therefore remains open to donor support to sustain operations. The company focused on disciplined operations and CFYE's grant and TA to streamline its supply chain and strengthen its value proposition, enabling it to attract further investment.

### Implications:

#### ▶ Donors/Implementers:

Understand whether the Social Enterprise aims to become self-sustaining or will likely require ongoing subsidies to maintain operations.

Where there is a particularly strong impact case, consider continued support for Social Enterprises that struggle with commercial viability, while also helping them connect to more stable long-term financing options rather than relying solely on short-term donor grants.

#### ▶ Social Enterprises:

Focus on building the most viable business possible rather than optimising for grant funding. Treat cashflow management and realistic growth planning as core capabilities.

Be explicit, both internally and with partners, about commercial sustainability goals and the level of subsidy required to achieve them.

## 2 Product-market fit and operational agility trump milestone-driven growth

It is difficult for early-stage businesses to set accurate job targets, and pivots are common, and often positive, when they respond to market demand. At the same time, CFYE's experience shows that early job targets can quickly become unrealistic as businesses refine their models. For example, *Proteen* had more control over direct hiring than over creating jobs for suppliers, but struggled to balance labour needs with cost discipline as it worked toward profitability. The team also found it hard to plan resourcing at the outset, given the early stage of the business and significant pivots during the project, especially once the unit economics of the Black Soldier Fly outgrower model proved unviable.

### Implications:

#### ▶ Donors/Implementers:

Support promising Social Enterprises in the early phases, including with pilots, but manage expectations on the scale and speed of employment outcomes. Avoid pushing for rapid growth at the cost of sound unit economics or poor product-market fit.

Select businesses with higher job outcomes potential based on tested pilots, healthy cashflow and diversified revenue. Ensure IPs have sound evidence of demand (e.g. repeat orders, employer pull) prior to selection.

Design milestones that give enterprises room to adjust and pivot as they learn what works.

#### ▶ Social Enterprises:

Let product-market fit and operational agility guide growth strategy rather than predefined job targets.

### 3 Agent models can scale quickly, but need to be intentionally designed for quality and sustainability

Agent models have the potential to create large numbers of jobs relatively fast. Many young people naturally gravitate to and are suited for roles offered by Social Enterprises (for example, point-of-sale agents). However, dignity of work and stability depend on many aspects such as benefits, fair earnings, opportunities for professional development, job security, access to safe working conditions, and clear career progression pathways. Moreover, respect for workers' rights and recognition in the workplace all play crucial roles in fostering a dignified work environment.

A further consideration is the commercial feasibility of these models, as viable unit economics and the right level of investment in agent support and working conditions determine whether employment outcomes can be sustained over time. For example, agent models often attract young people and can generate large numbers of jobs relatively fast, which makes them appealing to employment-focused projects. However, rapid expansion alone is not a reliable measure of impact. The real test is whether an agent model can provide fair earnings, benefits, safe working conditions and pathways for progression. A case in point is *Niokbok*, which expanded rapidly, driven by CFYE's requirement to reach job targets to unlock payments. The IP noted that a steadier growth plan would have yielded a more strategic approach.

#### Implications:

##### ▶ Donors/Implementers:

Assess agent models not only on expected job numbers but on whether the business can sustain earnings and job quality over time.

Prioritise IPs with evidence of ongoing agent engagement rather than high initial sign-up numbers.

Evaluate the unit economics of the model and whether the required level of investment in agent support is feasible for long-term sustainability.

##### ▶ Social Enterprises:

Link commissions with meaningful benefits and capability-building to strengthen retention and job quality.

Understand and test unit economics early to avoid scaling beyond what the model can sustain. Protect margins so agents can earn reliably and make sure that the cost of ongoing hands-on support for agents is fully factored in.

### 4 Rigid donor requirements can be a misfit for some business models

Social Enterprises may feel pressured into prioritising donor-imposed metrics, such as specific age or gender criteria, over their own business logic or market demand, leading to superficial compliance. Moreover, businesses may feel compelled to stick to donor-mandated activities, even when evidence suggests a need to pivot. This can limit their ability to respond to market signals and can result in wasted resources or missed opportunities for impact.

When the donor's requirements are a poor fit, enterprises may disengage. For example, for *Healthy Entrepreneurs*, CFYE's strict youth age-band limited payment unlocks, ultimately leading to their withdrawal from the programme. *TakaTaka Solutions* moved into materials recycling but found this wasn't a viable business model or pathway to job creation.

Working with CFYE's PbR milestone structure was a challenge since their milestones were based around activities that were no longer commercially viable.

#### Implications

##### ▶ Donors/Implementers:

While selecting IPs, consider whether the PbR framework or other requirements such as age or gender criteria are a suitable match for the company's operational and business context.

Rather than focusing solely on job numbers, projects could place emphasis on job quality and the development of inclusive job pathways.

▶ **Social Enterprises:**

Carefully assess whether donor requirements are compatible with their own business models and operational contexts.

Where possible, advocate for flexibility in funding frameworks, placing greater emphasis on job quality, inclusivity, and the sustainability of impact rather than solely on targets or rigid milestones.

Engaging in open dialogue with donors can help ensure that interventions deliver enterprise growth sustainably.



## 5 Grants and TA can be effective tools for this business model category when tailored to IPs' contexts (geography, sector, stage of growth)

Grants and TA played complementary roles in supporting CFYE's IPs. Financial contributions created the space for IPs to test new approaches, expand reach, and absorb risks, while TA addressed operational efficiency, business growth strategies, and inclusion.

Generic or standardised TA, particularly when offered through online formats such as webinars - proved less effective, underscoring the need for support that is in-country and tailored to context-specific challenges. *See box below for more details.*

### Implications:

▶ **Donors/Implementers:**

Design TA to match practical needs of IPs. Prioritise support on gender and M&E, delivered through blended formats (group workshops, peer learning, one-to-one coaching). Fund follow-up is important to help ensure lessons are applied in practice.

See also: [CFYE TA Learning Brief](#)

▶ **Social Enterprises:**

Treat TA as strategic, not a donor obligation. Nominate key staff to attend relevant sessions. Dedicate senior management time to embed lessons into systems and strategy.

## Operational Bottlenecks and Impact on CFYE Targets

Several IPs encountered systemic challenges that collided with CFYE's fixed timelines and job creation targets under the [Payments by Results \(PbR\) framework](#). Manufacturing disruptions, inflationary pressures, and regulatory delays slowed implementation. Last-mile constraints in agent networks and logistics compounded these issues. These factors not only strained operational budgets but also forced IPs to defer hiring or scale back expansion plans, creating a mismatch between projected and actual job outcomes.

The interaction of these bottlenecks with the PbR model amplified risk for businesses. With payments tied to verified results, delays in production and compliance meant IPs faced liquidity pressures. This dynamic limited their ability to absorb shocks, such as supply chain breakdowns or fuel price hikes, ultimately constraining the pace and sustainability of job creation.

## Where was the Challenge Fund Model Most Additional?

CFYE's grant funding and TA may have accelerated the development and ambition of portfolio Social Enterprises, in some instances enabling businesses to scale and become more employment-oriented. This included introducing more inclusive hiring practices and becoming more strategic about business growth, and may not have occurred—or at least not as quickly—without targeted support.

### Financial Additionality of CFYE Grant Funding for the IP

For many IPs, cashflow is a major challenge, particularly due to customer payment delays and challenges in accessing investment. Securing funding through CFYE has helped IPs make strategic pivots, invest in growth, and signalled credibility to other funders. For example,

- ▶ *Niokobok*: Funding made the Super Lingueres network possible at speed and scale and attract additional capital and internal resourcing.
- ▶ *Pad-Up*: Through CFYE funding, they expanded production, trained more agents, and diversified outputs to meet demand.
- ▶ *Eco Brix*: Used funds to invest in operations, infrastructure, and staffing. This enabled them to successfully pitch for additional funding.
- ▶ *Healthy Entrepreneurs*: With CFYE support, Healthy Entrepreneurs launched a “business builder” programme combining coaching, mentoring, and financial literacy, resulting in higher income for CHes.

### TA Additionality for Improving Business and Operations of the IP

CFYE TA has provided strategic and operational support for Social Enterprises to build out their value propositions, and professionalise their operations, enabling them to scale efficiently. There was a high level of participation from this group of IPs in the Scaling and Investment Readiness TA and peer-to-peer learnings were often an outcome of group TA.

