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Enabling poor rural people
to overcome poverty

President's report on a proposed grant under the global/regional grants window to a non- CGIAR-supported international centre

Centre for Entrepreneurship Education and Development (CEED)

Note to Executive Board representatives

Focal points:

Technical questions:

Moses Abukari
Country Programme Manager
Tel.: +39 06 5459 2526
e-mail: m.abukari@ifad.org

Anne-Laure Roy
Technical Adviser
Tel.: +39 06 5459 2960
e-mail: a.roy@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Head, Governing Bodies Office
Tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

For: Approval

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Abbreviations and acronyms

AWP/B	annual work plan and budget
CBS	Columbia Business School
CEED	Centre for Entrepreneurship Education and Development
CGIAR	Consultative Group on International Agricultural Research
CORY	Creating Opportunities for Rural Youth in West and Central Africa
ICO	IFAD country office
M&E	monitoring and evaluation
PMT	project management team
WCA	West and Central Africa

Recommendation for approval

The Executive Board is invited to approve the recommendation for a grant under the global/regional grants window to a non-CGIAR-supported international centre as contained in paragraph 7.

President's report on a proposed grant under the global/regional grants window to a non-CGIAR-supported international centre: Centre for Entrepreneurship Education and Development

I submit the following report and recommendation on a proposed grant for agricultural research and training to a non-Consultative Group on International Agricultural Research (CGIAR)-supported international centre in the amount of US\$1.95 million.

Part I – Introduction

1. This report recommends the provision of IFAD support to a research and training project of the following non-CGIAR-supported international centre: Centre for Entrepreneurship Education and Development (CEED).
2. The document of the grant for approval by the Executive Board is contained in the annex to this report:

Centre for Entrepreneurship Education and Development (CEED):
Creating Opportunities for Rural Youth in West and Central Africa
3. The objectives and content of this applied research project are in line with the evolving strategic objectives of IFAD and the Revised IFAD Policy for Grant Financing (EB 2009/98/R.9/Rev.1).
4. The overarching strategic goal that drives the revised grant policy, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (a) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (b) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (c) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (d) lesson-learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The proposed project is in line with the goal and outputs of the revised IFAD grant policy.

Part II – Recommendation

7. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the project Creating Opportunities for Rural Youth in West and Central Africa, shall provide a grant not exceeding one million nine hundred and fifty thousand United States dollars (US\$1.95 million) to the Centre for Entrepreneurship Education and Development for a three-year project upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Kanayo F. Nwanze
President

Centre for Entrepreneurship Education and Development (CEED): Creating Opportunities for Rural Youth in West and Central Africa

I. Background

1. The economic crisis has been adversely impacting three key issues associated with the sustainable development of young people across the world: employment, enterprise and development funding. Youth constitute 70 per cent of Africa's population and are feeling the impact of the crisis as they face numerous challenges in their attempt to find decent employment, gain access to credit and create businesses. This represents quite a paradox, as a high proportion of these young people have vision and ideas that could provide them with employment through enterprise development.
2. In West and Central Africa, agriculture accounts for 30 per cent of the economic activity and employs 60 per cent of the region's economically active population. There is a need for further investment in the agriculture sector to allow rural entrepreneurs to take advantage of new and emerging market structures and to have access to the latest in agricultural technology and livestock production systems – and thus meet the needs of both the rural and urban populations of the region. Young rural entrepreneurs need support to sustain and grow their enterprises, and more young people need to be encouraged to get involved in the agriculture sector.
3. The Creating Opportunities for Rural Youth (CORY) CEED, as the grant recipient, the Columbia Business School (CBS) and Susterra, Inc., as subrecipients, and the Trustees of the Phelps Stokes Fund. It was established to empower and educate rural youth in West and Central Africa as they navigate the path of entrepreneurship and enterprise development, and to build the capacity of local organizations to support the training and financial needs of young rural entrepreneurs. The Consortium has significant, diverse experience in creating tools, systems, processes and networks that catalyse entrepreneurial activity and facilitate the sustained development of small and growing rural enterprises in many developing countries.

II. Rationale and relevance to IFAD

4. The proposed grant will contribute to supporting the commitments of the Ninth Replenishment of IFAD's Resources and the revised IFAD Policy for Grant Financing, particularly in reducing the working poverty (un- and underemployment) of a large number of young rural women and men by identifying, documenting and sharing youth-led, -owned and -driven innovative approaches in agricultural entrepreneurship ("agripreneurship"). It will also build pro-poor partnership with prominent private-sector companies, NGOs and entities working in rural areas through enhanced learning and through sharing platforms for successful and innovative models. The project is in line with IFAD's objective to build the capacity of young rural women and men, and to enable rural youth organizations to engage in policy and to actively participate in youth development initiatives from design through implementation to impact monitoring and evaluation (M&E).¹
5. The project is directly related to the outputs of the revised IFAD Policy for Grant Financing, in particular to outputs 2, 3 and 4 on: awareness, advocacy and policy dialogue on issues of importance to poor rural young women and men; strengthening the capacity of partner institutions to deliver a range of services in

¹ See www.ifad.org/pub/ruralyouth/youth_policybrief.pdf and www.ifad.org/pub/ruralyouth/youth_guidancenote.pdf.

