

Document: EB 2018/LOT/G.18  
Date: 22 November 2018  
Distribution: Public  
Original: English

**E**



Investing in rural people

## **President's Report on a Proposed Grant under the Global/Regional Grants Window to the NEPAD Planning and Coordinating Agency for Strengthening Opportunities for Rural Youth Employment and Entrepreneurship in Africa**

### **Note to Executive Board representatives**

#### Focal points:

#### Technical questions:

**Bernadette Mukonyora**  
Programme Analyst  
East and Southern Africa Division  
Tel.: +39 06 5459 2695  
e-mail: b.mukonyora@ifad.org

**Elizabeth Ssendiwala**  
Regional Gender Coordinator  
Environment, Climate, Gender and  
Social Inclusion Division  
Tel.: +254 719 326450  
e-mail: e.ssendiwala@ifad.org

**Khadidja Doucoure**  
Regional Gender Coordinator  
West and Central Africa Division  
Tel.: 39 06 5459 2271  
e-mail: k.doucoure@ifad.org

**Shirley Chinien**  
Regional Economist  
East and Southern Africa Division  
Tel.: +39 06 5459 2536  
e-mail: s.chinien@ifad.org

#### Dispatch of documentation:

**Deirdre McGrenra**  
Chief  
Governing Bodies  
Tel.: +39 06 5459 2374  
e-mail: gb@ifad.org

**For: Approval**

## **Recommendation for approval**

The Executive Board is invited to approve the recommendation for the proposed grant as contained in paragraph 13.

# **President's Report on a Proposed Grant under the Global/Regional Grants Window to the NEPAD Planning and Coordinating Agency for Strengthening Opportunities for Rural Youth Employment and Entrepreneurship in Africa**

## **I. Background and compliance with IFAD Policy for Grant Financing**

1. The 2030 Agenda recognizes young people as critical agents of change and integrates their priorities and needs across the economic, environmental and social dimensions of development. More than 30 per cent of Africa's population is unemployed, and 60 per cent of unemployed people are young women and men. Youth unemployment as a percentage of the total labor force age 15-24 stands at 6.9 per cent for Cameroon, 12.1 per cent for Mali, 41.7 per cent for Mozambique and 13.8 per cent for Zambia. In addition, 75 per cent of unemployed youth in Africa are women. One of the reasons for continued high youth unemployment in Africa is a mismatch between policies, an enabling environment and the demand for jobs by young people.
2. The NEPAD Planning and Coordinating Agency (NPCA) has identified the need to develop rural youth-focused policies at the national level to increase impact and attract the needed buy-in and political support for adapting these models in other African countries. NEPAD's approach seeks to strengthen the economic empowerment of rural youth through the development of national youth action plans focused on: (i) analysing national regulatory frameworks to promote the implementation of national strategies for strong and sustainable growth of the rural sector; (ii) participatory approaches for a shared vision of the key challenges and solutions to strengthen agricultural employment opportunities, and access to resources in rural areas – especially for young people; and (iii) developing a body of knowledge on best practices and experiences to address rural youth employment and entrepreneurship challenges. The national youth action plan approach has a strong capacity-building component to ensure that young people are equipped with the skills needed for economic empowerment. This model also focuses on assessing and reviewing the curricula of Agricultural and Technical Vocational Education and Training (ATVET) institutions to ensure that they are aligned with emerging opportunities.
3. The proposed project is in line with the goal and objectives of the IFAD Policy for Grant Financing (2015),<sup>1</sup> particularly: objective 2 – strengthen partners' institutional and policy capacities; objective 3 – enhance advocacy and policy engagement; and objective 4 – generate and share knowledge for development impact. It is also aligned with grant priority area 1 of the Strategic Guidance for IFAD Grants 2018: Access of rural youth and vulnerable rural populations to productive assets, financing, natural resources and new skills/capacities necessary for engaging in income generation activities and strengthening their participation in social dynamics.

---

<sup>1</sup> See EB 2015/114/R.2/Rev.1.