- ▶ *Pad-Up*: TA centred on scaling and investment readiness and health and safety support. As a result, Pad-Up introduced greater operational discipline and enhanced accountability. The company also professionalised internal policies, notably in human resources and health and safety standards.
- ▶ *Sanivation (Kenya)*: TA on supply chain development prompted the development of verification protocols and the replacement of informal suppliers with formal, long-term contracts. Sanivation expects that formal supplier management will reassure investors and ensure more reliable biomass feedstock.

However, there has been notable hesitation by this set of IPs to transition from being grant-dependent to a purely commercial mindset.

Often, timeliness in delivery and customisation of TA was key to its effectiveness:

- ▶ *Proteen* found the TA on financial management was too “generic” to be very helpful. The TA provider identified flaws in their system (at a high level) that were already known to the team, whereas what they really needed was practical advice/ hands-on support.
- ▶ *TakaTaka Solutions* received HR TA but did not have the right personnel in place at the time to take full advantage of the support.

## TA Additionality of Impact in Outreach and Inclusion (including Women & Marginalised Youth)

The gender inclusion focus was not as additional compared to other business models as many IPs already had a strong women focus. In general, this group of IPs were more receptive to social impact and job quality TA than other business models in CFYE's portfolio.

- ▶ *Eco Brix*s received Gender TA that helped them incorporate inclusive practices across recruitment, safety, and career growth pathways. Some of the new practices adopted by Eco Brix as a result of this TA include initiation of workplace breastfeeding spaces for mothers, construction of a child-care space, and set up of women-led saving groups (SACCOs). Moreover, Eco Brix participated in CFYE's Cross-Country learning event on gender and employee well-being in Lagos, Nigeria. Lessons from this event encouraged the IP to kick off monthly employee social activities that stimulated team morale, encouraged open communication, and positively impacted staff mental health and productivity.
- ▶ *Proteen* noted that CFYE's support directly influenced their decision to prioritise youth employment, recognising that Uganda's youth are not only more open to innovation but also represent a strategic business advantage. Ongoing campaigns in Uganda to reshape attitudes towards farming as a viable career have likely reinforced Proteen's efforts.

## TA Enabling Impact Measurement

By linking operational data systems with social impact metrics, CFYE TA supported IPs to move from anecdotal impact claims to evidence-based reporting.

- ▶ *Mamamoni* received TA to support tracking loan repayment and post training employment data for women entrepreneurs. This has enabled the IP to gain investor credibility and prepare for future funding rounds.
- ▶ *Healthy Entrepreneurs* refined its monitoring framework to capture both health access outcomes and youth livelihood metrics, improving performance visibility.
- ▶ *Eco Brix*s developed job quality indicators aligned with CFYE's framework, enabling more nuanced reporting on improved jobs.



## Looking Ahead

Social Enterprises face persistent challenges in reaching full commercial sustainability. Nonetheless, they warrant continued support given their ability to deliver decent and formalised jobs, essential public goods and broader social value. Sustaining and scaling their impact, however, requires:



**Flexible funding to enable these businesses test and refine their models.**



**Customised TA to help institutionalise stronger operations, growth strategies, M&E systems and inclusion practices, delivered through sustained engagement.**



**Access to capital remains a critical enabler for piloting new solutions, diversifying revenue streams and expanding reach. Reducing barriers to investment will require a stronger evidence base and clearer demonstrations of impact.**



**A supportive ecosystem with improved regulatory frameworks, market access, and sustained engagement with stakeholders, which will help businesses adapt, scale and maintain their commitment to inclusion and job quality.**

Advancing youth employment through Social Enterprises ultimately calls for a systems approach. The insights in this paper lay the groundwork for donors, policymakers, implementers and Social Enterprises themselves to close evidence gaps and build more inclusive, resilient and sustainable pathways to work for young people.





# *Annexes*

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## Annex A

# Methodology

## Research design

A mixed-methods research design was used to provide a more complete understanding of the featured business models.

- ▶ Quantitative analysis measured the scale of impact – for example, how many jobs had been created, matched, or improved as a result of supporting these business models and IPs.
- ▶ Qualitative analysis explored the reasons behind these changes, particularly which factors might have contributed to success (e.g. financial performance and social impact), sustainability, and challenges.

## Data sources

### Secondary data (CFYE portfolio data and other secondary sources)

- ▶ Provided quantitative information on results and trends at an aggregate (business model) level and at the level of the individual IPs and projects.
- ▶ Provided qualitative insights (e.g. on labour market barriers for young people, success factors and challenges experienced by IPs, the effects of CFYE's support, etc.).

### Primary research

- ▶ IP case studies provided insights into business models, the role of CFYE's support, challenges, and success factors. The cases combined quantitative data (e.g. financial and usage information) with qualitative insights, and the report included both within-case and cross-case analysis. Case study IPs had been selected for their innovative approaches to project design, scalability, targeted support to young women, early signs of commercial viability, and willingness to share data and learning with the CFYE team for the purposes of this study.
- ▶ Rapid youth survey: a random, stratified, non-representative survey of young people in Nigeria and Kenya with experience using DMSI's and Serianu's services respectively (n=50 per IP).
- ▶ Key informant interviews (KIIs): semi-structured discussions with IP representatives, employers, and investors/ecosystem support organisations generated insights on the inner workings of featured business models, the impact on employers of using these services, and the investment ecosystem and dynamics relating to these business models and IPs.

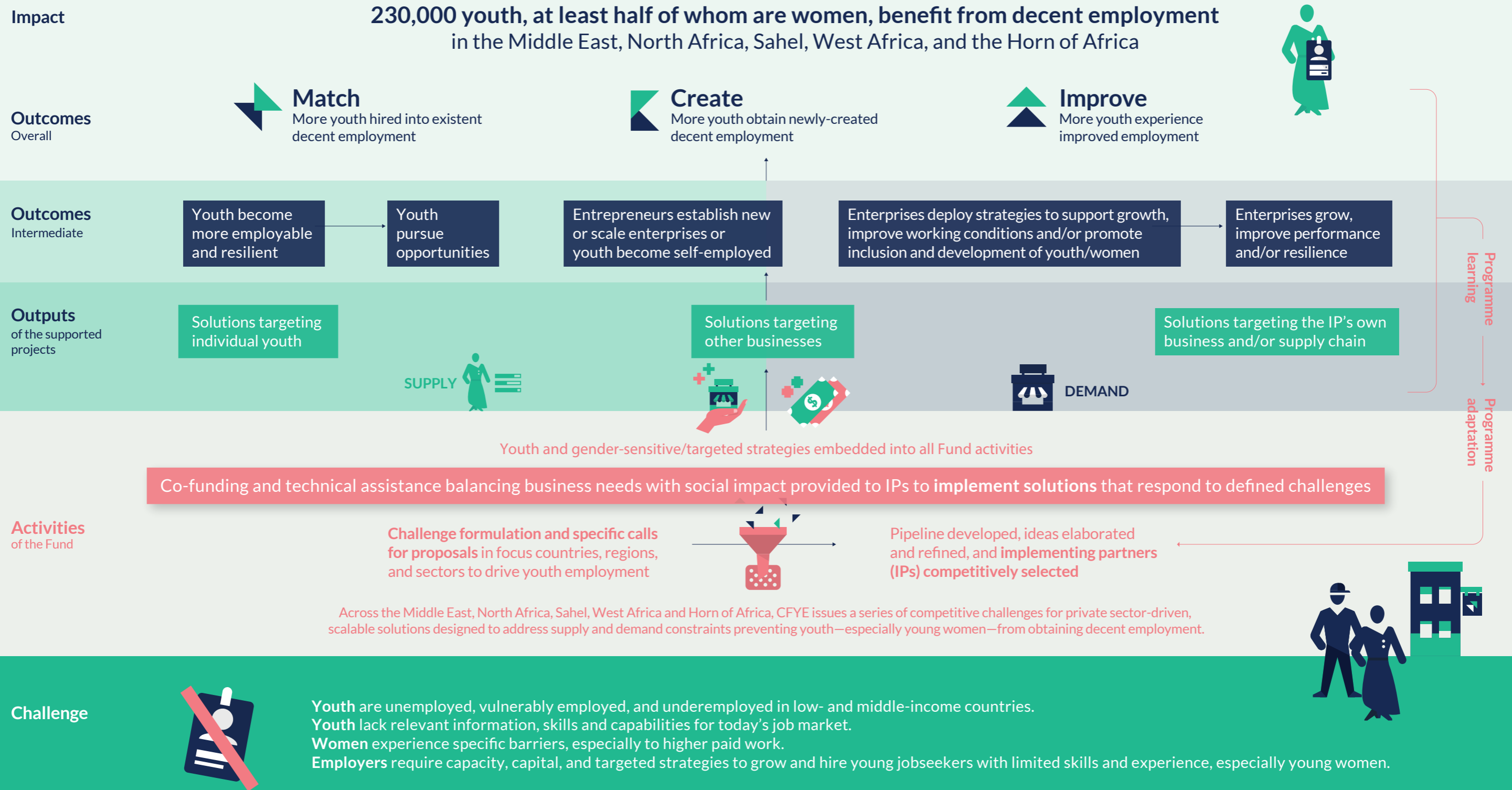
*This learning initiative was led by an internal, multi-disciplinary learning team working on CFYE. The insights drew on diverse implementation experiences (geographically and across functions) to support joint learning across the Fund.*

Annex B

# The CFYE Fund Level Theory of Change

CFYE's Theory of Change (ToC) reflects a shared understanding of the project's intended impact and the pathways through which that impact will be delivered. The logic underpinning the ToC draws on available evidence about what works in youth employment and job creation programmes across the focus countries.