- support of poor rural people; and lesson-learning, knowledge management and dissemination of knowledge products on issues related to rural poverty reduction.
6. The project is consistent with the IFAD Strategy for Knowledge Management and the Results Management Framework, as it builds buy-in, capacity and enabling systems for knowledge management and learning at the levels of rural youth entrepreneurs and organizations, and stimulates, consolidates and scales up solutions and knowledge to eventually inform ongoing and future IFAD country programmes that target rural young women and men.
 7. In line with IFAD's investments in Benin, Cameroon, Gambia and Nigeria (target countries), this project will also be planned and built in collaboration with IFAD country offices (ICOs) to guarantee strong linkages with IFAD projects involving rural youth entrepreneurship and agribusiness. The project emphasizes having ICOs and/or IFAD projects review and validate each of the four target countries' needs assessments or knowledge products – before finalization, publication and dissemination. It will also continue to support and expand the work of the network of IFAD-initiated projects.
 8. Finally, the project is directly aligned with the IFAD Strategic Framework 2011-2015 and the West and Central Africa Division's regional grant strategy for 2013.

III. The proposed project

9. The overall goal of the project is to enable young rural women and men to create sustainable farm and non-farm businesses by building their entrepreneurial capacities for enhanced peer learning and their access to complementary business development services. The project's objectives are to:
 - **Objective 1:** Research, document and share learning from the project through practical knowledge products, communities of practice, and events that will support the scaling up and replication of successful youth-led venture creation and business development for rural youth in West and Central Africa.
 - **Objective 2:** Build the capacity of rural youth organizations to develop and deliver entrepreneurial innovation-based experimental training, mentorship, and advisory and partnership services to support youth employees and entrepreneurs in rural areas of West and Central Africa.
 - **Objective 3:** Build the capacity of local financial institutions to provide microcredit through risk assessment and mitigation, and to develop and deliver youth-inclusive financial instruments in rural areas of the target countries.
10. The target age group for this project will be young women and men, ages 15-35, living in rural areas, who are involved in either agricultural production or activities associated with rural markets. Rural youth institutions will also be targeted for training, advocacy, networking and knowledge exchange. About 2,880 young agricultural entrepreneurs ("agripreneurs") and 43,200 farm and non-farm rural young entrepreneurs will be trained, 480 rural youth enterprises launched. In addition, 2,400 rural venture creation teams will be set up whereby young entrepreneurs will be paired with mentors; women will constitute at least half of the participants.
11. The three-year project will comprise three main components:
 - **Component 1.** Knowledge management and research/surveying of business development services in the region to determine service gaps and knowledge products;
 - **Component 2.** Provision of rural entrepreneurial training, mentorship and business development services to close service gaps; and

- **Component 3:** Microcredit lending based on assessment of loan repayment and on risk mitigation.

IV. Expected outcomes and benefits

12. The outcomes and benefits expected are the following

Outcomes for component 1:

- National and regional workshops/events held to share knowledge and learning (target: 4)
- Reports on rural youth knowledge gaps published and widely disseminated (target: 16)
- Papers on rural youth employment and entrepreneurship training published and disseminated (target: 8)

Outcomes for component 2:

- Rural youth trainers developed for agricultural entrepreneurship in each of the 4 target countries (target: 64)
- Rural youth trainers developed for non-farm entrepreneurship in each of the 4 target countries (target: 480)
- Mentoring relationships created for rural youth entrepreneurs (target: 2,400, 50 per cent women)
- 80 in-country mentors/trainers identified for rural youth venture creation (20 in each target country)
- Regional rural youth advisory network created (target: membership of 5,000)
- Incubators/accelerators for rural youth enterprises created (target: 8)
- Partnerships between rural youth organizations and service providers created (target: 16)

Outcomes for component 3:

- Rural youth adapted financial products developed (farm and non-farm target: 8)
- Local financial institutions coordinated with CORY in creating youth-friendly financial products (target: products available from at least one local branch/financial partner of Ecobank in each of the four target countries)
- CORY microcredit loans accessed by numerous rural young women and men

V. Implementation arrangements

13. CEED, the grant recipient, will provide technical assistance to the overall implementation of the project. CEED will subcontract a number of implementing partners to support implementation of the proposed activities. In order to assure complementary and high-quality technical assistance during implementation, a CORY Consortium has been set up, with an assigned lead team for each of the three components.
14. A project management team (PMT) will be constituted to oversee and coordinate the day-to-day implementation of the project. The PMT will comprise a project director, assistant project director, component team leaders, two research assistants (francophone and anglophone) and four national youth data analysts (one from each target country: Benin, Cameroon, Gambia and Nigeria). IFAD will join the extended PMT to provide strategic operational guidance and advisory support where appropriate.