4. In addition, this project is fully aligned with Commitments to the Eleventh Replenishment of IFAD's Resources (IFAD11) and its strategic vision of inclusiveness, "where young rural people can hope to realize their aspirations for a better life in their own communities".<sup>2</sup> Specifically, the project will contribute to IFAD11 Commitment 2.2 – Increase focus on the poorest and most vulnerable people within each country, by providing evidence and models to inform IFAD's targeting of youth and ensuring appropriate differentiated approaches for young women and men. It will also contribute to Commitment 3.3 – Mainstream the key cross-cutting themes of nutrition, gender, youth and climate, by sensitizing national counterparts on youth employment and entrepreneurship opportunities in target countries and IFAD-supported investment projects. The proposal is also aligned with IFAD's Rural Youth Action Plan given its focus on promoting youth entrepreneurship and employment.

## II. The proposed project

5. The overall goal of this project is to improve the enabling environment for young women and men to access decent and sustainable employment opportunities. Its objectives are to: (i) develop national action plans for rural youth employment and entrepreneurship in Mali, Mozambique and Zambia to create an enabling environment for the economic inclusion of young people in rural areas; (ii) adapt and pilot skills curricula in formal and non-formal agriculture and vocational training institutions to build entrepreneurship and business skills among rural youth, and harness employment opportunities for sustained income generation; and (iii) strengthen policy dialogue on innovative and inclusive financial services for rural youth entrepreneurship and employment by engaging policy makers and ensuring the inclusion of youth in national and regional policy dialogue.
6. The target group will be composed of young women and men between the ages of 15 and 35<sup>3</sup> in Cameroon, Mali, Mozambique and Zambia. At least 1,000 rural young women and men (with gender parity of 50-50, whenever possible) from selected youth groups and networks (including youth engaged in IFAD-supported projects) will be directly targeted, benefitting from capacity-building activities and support in preparing business plans.
7. The project will be implemented over three years and will have the following components:
  - (i) **Component 1: Preparation of national action plans (NAPs).** This component responds to the need to develop high-level plans that identify current and future opportunities for integrating rural young women and men into economic activities in rural areas. Component 1 will largely be implemented in Mali, Mozambique and Zambia since Cameroon has already developed a NAP for rural youth employment and entrepreneurship. Several steps are envisaged in the preparation of these action plans, including diagnostic studies to gather evidence that will inform the development of NAPs.
  - (ii) **Component 2: Vocational training (formal and non-formal).** This component will build on the diagnostic activities in component 1 and will seek to address the mismatch between the target countries' education systems and livelihood opportunities in rural areas. The main focus is therefore on revitalizing educational, technical and vocational programmes to align skills

<sup>2</sup> IFAD, *Report of the Consultation on the Eleventh Replenishment of IFAD's Resources: Leaving No One Behind: IFAD's Role in the 2030 Agenda*, GC41/L.3/Rev.1 (2018).

<sup>3</sup> The African Union Youth Charter defines young people as every person between the ages of 15 and 35 years. The United Nations definition limits the youth to the ages between 15 and 25 years. For the purpose of this proposal and in alignment with the African Union Charter, the African Union definition will be used ([https://au.int/sites/default/files/treaties/7789-treaty-0033\\_-\\_african\\_youth\\_charter\\_e.pdf](https://au.int/sites/default/files/treaties/7789-treaty-0033_-_african_youth_charter_e.pdf)).

with future needs for rural and agriculture-led transformation. The envisaged interventions include: (i) institutional strengthening of ATVET institutions; (ii) strengthening of ATVET curricula; and (iii) piloting of new ATVET curricula, including through IFAD-supported investment projects.

- (iii) **Component 3: Policy dialogue.** Discussions with governments will focus on improving differentiated services to facilitate rural youth entrepreneurship and employment in agriculture through open and inclusive dialogue on youth-sensitive development **interventions**. This component will build upon the diagnostic work undertaken in component 1 to promote open and inclusive dialogue for policymakers, practitioners and other stakeholders to enhance the participation of rural young people in economic activities. Activities in this component will leverage on NPCA's existing platforms such as the NEPAD Youth Virtual Dialogue Platform. Key lessons will be disseminated through NPCA's engagement in the steering committee meetings and the Heads of State and Government Orientation Committee (HSGOC). By strengthening the participation of youth in policy processes, this component seeks to empower young people (including participants in component 2 activities) to engage in policy and decision making. The project will make use of existing platforms such as the Comprehensive Africa Agriculture Development Programme (CAADP) Partnership Platform, the Women in Agribusiness platform, African Green Revolution Forum and Rural Futures, which provide mechanisms for youth voices to be heard.