Moreover, the Fund ToC provides the basis for assessing the Fund's results and informs learning activities. Rather than a static hypothesis, the ToC is expected to evolve as the Fund generates new insights through implementation.



## Annex C

# CFYE's Social Enterprise Portfolio

Country	Project	Short Description of Project	CFYE Contract Value	Achieved Jobs**		
				Created	Improved	Matched
Egypt	Tagaddod <sup>2</sup>	A tech-driven waste-to-biofuel company that collects and certifies used oil to supply renewable feedstocks.	€800,000.00	963	153	-
Kenya	Shujaaz Inc	A social impact media and youth engagement enterprise that equips millions of young people with information, skills, and community networks for empowerment.	€2,006,187.00	5,286	8,136	-
	Healthy Entrepreneurs	A last-mile health enterprise that equips health workers to deliver essential products and telehealth services in underserved rural areas.	€698,800.00	186	17	-
	Mr Green Africa	A social enterprise integrating waste collectors into a fair-trade plastics value chain to produce high-quality recycled materials.	€1,027,277.00	776	2484	-
	TakaTaka Solutions	A fully integrated waste management company that collects, sorts, recycles, and composts over 95% of the waste it handles.	€751,020.00	2,054	1091	-
	Sanivation	A circular sanitation enterprise that partners with cities to convert sludge into clean-burning fuel briquettes.	€500,000.00	4	36	-
	Bottle Logistics <sup>2</sup>	A glass-recycling and bottle-washing company that recovers, cleans, and processes discarded glass into reusable bottles and high-quality cullet.	€290,066.00	150	154	-
Nigeria	Pad-Up Creations*	A social enterprise producing certified reusable sanitary pads and related hygiene products.	€294,579.00	1,423	96	-
	Mamamoni*	A fintech social enterprise providing micro-loans, agency banking, and vocational training to low-income women.	€250,000.00	1,923	-	-
	Solid Chemicals Recycling <sup>2</sup>	A plastic recycling company converting used PET into export-ready raw materials.	€198,738.00	414	208	-

Country	Project	Short Description of Project	CFYE Contract Value	Achieved Jobs**		
				Created	Improved	Matched
Senegal	Niokobok*	A digital commerce and delivery service enabling Senegalese abroad to purchase essentials directly for their families back home.	€504,593.00	701	1,452	-
	Vitalite	A social enterprise providing affordable solar energy and clean-cooking solutions to low-income households.	€224,750.00	255	22	-
Sudan	Alsalam Atelier <sup>2</sup>	A small-scale enterprise focused on producing reusable sanitary pads.	€513,773.00	143	-	-
Tunisia	Dasri Sterile	A medical-waste treatment company that sterilizes hazardous healthcare waste to meet environmental and safety standards.	€587,350.00	161	113	537
Uganda	Eco Brixx <sup>2</sup> *	A circular-economy enterprise that recycles plastic waste into construction materials.	€1,282,339.00	2,179	1,884	-
	Healthy Entrepreneurs*	A last-mile health enterprise empowering community health entrepreneurs to deliver basic healthcare and products in remote communities.	€1,309,200.00	4,278	1,485	-
	African Clean Energy	A clean-energy company providing efficient cookstoves and solar-hybrid home energy systems for off-grid households.	€782,629.00	210	-	-
	Marula / Proteen	An insect-protein agribusiness converting organic waste into high-value black soldier fly protein for animal feed.	€304,254.00	117	2,078	-
	Proteen	A circular-agriculture enterprise producing insect-based animal feed ingredients from organic waste streams.	€584,473.75	32	-	-

\* Case study IP

\*\* Project timelines varied across the portfolio, with some projects completed and others ongoing at the time of publication (<sup>2</sup>). Reported job figures for ongoing projects are provisional and expected to increase at final reporting.



# *Case Studies*

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## Case study 1

# Pad-Up Creations

Case Study Author: **Sarah Ebody**

Editors: **Nimrah Karim and Justin van Rhyn**

*This case study is part of the Challenge Fund for Youth Employment's Pathways to Employment (PTE) Learning Series Paper 2: Social Enterprises. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYE-supported initiatives across Africa and the Middle East.*



### Key Takeaways

Combining essential goods production with last-mile distribution can support inclusive employment. Pad-Up Creations produces reusable sanitary products while distributing them through a network of agents. By linking manufacturing with community-based sales, the model addresses menstrual health access while creating income opportunities for young women across both production and distribution.

Supported sales models with low barriers to entry can enable young women to participate in the labour market. Pad-Up's agent model allows women to earn income without upfront capital, supported by training, mentorship, and access to credit-based inventory. This structure reduces entry barriers while maintaining a level of formality and support often absent in informal work.

Scaling production capacity is critical to translating demand into sustained job creation. With CFYE support, Pad-Up invested in expanding production and strengthening internal systems. These improvements enabled the company to meet growing demand and convert commercial growth into over 1,500 decent jobs, while maintaining a strong focus on gender inclusion.

## 1 Introduction

In Nigeria, high youth unemployment and persistent gender inequality continue to constrain economic participation, especially for women. Meanwhile, menstrual health challenges affect girls' education, dignity, and long-term well-being. Pad-Up Creations Limited, founded in 2016 by Olivia Onyemaobi, addresses both issues by producing affordable, reusable menstrual hygiene products and creating youth employment opportunities in manufacturing and distribution.

The enterprise originated from Olivia's volunteer work with survivors of sexual abuse, where the lack of affordable sanitary products was identified as a key factor driving school absenteeism and social vulnerability. From this experience emerged a mission: to create locally made, reusable pads that are both accessible and sustainable. Today, Pad-

Up has distributed over 15 million pads across 21 countries, securing certifications in international markets and diversifying into related hygiene products such as baby diapers and storage kits.

Pad-Up's model combines factory-based employment with a vast network of Micro Sales Agents, primarily young women, who sell products within their communities. This structure enhances both product reach and economic empowerment, ensuring that menstrual hygiene becomes a channel for women's inclusion and youth livelihood creation. The company also partners with schools, NGOs, and government bodies to deliver education and advocacy programmes on reproductive health, hygiene, and confidence-building.

## Key Details

Year founded	2016
Location	Minna, Niger State, Nigeria (with hubs nation wide, and distribution across 21 countries)
Employment Outcomes	Total jobs 1,519 (1,423 jobs created, 96 jobs improved)
Annual Revenue	€417,383
Staff	103

## 2 The Business Model

Pad-Up operates a model that combines permanent factory roles with a community-based sales network. The factory workforce holds salaried positions in production, packaging, administration, and marketing, receiving allowances, bonuses, and benefits such as workplace safety measures, training opportunities, and staff engagement initiatives. Alongside this, Pad-Up runs a commission-based sales agent network made up largely of young women who are trained and supported to sell products within their communities, earning commissions, performance bonuses, and referral incentives.

- ▶ **Value Proposition:** Pad-Up's value proposition spans multiple stakeholders: for consumers, it offers affordable, reusable, and ecofriendly sanitary products that support health and wellbeing, backed by an environmentally conscious model that recycles 99% of all waste through its subsidiary arm; for sales agents, it provides training, credit based inventory, and meaningful income generating opportunities; and for institutional clients, it delivers locally manufactured products with clear, measurable social impact.
- ▶ **Key Activities:** Production of reusable hygiene products, recruitment and training of sales agents, and advocacy and education campaigns.
- ▶ **Revenue Streams:** Product sales (pads, diapers, and kits) and bulk orders for institutional contracts.
- ▶ **Customer Segments:** Pad-Up serves three primary **Customer Segments:** women and girls in underserved communities; Micro Sales Agents—typically young women who purchase or receive pads on credit and sell them within

their local areas; and schools, NGOs, and health organisations that procure bulk orders for outreach and education programmes.

