

BMZ_TEF I4AG Project Closeout Report

PROJECT PROGRESS REPORT (PPR) FOR TEF ENTREPRENEURSHIP PROGRAMME

A. PROJECT DATA

I. BASIC INFORMATION

GRANT Number 81273722	PROJECT: Fund for the Promotion of Innovation in Agriculture (i4Ag)		
Start Date 15 JUL 2021	End Date 31 DEC 2021	GRANT Amount €1,102,017.03	Reporting Period Closeout Report

NAME OF DONOR/PARTNER- GIZ/BMZ

II. PROGRAMME BRIEF:

The Tony Elumelu Foundation (TEF) Entrepreneurship Programme is a 10-year, USD100 million commitment to identify, train, mentor, and fund 10,000 African entrepreneurs. The Programme's goal is that the 10,000 entrepreneurs will create 1 million jobs and generate USD10 billion in additional revenue on the continent. In its 5th year of operation, the Programme has empowered over 15,000 entrepreneurs, using a robust selection, training, and implementation processes to create visible and sustainable impact across all 54 African countries.

The programme is open to all citizens and legal residents of any one of the 54 African countries, who operate a start-up or MSME (Micro Small and Medium Enterprises) in Africa. The programme informs entrepreneurs through its website, active social media campaign and has also set up Alumni networks across the African countries. The evaluation and selection of entrepreneurs to join the programme follow a strict methodology developed and conducted by external and independent consultancy firms to ensure transparency and impartiality at entry point of the selection process.

GIZ (Gesellschaft fuer Internationale Zusammenarbeit) signed a grant agreement with the Tony Elumelu Foundation to fund capacity building of Agric focused, small and medium enterprises, under the programme. This supported the scale up and capacity building support of African entrepreneurs through the GIZ/Tony Elumelu Foundation Entrepreneurship Programme. On completion of the training, selected 220 entrepreneurs under this grant will receive \$5,000 grant to start or grow their businesses. The outcome will be strong viable businesses, which go on to create new jobs, increase revenue and enlarge Africa's private business sector and contribute to economic development in Africa.



B. PROJECT RESULT AND LOGICAL FRAMEWORK

Logical Framework						
	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
A1	Entrepreneurship training and seed capital for agripreneurs in selected African countries					
A1.1	Distribution of non-returnable seed capital of 5,000 USD to agripreneurs submission of business plans	220 agripreneurs receive seed capital (including up to 30% female agripreneurs)	0 (07/2021)	220 (12/2021) (Including up to 30% female agripreneurs)	Records of bank transfers	The seed capital meets the most urgent financing needs during the post COVID recovery period
A1.2	Integration of agripreneurs in TEF alumni network	At least 90% of TEF training participants engage in the TEF alumni network	0% (07/2021)	90% (12/2021) (Including up to 20% female agripreneurs)	Records from TEF alumni platform	The TEF alumni network enables agripreneur to build business relationships

C. ACHIEVEMENTS

Activity S/N	Indicator	Baseline	Target	Achieved
Activity 1.1	Number Agripreneurs receive seed capital (including up to 20% females Agripreneurs)	0	220 (12/2021)	220 Male: 156

			(Including up to 30% female agripreneuers)	Female: 64 (29%)
Activity 1.2	% Of TEF training participants engage in the TEF alumni network	0	90%	80%
			Male: 70% Female: 20%	

D. PROJECT IMPLEMENTATION

State the major characteristics of project implementation with reference to the following where applicable: adherence to programme cycle schedules, adherence to cost, the performance of consultants, the effectiveness of the approach, and effectiveness of Beneficiary oversight (in terms of Alumni management and Mentorship). (Max. 600 words)

1. Selection

Applications received on entrepreneurship were more than 400,000 which set the tone for the programme selection process. A little over 200,000 were onboarded for the 2021 training cycle and 96,419 started the TEF proprietary business management training. With an over 90% completion rate, 84,865 applicants finished the training.