### III. Expected outputs

8. The project is expected to have the following outputs:
- (i) Rural youth action plans are formulated. Valuable lessons for the preparation of national action plans will be compiled by identifying gaps in existing rural youth policies. These gaps will be closed through analysis and stakeholder validation.
  - (ii) Youth are better equipped to access rural finance and engage in agri-business opportunities. The project will adapt curricula to rural ATVET institutions and customize training materials to focus on entrepreneurship, life skills and work ethics.
  - (iii) Lessons learned from components 1 and 2 are presented at the highest political level through national and regional policy dialogue. Recommendations from project implementation will inform plans to mainstream youth into existing investment projects and future interventions in the target countries. The project will leverage other NEPAD policy dialogues and African Union platforms by building a business case for a policy shift in the rural landscape.
9. The expected outcomes include the following:
- Medium-term: Adequate policies are in place and barriers are removed to equip young women and men with the skills needed to take advantage of employment and entrepreneurship opportunities in rural areas. Innovative approaches for inclusive financing for rural youth are identified, documented and shared widely.
- Long-term: Policies and country-level action plans for scaling-up rural youth entrepreneurship are in place.

### IV. Implementation arrangements

10. The project will be directly executed by the NPCA as the implementing agency of the African Union's development agenda (which includes CAADP, the Malabo Declaration and Agenda 2063). The NPCA was directly selected in line with section (IV)(15)(iii) of IFAD's Policy for Grant Financing due to its unique role in fostering rural and agricultural transformation in Africa. The project will be implemented in a highly participatory manner to ensure that the interventions are thoroughly

integrated into national and local government processes, and IFAD-supported projects. A project coordination committee will be established each country under the supervision of the relevant technical ministry. These steering committees will work with IFAD and NPCA to identify training institutions and youth, as well as stakeholders in policy formulation. To enhance its sustainability, consultations and validation of educational curricula and action plans will involve stakeholders at the local level (including in IFAD operations); provincial and regional levels (ATVET institutions); and national level (including ministries of agriculture and higher education).

11. There are no deviations from the standard procedures for financial reporting and audits.

## V. Indicative project costs and financing

12. The proposed total cost of this project is estimated at US\$1,238,000, which includes cofinancing from the NPCA totalling US\$238,000 in cash and in-kind. A breakdown of the proposed project budget and activities is presented in tables 1 and 2.

Table 1

**Costs by component and financier**

(Thousands of United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>NPCA</i>	<i>Total</i>
Component 1: Preparation of national action plans	70	-	70
Component 2: Vocational training (formal and non-formal)	400	50	450
Component 3: Policy dialogue	100	30	130
Implementation support: Salaries, travel, communication, knowledge management, equipment and materials	409	158	567
Overhead and management fees	21	-	21
<b>Total</b>	<b>1 000</b>	<b>238</b>	<b>1 238</b>

Table 2

**Costs by expenditure category and financier**

(Thousands of United States dollars)

<i>Expenditure category</i>	<i>IFAD</i>	<i>NPCA</i>	<i>Total</i>
Consultancies	70	-	70
Equipment and materials	30	40	70
Salaries and allowances	252	118	370
Travel and allowances	127	-	127
Workshops	500	80	580
Overhead and management fees	21	-	21
<b>Total</b>	<b>1 000</b>	<b>238</b>	<b>1 238</b>

## **VI. Recommendation**

13. 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, Strengthening Opportunities for Rural Youth Employment and Entrepreneurship in Africa, shall provide a grant of one million United States dollars (US\$1,000,000) to the NEPAD Planning and Coordinating Agency for 36 months upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Gilbert F. Hougbo  
President