- ▶ **Key Resources:** The company's key resources include its manufacturing facilities in Minna, Niger State; a nationwide network of agents; and a skilled factory workforce supported by inhouse training programmes.
- ▶ **Channels:** Direct sales via agents and school and community workshops.
- ▶ **Cost Structure:** Raw materials, staff salaries, training, logistics, and sales incentives.

### Evolution of Business Model

Pad-Up made a significant business pivot by introducing the Micro Sales Agent model. This approach not only empowers agents economically but also expanded the company's reach into underserved areas. The model has created a decentralised distribution network of over 22,000 women serving as sales agents, fostering community engagement and trust.

As the model matured, Pad-Up strengthened its focus on training, mentorship, and ongoing support systems, recognising that agent success depended not only on product access but also on skills development and market activation. At the same time, the company expanded its product portfolio and invested in production capacity to meet growing demand, aligning manufacturing scale with distribution growth.

## Support from CFYE and Impact of Technical Assistance

The CFYE project played a key role in scaling Pad-Up Creations' operations. Before CFYE support, the enterprise focused mainly on product manufacturing with limited attention to distribution networks. The CFYE grant allowed the company to expand production capacity, recruit and train more sales agents, and diversify its product offerings, enabling it to respond more effectively to customer demand.

Pad-Up also received TA for their project. These assignments were focused on Scaling and Investment readiness, Human Centred Design, Health and Safety support, and Meaningful Youth Participation. Through the TA support, Pad-Up was able to

introduce operational discipline, accountability, and deadline-oriented processes, while increasing visibility and professionalising internal policies, such as human resources and health and safety standards. Olivia Onyemaobi also notes the importance that learning events and peer to peer exchange played in sharing lessons learned throughout the project implementation:

*"The learning forums where you have different businesses who are in the CFYE, that was the best for me because it's gave us an opportunity to exchange ideas...helped us to measure how far we were going, learn from those who are doing it better, be able to share our wins..."*

— **Olivia Onyemaobi, Founder, Pad-Up**

## 3 Results

In total, 1,519 jobs were created or improved (1,423 created and 96 improved), exceeding planned targets, with 81% of roles held by women, surpassing gender inclusion goals.

Beyond job creation, the project contributed to meaningful improvements in job quality, with factory employees receiving fair wages, training, safety equipment, and access to staff welfare initiatives. Over 1,300 youth, the majority of whom were women, completed structured training programmes, strengthening their skills in hygiene management, sales, and entrepreneurship.

At the operational level, Pad-Up significantly expanded its production capacity through the launch of the largest reusable sanitary pad factory in West Africa, enabling a threefold increase in output, while distributing over 3.6 million products during the project period. Together, these results demonstrate a strong alignment between commercial growth, inclusive employment, and improved access to essential hygiene products.

## 4 Success Factors and Challenges

Pad-Up Creations aims to generate social value by directly addressing the stigma and barriers surrounding menstruation. Through outreach and education programmes, the enterprise aims to normalise conversations around menstrual health in schools and communities. These programmes also engage boys and men, fostering broader societal understanding and reducing gender-based taboos. By building this educational platform, Pad-Up Creations strengthens community awareness while creating avenues for young people to participate as menstrual health advocates.

The Micro Sales Agent programme represents a central component of Pad-Up's economic empowerment strategy. This arrangement lowers

entry barriers to entrepreneurship, but it also carries certain risks: agents who struggle to sell products can delay repayments, creating financial exposure for the company and potential discouragement among participants.

To manage these challenges, Pad-Up invests in local market sensitisation and awareness-building to strengthen demand for reusable sanitary pads. The company also provides ongoing support to agents, including refresher trainings, mentorship, and targeted marketing assistance. These efforts have contributed to improved product turnover, higher agent retention, and more consistent sales performance.

Beyond income generation, the agent model has supported skill development in sales, communication, and financial management. These competencies have helped some agents to expand into other ventures, suggesting that the programme's benefits extend beyond immediate earnings.

As with many early-stage social enterprises, Pad-Up has experienced internal capacity challenges, particularly in recruiting and retaining staff with the right skillsets. Olivia notes that limited HR structure and automation initially constrained efficiency and consistency in hiring. In response, the company introduced a more deliberate recruitment process that aligns candidate motivation with its social mission. This includes a pre-interview questionnaire and both IQ and EQ assessments to evaluate compatibility with Pad-Up's values and culture. These measures were developed and implemented immediately following the CFYE project period.

Pad-Up also prioritises inclusion across its workforce and agent network, with a focus on creating opportunities for young women and marginalised groups. Flexible work arrangements, training, and mentorship, ensure that staff and agents can balance work with other responsibilities, particularly in regions where young women may face cultural or familial constraints. The company promotes an open and safe work culture, and provides social incentives and benefits for employees, such as an awards night and an allowance for professional development.

## 5 Future Outlook

Looking ahead, Pad-Up Creations aims to scale both its production capacity and Micro Sales Agent network to significantly increase market penetration, with a target of reaching 50 million products over the next 14 months.

A key priority will be strengthening the commercial viability of the agent model by improving agent productivity, refining credit mechanisms, and deepening demand generation through community sensitisation and partnerships with schools and public institutions. The company is also exploring further product diversification and operational efficiencies, including automation and improved supply chain management to reduce unit costs and support sustained growth.

At the same time, Pad-Up is actively seeking investment from venture capital and impact investors to fund expansion and consolidate its position as a leading provider of reusable hygiene products in Africa. While the model shows strong potential, future success will depend on maintaining a balance between rapid scale, agent performance, and financial sustainability in a challenging macroeconomic environment.



## Case study 2

# Healthy Entrepreneurs

Case Study Author: **Niek van Dijk**

Editors: **Sarah Ebady, Nimrah Karim, and Justin van Rhyn**

*This case study is part of the Challenge Fund for Youth Employment's Pathways to Employment (PTE) Learning Series Paper 2: Social Enterprises. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYEsupported initiatives across Africa and the Middle East.*



## Key Takeaways

### **Transforming Community Health Workers into entrepreneurs enhances job and systems-level outcomes:**

The shift from volunteer Community Health Workers to paid Community Health Entrepreneurs increased reach of Healthy Entrepreneurs. This demonstrates how empowering frontline workers financially and as micro-entrepreneurs drives impact.

### **Growth opportunities are key for retention:**

Community Health Worker retention as volunteers was typically low, but Healthy Entrepreneurs improved it through regular capacity building, ongoing support, and clear career advancement for Community Health Entrepreneurs, rather than relying on one-off trainings.

### **Public-private partnerships can allow for scale of operations:**

Healthy Entrepreneurs' strategic decision to embed themselves into existing government health structure, rather than competing with it, gave them both legitimacy to operate and tap into pre-existing networks, and a duty to align with government priorities and pace.

## 1 Introduction

Healthy Entrepreneurs is a Social Enterprise tackling the problem of limited healthcare access in remote communities. The organisation was founded by Joost van Engen, who observed that essential medicines were often hard to obtain due to distribution challenges. Initially, Healthy Entrepreneurs pursued a franchise pharmacy model, but this approach did not suit the East African context. As a result, Healthy

Entrepreneurs shifted strategy and developed a network of over 20,000 Community Health Entrepreneurs. This was achieved by transitioning government volunteer Community Health Workers into paid entrepreneurs, and equipping them with training and starter kits to established their own health-focused businesses.

### Key Details

Year founded	2012
Location	Kampala, Uganda
Employment Outcomes	Total jobs 5,763 (4,278 created; 1,485 improved)
Annual Revenue	€ 3.4 million
Staff	125

## 2 The Business Model

Healthy Entrepreneurs is a hybrid Social Enterprise model that merges healthcare delivery with entrepreneurship. The business model centres on Community Health Entrepreneurs (CHEs), who act as agents or franchisees selling Healthy Entrepreneurs healthcare products and services, along with advising communities on general health practices.

The organisation actively partners with government officials and district health offices to ensure proper recruitment of Community Health Workers and foster ongoing collaboration. Recruited Community Health Workers, who are referred to as Community Health Entrepreneurs, are onboarded to a 12-month training programme, starting with financial and digital literacy, and business skills.