On completion of the business management training, only 13,000 applicants were shortlisted for the pitching competition and subsequently, 4,949 entrepreneurs were selected for the seed funding. The training covered modules to help with starting your business, ownership, leadership, and business growth, including building an enduring brand. This training covered all beneficiaries funded by several partners on the programme.

220 entrepreneurs with a key business focus on Agriculture were selected under this grant. The selection was also staggered between countries while also ensuring gender consideration to meet the required gender disaggregation for the grant (Male 70%, Female 30%)

2. Training outcome:

Using an optimised training platform for the business management training has improved learning outcomes from beneficiaries. Post-training Feedback from selected beneficiaries reflects that 93% of users opined that training modules and content met their expectations in terms of quality and training delivery from the platform. More so, the programme approach to train more applicants before final selections provided an opportunity to improve the general capacity of the African entrepreneurs.

Furthermore, with over 70% of applicants within the age bracket of 24 - 40, this speaks to an increase in the overall awareness and capacity on business growth for a younger population of African entrepreneurs who would go ahead to thrive in accessing funds from other funders besides the TEF entrepreneurship programme.



Training Breakdown



3. Seed capital Disbursement:

All 220 selected beneficiaries have received funding. Delays have been more in countries without UBA (United Bank of Africa) presence and due to the none or late submission of required documentation by beneficiaries. However, more support has come from the alumni network to close the gaps in response from beneficiaries.

4. Integration into Alumni Platform:

Earlier in the year, limitations in reaching the disbursement timeline across all the 2021 cohort of entrepreneurs have impacted the migration of entrepreneurs onto the alumni network for adequate peer to peer engagements and post disbursement mentorship. Efforts are now being intensified to ensure full migration, with all mentors now fully onboarded and the pairing with entrepreneurs to enable the commencement of peer engagement with entrepreneurs and Monitoring and Impact:

Framework for monitoring progress and evaluating impact has been set up with a results framework that allows us to monitor short, intermediate, and long-term results. Indicators measuring new decent jobs, revenue added, income and improved livelihood have all been integrated into the growth measuring framework.

5. Baseline Summary Findings

The Tony Elumelu Foundation embarked on a baseline assessment for its entrepreneurship programme. The findings below have been culled for the agriculture sector to provide relevant baseline information for a total of about 600 (all within the agriculture sector) respondents which represents 12% of respondents from the 2021 cohort and 27% (58 entrepreneurs under this contract) of the samples/responses out of the 220 entrepreneurs from the Promotion of Innovation in Agriculture (i4Ag) programme.

- 51% of respondents who have started operations opined to have a local product reach. 33% distribute at a national scale, while only 4% have started distribution internationally. This is expected to improve as 91% of these Agric businesses opined to now have a consistent digital presence.