## Results-based logical framework

Results	Objectives-hierarchy	Objectively verifiable indicators (outcomes)	Means of verification	Assumptions
<b>Goal</b>	To contribute towards improving the enabling environment for young women and men to access decent and sustainable employment opportunities .	<ul style="list-style-type: none"> <li>1000 young women and men (15-35 years) who have reported improvements in incomes</li> </ul>	<ul style="list-style-type: none"> <li>Project surveys – baseline &amp; final Evaluation</li> </ul>	Stable political and economic environment.
<b>Objectives</b>	To empower rural young women and men in Cameroon, Mali, Zambia, and Mozambique: <ul style="list-style-type: none"> <li>To contribute to policy dialogue on innovative and inclusive financial services for entrepreneurship and employment, encourage</li> <li>To support rural youth to build entrepreneurship/business skills, and harness employment opportunities for sustained income generation.</li> </ul>	<ul style="list-style-type: none"> <li>50 male and female rural youths involved participating in policy dialogues and their perspectives included in key outcome documents</li> <li>Curriculums strengthened to address rural youth employment/entrepreneurship needs</li> <li>Increase in the number of enterprises established by rural youths Rural youth employment and skills needs' mainstreamed into national development plans and programmes</li> </ul>	<ul style="list-style-type: none"> <li>Grantee progress report</li> <li>Workshops and conference records</li> <li>Final evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Youths willing to engage in agri-preneurship</li> </ul>
<b>Outcomes</b>	<u>Medium Term</u> : adequate policies are in place and barriers are removed to help young women and men to be equipped with skills to take advantage of employment and entrepreneurship opportunities in rural areas. Innovative approaches for inclusive financing for rural youth are identified, documented and shared widely. <u>Long term</u> : policy and country level action plans for scaling-up rural youth entrepreneurship development are put in place.	<ul style="list-style-type: none"> <li>3 National Action Plans prepared and validated at the national level</li> <li>1000 rural youth equipped with skills that match the job market</li> <li>1000 trained rural youth establishing rural enterprises</li> <li>Proportion of trained rural youth obtaining employment</li> </ul>	<ul style="list-style-type: none"> <li>National validation workshop</li> <li>NEPAD HSGOC Decisions</li> <li>AU Decisions</li> <li>Final evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Key regional and national policy stakeholders will up-take the messages from the dialogue process.</li> </ul>
<b>Outputs</b>	<b>Outputs 1</b> a) Preparation of NAPs b) Lesson on key drivers of rural finance policies documented	<ul style="list-style-type: none"> <li>7 stakeholder meetings held.</li> <li>3 National Action Plans on Youth Employment and Skills formulated in 3 countries.</li> <li>6 Number of resource partner meetings</li> <li>3 Knowledge products</li> </ul>	<ul style="list-style-type: none"> <li>Grantee progress report</li> <li>Stakeholder consultation report</li> <li>Conference report</li> </ul>	<ul style="list-style-type: none"> <li>The multi-stakeholder process will lead to the participation and commitment of development and resource partners.</li> <li>National ownership and wide-spread stakeholder participation throughout the process.</li> </ul>
	<b>Output 2</b> a) Curriculums on modernized agriculture and agribusiness updated	<ul style="list-style-type: none"> <li>Number of operational partnerships established</li> <li>Number of curricula produced along value</li> </ul>	<ul style="list-style-type: none"> <li>Field visit reports</li> <li>M&amp;E reports.</li> </ul>	<ul style="list-style-type: none"> <li>On-the-ground programmes and mechanism exist</li> </ul>