- ▶ **Value Proposition:** For communities: access to affordable, high-quality, and essential medicines and health products in last-mile areas. For entrepreneurs: training, business starter kits, access to credit, and continuous coaching to build viable micro-enterprises.
- ▶ **Key Activities:** Recruitment, training, and equipping of Community Health Entrepreneurs and partnerships with government health programmes and NGOs.
- ▶ **Revenue Streams:** Product sales to CHEs at wholesale prices, service fees, and project-based partnerships with donors and public health programmes.
- ▶ **Customer Segments:** Rural and peri-urban households lacking access to affordable health products.
- ▶ **Key Resources:** CHEs, central warehouse and logistics infrastructure, training centres and health product distribution hubs and their digital platform which enables entrepreneurs to order stock and report sales.
- ▶ **Channels:** Direct sales by trained CHEs as well as digital platforms for product ordering.
- ▶ **Cost Structure:** Training, logistics, product procurement, and staff supervision. Technology and data management systems also constitute a growing share of operational costs.

### Evolution of Business Model

As the model matured, Healthy Entrepreneurs increasingly embedded itself within public health systems, integrating with Village Health Teams and government structures to strengthen legitimacy, streamline recruitment, and align with national health priorities.

In parallel, the introduction of digital tools such as telehealth and e-dispensing expanded the model from product distribution to service delivery, increasing revenue potential. Telehealth services have further amplified business impact. During the Great Lakes Digital Health Conference in 2024, Healthy Entrepreneurs presented results around chronic diseases with a reduction in chances of a stroke from 16% to 11% within a period of 6 months.<sup>15</sup>

### Support from CFYE and Impact of Technical Assistance

While CFYE made an important contribution to the growth of Healthy Entrepreneurs, the collaboration encountered some challenges. Meeting targets on youth employment was one. Through the course of the project with CFYE, Healthy Entrepreneurs started to struggle with recruiting sufficient CHEs within the 18-35 age range, predominately due to the fact the women who were interested in becoming CHEs, and who were most effective in their role as Community Health Workers, were often older than 35. Healthy Entrepreneurs and the CFYE tried to overcome this challenge by entering new geographic areas in Uganda and pushing for more recruitment, but at the same time did not want to compromise its business model. As Joost van Egen noted, *“changing the whole business model for funding purposes also does not make sense”*.

Cash flow was another challenge. Healthy Entrepreneurs had to pre-finance most activities under the CFYE project, as grant payments were disbursed only after results were achieved as per CFYE’s Payments by Results (PbR) system. Healthy Entrepreneurs had booked the expected grant payments already in their financial accounts. When the amount of grants eventually received turned out lower than initially booked, this led to difficult

<sup>15</sup> [Healthy Entrepreneurs, Annual Report 2024. Healthy Entrepreneurs Limited, 2025.](#)

conversations with investors, as well as challenges around business continuity.

Some CFYE project interventions did not meet expectations. Healthy Entrepreneurs experimented with various models to boost household demand and

Community Health Entrepreneurs sales, including a Commercial Cluster Support (CCS) system where CCS officers helped CHEs offer advanced products for extra commissions. This approach failed due to its distance from CHEs' core business and limited staffing capacity.

### 3 Results

Healthy Entrepreneurs' results demonstrate strong performance across both employment and system-level outcomes, driven by scale, integration into public health systems, and improved income generation for frontline workers. Job quality improvements were supported through structured training, ongoing coaching, and access to additional benefits such as insurance and emergency credit.

The model has significantly strengthened livelihoods by enabling Community Health Workers to transition from volunteer-based roles to income-generating activities as CHEs. Entrepreneurs purchase products at subsidised rates and sell at margins of 30–35%, with top performers earning up to 60–75% of their total income through Healthy Entrepreneurs-related activities. This has contributed to improved retention, higher motivation, and increased professionalism across the network.

At the business level, Healthy Entrepreneurs has scaled to a network of over 20,000 active entrepreneurs across multiple countries, supported by a vertically integrated supply chain that ensures product quality and pricing control. Its dual structure, combining a commercial entity with a foundation, allows revenues to be reinvested into growth while leveraging blended finance to support expansion.

At the systems level, integration with government health structures has strengthened last-mile healthcare delivery, with CHEs improving access to essential medicines and contributing to preventive care through tools such as telehealth. Overall, the model demonstrates a strong alignment between income generation and improved healthcare access, although continued growth will depend on maintaining productivity per entrepreneur and gradually reducing reliance on grant funding for expansion.

### 4 Success factors and Challenges

The key to Healthy Entrepreneurs' success lies in its integrated supply chain, which allows the company to control the movement of products from the manufacturer to the CHEs. This control reduces mark-ups along the chain of supply. The cost savings generated from this allow CHEs to earn a proper margin on their sales, and to create a 20% margin for the organisation itself, which is in turn used to finance local management and the cost of operations. Grant funding from governments (predominantly Netherlands, Canada and US) and from philanthropies and NGOs (such as Amref, Care, Philips Foundation and Bayer Foundation) covers the start-up expenses in new countries.

Collaboration with government and investing in Community Health Workers networks has been critical for Healthy Entrepreneurs. Several new activities have been set up over the year, such as

regular home monitoring of childrens' vitals as a form of an early warning system for malnutrition. Healthy Entrepreneurs also always directly works with local government officials to recruit the right Community Health Workers, and the government also gives Healthy Entrepreneurs a license to operate.

HEs field coordinators play a critical role in communicating and coordinating with the CHEs and ensuring expectations with CHEs around their new roles are managed. Together with HE's headquarter staff, these coordinators also develop new engagement strategies and value-added services for the CHEs, which results in relatively low attrition in the network. Over the eight years that they have been active with the Community Health Entrepreneurs model in Uganda, Healthy Entrepreneurs managed to retain 75% of the CHEs that started.

Healthy Entrepreneurs has raised funds through grants, such as that through Stichting DOEN, and has also been quite successful in raising debt and equity financing. A first major round was raised in 2020, with a €900,000 loan from Invest International and an undisclosed equity investment from a group of angel investors and German GLS Treuhand. In 2022, Healthy Entrepreneurs raised a second round of financing, with €2.5 million in equity from Philips Foundation and Madiro, and a €4.5 million loan from Invest International. This blend of grants, debt and equity, has provided Healthy Entrepreneurs with the

right mix of capital to build out the business while creating impact and testing new models and new markets.

Training was one of the successful components of Healthy Entrepreneurs' project supported by CFYE as it had a positive impact on the Community Health Entrepreneurs' income. The 'business builder' programme integrated different forms of training, including coaching and mentoring, and introduced financial literacy training.

## 5 Future Outlook

Healthy Entrepreneurs expects to reach a stage in the medium term where it will become less dependent or even independent of grants, and the company can be fuelled by revenue and debt financing only. One path towards this is international expansion. After scaling its operation in Kenya and Uganda, Healthy Entrepreneurs started to partner with governments and non-profits in other countries, such as Nigeria, Tanzania, and Ethiopia. Healthy Entrepreneurs has also tapped Francophone markets such as the Democratic Republic of Congo (DRC) and Burkina Faso with limited success.

In all markets, the drivers for growth are typically the same: careful selection of CHEs in collaboration with local government, service provision by CHEs, and credit offered to CHEs. However, building this ecosystem requires significant investment. Healthy Entrepreneurs believes that it can convince more investors when it gets a better handle on quantifying and verifying the health impact of the CHEs. A next big step for Healthy Entrepreneurs is to do this in partnership with Oxford University and the University of Rotterdam.



## Case study 3

# Mamamoni

Case Study Author: **Sarah Ebady**

Research: **Niek van Dijk**

Editors: **Nimrah Karim and Justin van Rhyn**

*This case study is part of the Challenge Fund for Youth Employment's Pathways to Employment (PTE) Learning Series Paper 2: Social Enterprises. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYE-supported initiatives across Africa and the Middle East.*



### Key Takeaways

Technology must be complemented by high-touch and sustained engagement to deliver inclusion outcomes: Mamamoni demonstrates that technology alone is insufficient in low resource contexts. While devices provide the infrastructure, complementing this with hands-on training and mentorship is important for building trust and retention.

Scaling agent networks requires balancing growth with hands-on engagement: Mamamoni's model shows how scaling in socially driven fintech models has its challenges. Growing the agent network is key to profitability, but hands-on training is costly. Success requires balancing scale with human support and community engagement.

Blended revenue models can help sustain inclusive fintech: Fintech or agent networks must rely on multiple revenue streams. Mamamoni relies on a blend of agent commissions, grants, and partnerships. Funding from programmes like CFYE can help to cover operational costs such as community outreach, recruitment, and training, while commissions provide the long-term sustainability incentive.

## 1 Introduction

Access to finance and decent work are among key challenges for women in Nigeria's informal economy. Many operate micro-businesses with little capital, unstable income, and limited access to training or formal banking systems. Mamamoni, founded in 2014 by Nkem Okocha, aims to address these challenges by blending financial inclusion, digital literacy, and vocational upskilling to empower women microentrepreneurs in their network.