15. Rural youth and youth organizations initially in the target countries will be actively involved in the implementation of activities in the respective countries. Three major regional institutions will be involved in implementation of the project: Songhai, Ecobank and the African Women's Development Fund.
16. In addition, ICOs and/or projects will be involved in implementation on a consulting basis through the consultative needs assessments, identification and selection of rural youth entrepreneurs/participants, and the prioritization of activities by ensuring synergies, linkages and complementarities with the annual work plan and budgets (AWP/Bs). To enhance relevance and synergies, planning of the annual work programme of the project will coincide with that of the target projects in the four countries. This should ensure that the planned grant activities are complementary to the country-specific rural youth investment activities.
17. Strong linking of this project with IFAD's projects will create a good ecosystem for the development of rural, agro-based small and microenterprises and income-generating activities. This will strengthen rural youth enterprises and improve marketing of agricultural products, ensuring operational linkages with regular investments in the target countries. It will also provide opportunities to document, validate and widely disseminate best practices and innovations to be replicated or scaled up within and beyond the four initially targeted countries in West and Central Africa (WCA). Moreover, learning and sharing events will be planned around the WCA Regional Forum and/or key IFAD events in order to ensure wider dissemination of outcomes and results and direct contact and interaction with key project partners.
18. Disbursements will be made on the basis of approved AWP/Bs through the revolving fund facility. Second and subsequent advances will be paid on justification of the previous advances.
19. The grant recipient will provide regular reports to IFAD, including annual audit, progress and workshop/forum reports. An M&E system will be set up to monitor project activities, outputs, outcomes and impacts and to ensure that reporting is disaggregated by country, sex and age, where appropriate.
20. All procurement of goods and services in relation to project activities will be carried out in accordance with IFAD's Project Procurement Guidelines.
21. CEED will pay any contracted external services directly (consultants, training and services) and will transfer funds directly to any national or regional partners and consultants to implement their activities based on validated and approved work plans and budgets. Any funds not fully used by the partners and consultants for the purposes intended will be reimbursed within 90 days of the close of the related activities.
22. The recipient will be responsible for submitting a copy of the consolidated audit report for the project within six months of the end of each fiscal year.
23. IFAD will be responsible for direct supervision of this project.

VI. Indicative project costs and financing

24. The total budget for the project is estimated at US\$6.61 million as detailed in the table.

25. IFAD will fund activities at a proposed grant amount of US\$1.95 million, and the Consortium and implementing partners through a contribution (both in cash and in kind) of US\$4.67 million.

Summary of budget and financing plan
(in United States dollars)

<i>Number</i>	<i>Type of expenditure^a</i>	<i>IFAD</i>	<i>Cofinancing^b</i>
1	Salaries and allowances	389 855	2 266 000
2	Consultancies	342 240	
3	Travel and allowances	234 600	
4	Training	241 800	900 000
5	Goods, services and inputs ^c	155 000	300 000
6	Credit, guarantee funds ^d	233 000	1 200 000
7	Operating costs	223 875	
8	Overhead and mgt. fees (7 per cent)	129 630	
	Total	1 950 000	4 666 000

^a Type of expenditure is indicative only and may be modified, as appropriate, to suit recipient accounting structures.

^b Where applicable.

^c Includes the provision of data treatment services and management of surveys.

^d Includes the testing of rural youth financial products, such as loan and savings services, convenient access credits, guarantee capital, emergency cash and safe deposit.