	<ul style="list-style-type: none"> <li>b) Training Materials customized</li> <li>c) Modular technical, vocational and business training conducted</li> <li>d) Students linked to existing IFAD's funding</li> </ul>	<ul style="list-style-type: none"> <li>chains*</li> <li>▪ 1000 students equipped with skills on rural enterprises</li> <li>▪ 400 students linked to IFAD-supported projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Case studies</li> </ul>	<ul style="list-style-type: none"> <li>and successful operational partnerships will be established (e.g. Schools, Business Incubators, Agribusiness Clusters, etc.).</li> </ul>
	<p><b>Output 3</b></p> <ul style="list-style-type: none"> <li>a) Student's participation and representation enhanced</li> <li>b) Policy briefs produced</li> <li>c) Rural Finance Policies adopted</li> <li>d) Resources mobilized for rural finance opportunities</li> <li>e) Lesson on key drivers of rural finance policies disseminated</li> <li>f) Regional Dialogue conducted</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1 policy dialogue platform established</li> <li>▪ 50 youth participation and representation in policy dialogues</li> <li>▪ 3 policy briefs produced</li> <li>▪ Percentage of resources mobilised for youth intervention</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grantee progress report</li> <li>▪ Stakeholder consultation report</li> <li>▪ Conference report</li> <li>▪ NEPAD HSGOC Decisions</li> <li>▪ AU Decisions</li> </ul>	<ul style="list-style-type: none"> <li>▪ There is Political support and buy ins to encourage best practice on rural finance</li> </ul>
<b>Key Activities by component</b>	<p><b><u>Component 1: Preparation of National Action Plans (NAPs):</u></b></p> <ul style="list-style-type: none"> <li>a) Project Inception Workshop,</li> <li>b) Stakeholder analysis of rural finance and entrepreneurship players</li> <li>c) Gap analysis of existing rural finance and entrepreneurship policies</li> <li>d) Validation workshop and policy recommendations</li> <li>e) Commission study on the youth policies success stories</li> <li>f) Validation workshop for NAPs and formulation</li> </ul>	<ul style="list-style-type: none"> <li>▪ 7 workshops conducted</li> <li>▪ Number of stakeholders identified</li> <li>▪ Nature of gaps in existing policies</li> <li>▪ Completion of 1 study on youth policies success stories</li> <li>▪ 3 NAPs formulated</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grantee progress report</li> </ul>	<ul style="list-style-type: none"> <li>▪ Stakeholders attend consultative workshops</li> </ul>
	<p><b><u>Component 2: Vocational Training (Formal and Non-Formal):</u></b></p> <ul style="list-style-type: none"> <li>a) Update Curriculum/Training Materials</li> <li>b) Reorientation on technical and vocational education</li> <li>c) Provision of modular technical, vocational and business training</li> <li>d) Link youths to other IFAD's initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number of curricula and training materials produced**</li> <li>▪ 1000students trained</li> <li>▪ Number of value chains provided in vocational and business training***</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grantee progress report</li> <li>▪ Training Report</li> <li>▪ M &amp; E reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ On-the-ground programmes and mechanism exist and successful operational partnerships will be established (e.g. Schools, Business Incubators, Agribusiness Clusters, etc.).</li> </ul>
	<p><b><u>Component 3: Dialogue on how to improve differentiated services in favor of rural youth entrepreneurship (agripreneurship) and employment:</u></b></p> <ul style="list-style-type: none"> <li>a) Create / facilitate platform for open and</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1 dialogue platform</li> <li>▪ 50 youths exposed to policy consultations</li> <li>▪ 3 reports submitted to HSGOC</li> <li>▪ Proportion of resources mobilised</li> <li>▪ 40% of students linked to IFAD supported</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grantee progress report</li> <li>▪ AU Decisions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Political and resources partners; support</li> </ul>



	<p>inclusive dialogue for policymakers, practitioners and stakeholders</p> <p>b) Enhance youth voices through facilitation of youth participation in policy dialogues</p> <p>c) Inform the African Union the outcomes of the policy dialogues and recommendation.</p> <p>d) Strengthen advocacy for adequate allocation from domestic and international sources for youth development efforts</p> <p><b>e)</b> Conduct Regional Conference</p>	<p>projects</p> <ul style="list-style-type: none"> <li>▪ 3 policy briefs prepared</li> </ul>		
--	--	--	--	--

\*Will be determined after country consultations.

\*\*Target to be determined, once the strategic value chains have been agreed upon.

\*\*\*Will be identified after consultations with countries.