A core component of Mamamoni's model is its network of female agents equipped with point-of-sale (POS) terminals. With approval from Nigeria's Central Bank to operate as a "Super Agent" under its Payment Solutions Services Licence, Mamamoni leverages this regulatory status to deploy a female-only agent network that provides digital financial services (payments and transfers) in communities where traditional banking is out of reach.

Unlike many tech-enabled platforms, Mamamoni delivers structured education programmes covering digital skills, financial literacy, business management, and the operation of POS terminals. Rather than just being given a device and left on their own, agents go through training to become viable microentrepreneurs. This approach is designed to upgrade what would be informal side businesses or gigs, into more stable livelihoods.

### Key Details:

Year founded	2015
Location	Lagos, Nigeria
Employment Outcomes	Total jobs created 1,923
Staff	10

## 2 The Business Model

Mamamoni merges fintech-enabled financial inclusion with skills development to create micro-enterprises for women.

- ▶ **Value Proposition:** For beneficiaries, access to affordable loans, digital and vocational training, and a support network through cooperatives. The network is also one of a few female-only networks. This addresses gender barriers where women may not engage with male agents or are unable to transact in male-dominated spaces.
- ▶ **Key Activities:** Mentorship and training: Prior to onboarding, young women are provided with basic financial literacy training, and trained on how to conduct financial transactions on POS terminals.
- ▶ **Revenue Streams:** Agent commissions on transactions.
- ▶ **Customer Segments:** Low-income women in rural and peri-urban communities and young women entrepreneurs seeking access to startup or working capital.
- ▶ **Key Resources:** Staff, partnerships, and a proprietary Fintech platform which manages loans and training, as well as network of 200+ field agents.
- ▶ **Channels:** Mamamoni digital app and platform and community-based women's cooperatives and local training hubs.
- ▶ **Cost Structure:** Loan servicing, training delivery, field operations, and digital platform maintenance.

### Evolution of Business Model

Mamamoni's business model has evolved from a training-led financial inclusion initiative into a hybrid fintech-enabled agent network, shaped by the realities of working with low-income women in Nigeria's informal economy. In its early phase, the model focused primarily on financial literacy, vocational training, and small-scale lending, aimed at improving women's economic participation. However, this approach alone proved insufficient to generate sustainable income opportunities, as beneficiaries lacked the tools and infrastructure to translate skills into consistent earnings.

This led to a pivot toward a female agent network model, enabled by Mamamoni's regulatory approval as a Super Agent. By equipping women with POS devices and integrating them into a structured financial services network, the organisation shifted from a training provider to a platform for micro-entrepreneurship, where income is generated through transaction-based commissions. This marked a shift from grant-dependent programming toward a more revenue-linked model, although still requiring significant upfront investment in training and onboarding.

As the model matured, Mamamoni deepened its focus on high-touch support and community engagement, recognising that technology adoption alone was insufficient in low-resource settings. Structured onboarding, mentorship, and continuous engagement mechanisms (including WhatsApp-based support) became core to the model, improving retention and agent performance but increasing operational costs. At the same time, the enterprise expanded its agent network and began to leverage partnerships with financial institutions and development actors to scale outreach and product offerings.

## Support from CFYE and Impact of Technical Assistance

While CFYE co-funding was important for Mamamoni's operations, the requirement to prepare for and meet project conditions also led to improvements in business administration practices. An example of this was during the auditing process, where the outcomes helped them better streamline their records and switch to accounting software rather than using spreadsheets. This has enabled Mamamoni to apply for other potential funding.

Additionally, working towards their job targets made the Mamamoni team consider their impact goals. The MEL support helped them in developing impact tracking tools and dashboards to assess job quality, repayment rates, and training outcomes. The funding has enabled the business to do public outreach in the community to ensure they're reaching women in remote areas.

## 3 Results

Mamamoni currently operates with a network of 5,000 agents. As a Social Enterprise, it incurs significant expenses, particularly those associated with reaching out to communities and recruiting new agents. The co-funding received from CFYE has helped to offset some of these costs. Nevertheless, from a business perspective, Mamamoni has yet to achieve profitability. The enterprise tends to work with women who lack substantial start-up capital. To become financially sustainable and reach the break-even threshold, Mamamoni aims to scale its agent network to approximately 100,000.

*According to Nkem Okocha, competitors tend to seek out women who are already digitally savvy and are thus able to generate more revenue, whereas Mamamoni aims to act as a kick-starter for womens' financial inclusion journey: "For us, our business model is not too aggressive, because our aim is to bring these women out of that poverty level, and help them make an income".*

— Nkem Okocha, founder, Mamamoni

Mamamoni's work is therefore focused on creating transformative change in the community by enabling female agents becoming economically and financially empowered. Nkem Okocha noted: "One of the things we've seen happen is that after our work, we'll see competitors coming to poach our women. But before us, they would not go to those women".

## 4 Success Factors and Challenges

While Mamamoni demonstrates that tech-enabled agent networks can drive inclusion and livelihoods, the model requires hands-on supervision and ongoing training in order to drive real impact. However, maintaining this network is resource-intensive. High-touch supervision, device provision, and continuous training, although essential to ensure reliability, and agent retention, increase operational costs. The trade-off is evident; tech-only solutions may scale faster on paper, but without in-person support, adoption is low and attrition is high.

Mamamoni's model demonstrates that investing in human capital is as important as digital infrastructure. While this has been costly, Nkem is optimistic about future revenue growth:

*"I know that over the years, when we have more women that are financially savvy and digital savvy, they will have more money. Things will change, income will grow. But for us, for now, it's just helping lift more women so that when we lift them over the years, we can do more business with them."*

—

Mamamoni boosts retention by highlighting successful women as role models. Ongoing support and engagement via WhatsApp further reinforces motivation and commitment.

Cultural and social norms still present a challenge. In parts of northern Nigeria, for example, male resistance to female economic participation can limit women's ability to operate independently. Mamamoni addresses this through community sensitisation, education, and advocacy.

Cultural norms have also had an impact on project design and target demographics. While CFYE focuses on youth employment, the agent role has proven particularly attractive to women aged 35–45, who combine motivation, life experience, and a desire for financial independence. Mamamoni has balanced this challenge by creating a pool of candidates over the age of 35 that they plan to engage in the future.

## 5 Future Outlook

Looking forward, Mamamoni plans to deepen its use of innovative technologies to boost its operations, for example, by using AI to reach more women. Additionally, as technology evolves, the use of the POS devices is going to change as well. Mamamoni intends to adapt the business to reflect tap-and-go and more mobile-friendly transactions. This will help them to reduce operational costs of the POS device.

Mamamoni aims to expand its reach to 10,000 women across Nigeria, deepen its partnership with microfinance institutions, and introduce new financial products tailored for micro-entrepreneurs. Plans include developing a loan guarantee fund, expanding digital lending via mobile apps, and formalising partnerships with state-level women's development agencies. Finally, attracting more partnerships and funding for the company is an ongoing goal. For example, in June 2025, Nkem was invited to participate in a panel at the Goalkeepers Lagos event hosted by the Gates Foundation. Mamamoni aims to further increase its visibility as an adaptive fintech model that is well positioned to expand financial access for women entrepreneurs at scale.



## Case study 4 *Eco Brixs*

Case Study Author: **Sarah Ebady**  
Research: **Marina Illerhues**  
Editors: **Nimrah Karim and Justin van Rhyn**

*This case study is part of the Challenge Fund for Youth Employment’s Pathways to Employment (PTE) Learning Series Paper 2: Social Enterprises. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYEsupported initiatives across Africa and the Middle East.*



### Key Takeaways

There is business value in embedding inclusion approaches: The company designed roles for women and persons with disabilities (PWDs) and actively recruited and retained them, demonstrating that inclusive employment practices can be commercially viable. Consortium agility matters: The Kenya-Uganda consortium with TakaTaka Solutions created early momentum for the project, but market misreads and implementation challenges forced the consortium to reconsider the direction of the project, with an eventual handover to Eco Brixs. This highlights the need for agility in partnerships and identifying when to regroup.

Market adaptability supports better job outcomes: Eco Brixs demonstrated market agility by adjusting its operations in response to shifts in plastic prices, demand fluctuations and buyer requirements. Its ability to respond to such demands resulted in steady growth and job creation despite volatile market conditions.