- 87% of respondents are within the youth age range of 23-43. (61%-23-33 and 26%-34-43 age range). This is consistent with the reports on the increasing youth population engaging in entrepreneurship activities in Africa
- Majority of respondents (88%) are well educated with 46% of the respondent attaining a post-graduate degree level of education and 42% attaining a first-degree tertiary level of education. More of the African entrepreneurs selected came from an educated population. This would speak to their ability to adapt more to improved learnings and collaborate and sustain their businesses.
- Most businesses are within urban settlements as findings show that 51% of respondents attested to having their business in the urban areas and 16% are in rural settlement that is quite far from any city. This is quite significant as more entrepreneurs in the rural settlement may still have challenges driving their businesses as things move more towards a remote operation.
- 65% of selected entrepreneurs choose to become entrepreneurs to make positive impacts within their community and country. This would speak to increased interest in driving development within their communities and contributing to economic development.
- 32% of respondents are currently receiving some form of revenue from their business while 68% do not yet have any form of revenue from their business. However, 42% of these revenues are less than \$1000 per annum and only 21% generate between \$1000 to \$2000 per annum.
- 67% of beneficiaries are not on other paid employment, while 33% opined to being on employment either in combination with growing with their business or simply looking to transition when their business can cover for their personal income. This would indicate that a substantial number of selected beneficiaries depend on their businesses as a source of income and correlates findings regarding having their business as a source of income. However, findings also confirmed that only 63% of the employed population receive any form of income from these jobs.
- 53% of the selected entrepreneurs for 2021 have their business at the start-up stage. This indicates that most of these businesses are still at the idea stage and are yet to have any structures or even able to make any revenue or add immediate jobs. They will require some time for structure setting and more follow up and mentoring to ensure business survival. On the other hand, 47% of the selected entrepreneurs indicated that their businesses are already in the growth and expansion stage (35% and 12%). With more of this population in the growth stage, it would mean that they can begin to add new jobs and increase revenue slowly. The 12% in the expansion stage can begin immediate scale-up in terms of creating new outlets, adding significant new decent jobs, increase significant revenue. This would also inform on the kinds of mentorship support to be tailored for the 2021 cohorts
- 81% of respondents opined to be single owners of their business. They are solely responsible for all decision making within their business. However, a significant 11% are co-owners to their business hence, they share responsibilities and risks of the business.
- 80% of respondents have 1-2 employees at the time of the survey. This includes the beneficiaries who work full time within their business. Only 20% currently have employees within their business and this also includes the business owners who work full time on the business. 2 out of every 3 employees are youth and 1 out of every 3 are women.



- 74% of respondent attested that a permanent employee within their field or sector work between 20 to 60 hours per week, and 91% said these permanent employees earn salaries ranging from less than \$50 to \$150 per month. 79% of responses indicated that a typical temporary employee works less than 10 to 20 hours per week.

6. Challenges

- I. Short project period did not allow enough time for more outcome level results from the programme. Current results are at the output levels.
- II. Late response from beneficiaries in submitting bank documentation affected timeline for fund disbursement. This was more for beneficiaries in countries without UBA present.
- III. Limitations with remote monitoring in terms of data quality and integrity on project outcomes
- IV. Late fund disbursement of funds has Slow down the process of integration into the alumni network and consequently, post disbursement mentorship

E. LESSONS, FOLLOW UP ACTIONS AND RECOMMENDATIONS

LESSONS LEARNT (Summarize the lessons learned during implementation of the project/activity) **(Max 150 words)**

Changes in context

Changes in context due to ongoing security challenges and COVID protocols have reduced the chances of on-site monitoring, offline networking engagements, and direct-contact mentoring. This has however intensified the need for more remote monitoring in the programme.

Remote Monitoring

Remote monitoring has also presented some learnings in terms of the limitation to effectively track fund utilisation in real-time. However, the process of engagement of third-party monitoring and evaluation firms has commenced as we look to close gaps in monitoring. An optimised TEFconnect platform will also be utilised for the needed mentorship post disbursement.

Technology gap

Technology gaps in areas with limited access to the internet have also posed a challenge in ensuring the reach of mentorship and monitoring in some hard-to-reach areas. We will look to close these gaps through the engagement of a third-party monitoring and evaluation firm with adequate spread and reach across Africa.

RECOMMENDATIONS (Summarize key recommendations suggested by the project's implementation and sustainability) **(Max 250 words)**



Future programming should allow adequate time to ensure key project outcomes and notable success stories. Learnings reflect that funded entrepreneurs would require up to 12 months to record actual results in terms of decent job creation and significant revenue addition. Baseline data was also indicative of the significant percentage of beneficiaries whose businesses are still only at start-up stages, further reconfirming the recommendation for a more extended timeline for a future programme.

Further considerations should be given to the increasing need for a more specialised capacity building for entrepreneurs in Agric business, where more intentional efforts will be required to tailor this in, for future project design and implementation with TEF. This can also be integrated as a second stage scale-up support for funded beneficiaries.

- I. **Annex I. Bank transfer Records**
- II. **Annex II. Updated List of paid BMZ entrepreneurs**