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	To enable young rural women and men create sustainable farm and non-farm businesses by building their entrepreneurial capacities for enhanced peer learning and access to complementary business development services	<ul style="list-style-type: none"> • # of rural young women and men with improved skills and knowledge in agricultural entrepreneurial (disaggregated by country, gender & age. Target: 2880 rural youth agripreneurs) • Increased # of rural young women and men adopting and practising non-farm entrepreneurial activity ((disaggregated by country, gender & age Target: 43200 rural youth) • % of rural young people with sustained access to adapted financial products ((disaggregated by country, gender & age • # of IFAD's new rural youth investments replicating/scaling up best practices from this project 	<ul style="list-style-type: none"> • Completion/impact and evaluation reports • M&E system • IFAD grant portfolio database/GSR 	
Objectives	<p>Objective 1: To research, document and share learning from the project through practical knowledge products, community of practices, and events that will support the scaling up and replication of rural youth-led venture creation and business development for rural youth</p> <p>Objective 2: To build the capacity of local youth organizations to develop and deliver entrepreneurial innovation- based experimental training and mentorship services to support rural youth employees, entrepreneurs in rural areas of Benin, Cameroon, Gambia, and Nigeria.</p> <p>Objective 3: To build the capacity of local financial institutions to provide micro credits through risk assessment and mitigation, and develop and deliver youth-inclusive financial instruments in rural areas</p>	<ul style="list-style-type: none"> • O.1: Papers on rural youth employment and entrepreneurship training published and disseminated (Target: 8) • O.2: Rural youth trainers for agricultural entrepreneurship in each of the 4 target countries (Target: 64) • Regional rural youth advisory network created (Target: membership of 5000) • Rural youth incubators/accelerators created (Target:4) • O.3: Number of adapted financial products developed (Target: 8) • Local financial institutions coordinate with CORY to assess and create rural youth-friendly financial products (Target: At least 1 local branch/financial partner of ECOBANK in each of the 4 countries has products available) 	<ul style="list-style-type: none"> • Baseline Data Collection/Follow-up Surveys • M&E system • Progress reports • Supervision reports/aide memoires • Completion and impact report • IFAD grant portfolio database/GSR 	<ul style="list-style-type: none"> • Background of rural entrepreneurship accurately portrayed • Marketing resources available • Communities accessible • Local financial institutions available • Participants successes are showcased and they have access to communication technologies and are receptive to new information
Outputs	<p>Outcome 1: CBS researches service gaps for youth entrepreneurs</p> <p>Outcome 2: CBS provides farm and non-farm entrepreneurship training in 4 target countries</p> <p>Outcome 3: Songhai provides agri-business entrepreneurship training</p>	<ul style="list-style-type: none"> • Surveys of youth conducted in target countries (Target: 1 per country with 1500 respondents each, 50 per cent female respondents) • Number of rural youth trained on non-farm entrepreneurship (Target: 480, 50 per cent female) • Number of courses offered by Songhai over the three year period (Target: 2) 	<ul style="list-style-type: none"> • Baseline Data Collection/Follow-up Surveys • M&E system • Progress reports • Supervision reports/aide memoires 	<ul style="list-style-type: none"> • Access to free and fair market. • Implementers have knowledge of market landscape • Willing youth population • Political and cultural en-

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	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
	<p>Outcome 4: CEED creates mentoring pairs</p> <p>Outcome 5: Local financial institutions provide youth-friendly loans</p> <p>Outcome 6: Local institutions and youth organizations build relationships</p> <p>Outcome 7: CBS provides post-venture creation guidance and support</p> <p>Outcome 8: Regional/National partners serve on technical advisory committees</p>	<ul style="list-style-type: none"> • Number of rural youth trained on agri-business entrepreneurship (Target: 64, 50 per cent female) • Percent of rural youth working to access financial and non-financial entrepreneurship tools and products (Target: 80 per cent) 	<ul style="list-style-type: none"> • Completion and impact report • Rural Youth forum/workshop reports • IFAD grant portfolio database/GSR • 	<ul style="list-style-type: none"> • vironment conducive to youth pursuing new livelihoods
Key Activities	<p>Component 1: Knowledge management and research/Survey of business development services in the region to determine service gaps</p> <p>Component 2: Provision of rural entrepreneurial training, mentorship, and business development services to close service gaps</p> <p>Component 3: Micro-credit lending through risk mitigation</p>	<p>Component 1 indicators:</p> <ul style="list-style-type: none"> • 4 National and regional events to share knowledge and learning • 8 Publication of results in academic journal, magazine <p>Component 2 indicators:</p> <ul style="list-style-type: none"> • 480 rural youth entrepreneurs complete the REVCEL programs (non-farm) • 64 rural youth entrepreneurs complete the SELF program (agri-business) <p>Component 3 indicators:</p> <ul style="list-style-type: none"> • Lending institutions make available \$1 million loan and saving products targeted towards youth entrepreneurs • 480 youth with access to technical advisory services (50 per cent female) 	<ul style="list-style-type: none"> • Baseline Data Collection/Follow-up Surveys • M&E system • Progress reports • Supervision reports/aide memoires • Completion and impact report • Rural Youth forum/workshop reports • IFAD grant portfolio database/GSR 	<ul style="list-style-type: none"> • Availability of business owners per need of entrepreneur • Access to updated information on businesses; resources necessary to host competitions • Funds available; active communication amongst different participants involved • Logistical capability of participants; free and fair markets <p>Resources available for events; participants attentive to information available; participants well-versed</p>