## 1 Introduction

Eco Brixs is a Ugandan Social Enterprise tackling two critical challenges: pervasive plastic pollution and high youth unemployment. Founded in 2017, the company began as a backyard initiative collecting discarded plastic. After six months of research and experimentation, the company learned how

to produce plastic-sand composite pavers that are stronger, lighter, and more durable than concrete. This development proved the approach could scale to meet Uganda’s growing waste crisis while creating a model in which waste collection directly supports local livelihoods.

### Key Details

<i>Year founded</i>	2017
<i>Location</i>	Masaka, Uganda, as well as operations across southern/central Uganda.
<i>Employment Outcomes</i>	Total jobs 4,063 (2,179 created; 1,884 improved)
<i>Annual Revenue</i>	€356,966
<i>Staff</i>	~67

## 2 The Business Model

The Eco Brixs business model combines industrial recycling with community-based collection systems, maintaining secondary revenue streams from eco-products while exploring new opportunities such as carbon and plastic credits.

- ▶ **Value Proposition:** A consistent, transparent buyback system converting waste into income. In order to remain sustainable, each buyback centre is encouraged to collect a minimum of 10 tonnes a month. For industrial buyers, the value proposition is in the company's reliable supply of high-quality, locally processed Polyethylene Terephthalate (PET) flakes.
- ▶ **Key Activities:** Waste collection and aggregation; sorting, cleaning, and processing PET into flakes; manufacturing and sale of eco-products; and training, inclusion, and advocacy initiatives.
- ▶ **Revenue Streams:** Core revenue (90%) comes from PET flake sales to industrial buyers, while supplementary income (7%) is from eco-product sales (pavers, lumber, furniture). Emerging revenue opportunities come from plastic and carbon credit instruments (3%).
- ▶ **Customer Segments:**  
Eco Brixs serves three primary segments:
  - ▶ Industrial buyers: regional recyclers and manufacturers purchasing PET flakes and HDPE (High-Density Polyethylene) feedstock.
  - ▶ Community collectors and micro-franchisees: individuals earning income through plastic collection and aggregation.
  - ▶ Institutional clients: local governments and NGOs purchasing eco-products such as pavers and lumber.
- ▶ **Key Resources:** The recycling facility in Masaka, equipped with crushers, balers, and PET washing and flaking machinery. Skilled workforce spanning collection, operations, and technical roles.
- ▶ **Channels:** Buyback centres and micro-franchise hubs, direct sales to industrial off-takers, and public-private partnerships with local authorities and environmental programmes.

- ▶ **Cost Structure:** Major costs include raw plastic purchases, logistics and fuel, machinery maintenance, staff salaries, and working capital tied to receivables.

### Evolution of Business Model

Eco Brixs' business model has evolved from a small, product-focused recycling initiative into a decentralised, circular economy system. In its early stages, the enterprise concentrated on turning collected plastic into eco-products such as pavers, eco-lumber, and furniture. These outputs demonstrated proof of concept but were limited by project-based demand and inconsistent market pull.

Over time, the model shifted toward strengthening and expanding the upstream side of the value chain. Eco Brixs began investing in decentralised buyback centres and microfranchisees, enabling wider waste collection, formalising collectors, and creating more predictable supply flows. Paying youth and community collectors for plastic became a core mechanism for both social inclusion and reliable material sourcing.

As volumes grew, the enterprise strategically pivoted toward processing PET into industrially relevant outputs, particularly PET flakes, rather than relying primarily on finished eco-products. This transition aligned the business with larger, more stable markets and allowed it to integrate more deeply into regional and international recycling value chains.

### Support from CFYE and Impact of Technical Assistance

Under the CFYE project, Eco Brixs partnered with TakaTaka Solutions (in Kenya) to scale collection, invest in machinery, and extend its buyback network. While TakaTaka's entry into Uganda faced logistical and market challenges that made its model unviable, Eco Brixs was able to take on the implementation responsibility and sustain the project alone. The experience provided valuable lessons on market adaptation, cross-border collaboration, and the realities of scaling Social Enterprise models across borders.

Through CFYE's co-funding and technical assistance, Eco Brixs expanded its operations. The grant enabled the company to scale PET processing capacity, expand collection to new districts including Kabale and Mbarara in western and southwestern Uganda, and formalise key business functions including finance, human resources, and operations.

TA covered several core areas:

1. Investment and Scaling Readiness: enhanced Eco Brixs' investor relations, leading to partnerships with recycling off-takers such as Acacia and positioning the company for future impact investment.
2. Human Resource Systems Development: improved recruitment and retention structures, aligning workforce planning with business growth demands.
3. Supply Chain and Logistics Optimisation: reduced transport inefficiencies and improved the throughput between collection sites and processing facilities.
4. Gender Inclusion: embedded inclusive practices across recruitment, health and safety, and leadership.

### 3 Results

Eco Brixs has created and improved a significant number of jobs, with a notable share of opportunities accessible to youth, women, and persons with disabilities (PWDs) through its decentralised buyback centres and micro-franchise model. These roles provide flexible income opportunities while improving safety and formalisation compared to informal roles in waste picking.

At the business level, Eco Brixs substantially increased its processing capacity, scaling from approximately 30 tons to 170–200 tons of plastic per month, with PET flakes now accounting for the majority of its revenue. This shift has enabled more stable and predictable income streams through industrial off-take agreements, although the model remains exposed to price volatility in recycled materials.

### 4 Success Factors and Challenges

Eco Brixs' strongest differentiator is the intentional integration of inclusion into its core operations. Over 45% of the workforce are women and about 20% are persons with disabilities (PWDs) with the company actively supporting PWD engagement through adapted roles and training. Eco Brixs has engaged women through women-led community Savings Groups (SACCOs), women-focused trainings, and prioritised access to appropriate Personal Protective Equipment (PPE) for women.

*"We focus our work with the PWD community by liaising with PWD schools, who introduce us to their alumni looking for work. This has been an effective way of connecting with the PWD community"*

— **Andy Bowns, CEO, Eco Brixs.**

The decentralised collection model is another key driver of success. Buyback centres and micro-franchisees create flexible, low-barrier income opportunities while ensuring consistent feedstock

supply. By shifting collection away from landfill dependency toward structured aggregation, Eco Brixs improves both material quality and worker safety.

Critically, the business has achieved strong market alignment through its pivot to PET flakes. Unlike eco-products, which are demand-constrained and project-based, PET flakes connect directly to industrial buyers, providing higher-volume and more predictable revenue. This shift underpins both financial sustainability and scalability.

However, the model remains constrained by a high and volatile cost base, particularly for raw materials, transport, and fuel. Poor infrastructure and seasonal disruptions further increase logistics costs and reduce operational efficiency. Additionally, working capital constraints are a persistent issue. Delayed payments from industrial off-takers limit liquidity, affecting the company's ability to procure feedstock and sustain throughput at scale.

## 5 Future Outlook

Looking forward, Eco Brixs' strategic focus is to scale sustainably while diversifying income streams. The business is actively exploring additional revenue streams through plastic and carbon credit markets, while seeking blended finance and impact investment to strengthen working capital and fund further growth. With increasing investor confidence, evidenced by partnerships such as with the JLL Foundation, Eco Brixs shows potential to scale its model across Uganda and regionally. However, sustained growth will depend on its ability to manage cost volatility, secure consistent off-take agreements, and maintain its inclusive employment model at scale.



## Case study 5

# Niokobok

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*This case study is part of the Challenge Fund for Youth Employment's Pathways to Employment (PTE) Learning Series Paper 2: Social Enterprises. The PTE series explores how different business models support youth employment outcomes, by creating new jobs, improving job quality, or strengthening pathways into work, based on evidence from CFYE-supported initiatives across Africa and the Middle East.*



### Key Takeaways

**Social commerce models can lower barriers to entrepreneurship for young women:** Niokobok has transitioned from a diaspora-focused e-commerce site to a social commerce platform that enables young women in Senegal to earn sustainable incomes through the Super Lingueres community. Participants can access a wide product catalogue and launch an online business without investment.

**Combining platform access with structured support strengthens income generation outcomes:** Niokobok integrates product access with ongoing training in digital sales and business management. This approach helps participants move beyond participation to consistent income generation within the platform.

**Building trust is critical for adoption in emerging e-commerce markets:** Initial mistrust in online transactions presented a barrier to growth. Niokobok addressed this by leveraging social media to build visibility, credibility, and engagement, highlighting the role of familiar platforms in driving uptake.

## 1 Introduction

Founded in 2012 by Laurent Liautaud, Niokobok began as an e-commerce platform for the Senegalese diaspora, primarily in France, to send essential goods, food items, and gifts to their families back home. The company sought to make remittances more impactful by replacing cash transfers with tangible products. Over time, Niokobok served more than 100,000 families, becoming a trusted brand among diaspora and local consumers alike.

Niokobok encountered challenges typical of e-commerce operations in low-income markets, including stagnating growth and narrow profit margins. Meanwhile, new opportunities were emerging in B2B and social commerce, driven by the success of companies such as Meesho in India. Inspired by these developments, Niokobok conducted a strategic review of its business in 2022,

and decided to pivot towards a model that merged social impact with commercial scalability.

The result was Super Lingueres: a community of female micro-entrepreneurs who sell Niokobok's goods to small retailers and consumers, leveraging both digital tools and community trust. With the support of CFYE, Niokobok was able to de-risk this transition and establish a rapidly growing network of more than 2,500 agents across Senegal within two years of its launch.

## Key Details

Year founded	2011
Location	Dakar, Senegal
Employment Outcomes	Total jobs 2,153 (701 jobs created and 1,452 jobs improved)
Staff	15

## 2 The Business Model

Niokobok's current business model operates on a hybrid structure, combining its original e-commerce operations and the Super Lingueres social commerce network.

- ▶ **Value Proposition:** For consumers: affordable access to everyday goods through trusted community agents, as well as the ability to directly support families through product-based remittances. For agents: income-generating opportunities, business skills, and access to an established supply chain and product portfolio.
- ▶ **Key Activities:** Sourcing and procurement of goods; order fulfilment and last-mile delivery; agent recruitment, onboarding, and continuous training.
- ▶ **Revenue Streams:** Margins on product sales, commissions from resellers' sales and potential value-added services (e.g., financing, premium delivery).
- ▶ **Customer Segments:** Senegalese diaspora abroad sending goods to family members, local small retailers and households purchasing via Super Lingueres, and young women (18–35 years) acting as sales agents and entrepreneurs.
- ▶ **Key Resources:** Digital platform and logistics network; trained and active network of Super Lingueres agents and partnerships with wholesalers and suppliers.
- ▶ **Channels:** E-commerce website and mobile application; Super Lingueres mobile app for order management and sales tracking and social media platforms, particularly TikTok and WhatsApp, for recruitment and communication.

- ▶ **Cost Structure:** Inventory and logistics costs; platform development and maintenance; and agent training, incentives, and customer acquisition.

### Evolution of Business Model

Launching the Super Lingueres network marked a fundamental shift from a centralised e-commerce model to a decentralised, agent-led distribution system, where young women act as resellers within their communities. By leveraging trust-based sales, social media channels, and local networks, the company was able to overcome key barriers to e-commerce adoption, particularly consumer mistrust and limited last-mile access.

As the model developed, Niokobok introduced digital tools and structured onboarding systems to support agent performance, including a dedicated app and WhatsApp-based coordination.

The CFYE project accelerated this transition by enabling Niokobok to test and scale the model. However, this partnership highlighted the need for greater flexibility in early-stage innovation, particularly in relation to constraints around Payments by Results (PbR).

This phase of business model evolution also surfaced operational trade-offs: rapid scaling placed pressure on logistics and platform development, while requirements such as upfront inventory financing limited accessibility for more marginalised women.

## Support from CFYE and Impact of Technical Assistance

CFYE's support has proven to be a catalyst for Super Lingueres, growing the network to around 2,500 agents within two years since inception (2023), and currently making up close to 40% of the overall business revenue.

CFYE's financial support was instrumental in enabling Niokobok to design, launch, and scale the Super Lingueres network. The co-funding de-risked Niokobok's investment, helping the company attract additional capital and dedicate internal resources to the new business line.

In addition to funding, CFYE provided technical assistance (TA) in two key areas:

1. Product sourcing: Expert consultants supported Niokobok in negotiating improved procurement

agreements with wholesalers, expanding the product range and securing better pricing for agents.

2. App development: CFYE's TA facilitated the creation of the Super Lingueres app, serving as the interface between Niokobok and its agent network.

However, the app development process revealed lessons for both Niokobok and CFYE. The Payments by Results model tied app completion to funding disbursement, creating time pressure that led to an early release of a version that was not fully optimised. As Laurent Liautaud noted:

*"If we had €500,000 in the bank, we would not have driven the development of the app in the same way. In that sense, the app now was a project output".*

## 3 Results

The project created 701 new jobs and improved 1,452, surpassing targets. An internal survey of 450 Super Lingueres found that 52% reported improved incomes. Although modest at first glance, these gains are significant within Senegal's informal economy, where income structures are highly irregular and fragmented.

Regarding income, Niokobok reported that resellers earn margins between 35–40% on sales. Among active agents, approximately 10–15% are top performers generating monthly profits of around €100, while the rest earn closer to €60. These results underscore the transformative potential of combining digital platforms with social commerce to expand economic opportunities for young women in emerging markets.

## 4 Success Factors and Challenges

Senegalese consumers often encounter issues related to delivery or product quality on e-commerce platforms, resulting in a preference for examining goods in person prior to purchase. This consumer behaviour has created both opportunities and challenges for Super Lingueres.

During the initial phase of Niokobok, the sector experienced significant enthusiasm, attracting major pan-African players such as Jumia and local competitors like AfriMarket. These companies relied heavily on external capital, which imposed pressure to achieve rapid growth and immediate commercial outcomes. While Jumia continues to operate despite ongoing difficulties, AfriMarket was ultimately unable to secure additional investment, despite raising €13 million, and ceased operations. Niokobok primarily

allocated its funding toward the development of the Super Lingueres application, leveraging support from CFYE and internal resources.

Niokobok leveraged TikTok and other social media platforms for agent recruitment, quickly attracting around 70,000 registrations, which demonstrated the appeal of their offer. Once agents were accepted, they were onboarded and trained, and WhatsApp became a vital tool for communication, information sharing, and product ordering among the Super Lingueres. Furthermore, community-based financing through tontines helped many women overcome pre-financing challenges by pooling funds within savings groups. Although Niokobok has considered providing goods on credit, they have not yet adopted this approach due to organisational complexity. In

addition, the business found greater traction outside Dakar, especially in secondary towns where access to affordable goods is limited.

Retention strategies, such as free delivery days and small vouchers, were also effective in reactivating inactive agents. Overall, these experiences highlighted that strict results-based financing structures can hinder flexibility for startups, indicating a need for more adaptable funding models during early innovation stages.

## 5 Future Outlook

Niokobok sees substantial room for expanding its network, with more women interested in becoming agents than the company can currently accommodate. Without the pressure of CFYE targets and timelines, management would have preferred to be more selective in choosing resellers, devote greater attention to enhancing agent services, and gather deeper business intelligence on how the network functions.

The Super Lingueres model demonstrates considerable promise. Over just 18 months, the network has grown rapidly and now brings in EUR 300,000 annually. Although external advisors suggested Laurent shift focus away from Niokobok's core diaspora business toward Super Lingueres, he sees strong synergy between the two and plans to continue focusing on the diaspora customer segments.

*"The priority now is financial sustainability. I am glad we're now stable, but growth currently is not a priority, or at least not the growth of the number of Super Lingueres agents."*

— **Laurent Liautaud,**  
CEO, Niokobok

To support future expansion, Niokobok is open to increasing debt financing. Laurent would also consider equity investment, but only if the investor has a deep understanding of the local market—which is hard to find.

These insights underline the value of adaptability, community-driven solutions, and continuous learning for inclusive business models. Nevertheless, several challenges remain. The requirement for agents to pre-finance inventory restricts inclusivity, while rapid network growth has strained operations. Additionally, PbR structures have limited financial flexibility, and logistical and technological challenges persist, especially in remote areas. Despite these obstacles, Niokobok's approach showcases the strength of flexible business models and the resilience of young women navigating informal markets.

*"The market infrastructure and environment is not ready to deploy at venture capital rate and speed. The model is heavy on operations, which doesn't make it too attractive to VC. We can't double each month. We need investors, I think we are bankable, but it is not easy to find the right fit."*

— **Laurent Liautaud**

Niokobok has not yet delved into impact investment. The current priority is to strengthen the hybrid approach combining e-commerce with the Super Lingueres social distribution system. Once the Super Lingueres model is more established, Niokobok will consider geographic expansion and seeking additional external investment.

Niokobok plans to grow revenue for its Super Lingueres network by expanding product categories and improving operations in secondary cities and towns. Due to strong preference for imported goods, the company will increase its imported product offerings to meet demand and boost profits. In niche sectors like cosmetics, Niokobok also sees potential for affordable local products and is exploring ways to make them commercially viable by combining local manufacturing with strong sales strategies.



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