



The Innovation & Entrepreneurship  
Lab



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



AFRICAN DEVELOPMENT BANK GROUP

## Final Evaluation Report

# Independent Assessment of Lab Achievements and of Lessons Learned as a Result of SECO Funding from 2019 to 2023

Produced by:  
A2F Consulting LLC  
6100 Executive Boulevard  
Suite 630  
Rockville, MD 20852 / USA  
Tel +1 (301) 800-7661  
[info@a2f-c.com](mailto:info@a2f-c.com)  
[www.a2f-c.com](http://www.a2f-c.com)

February 26

2024

## TABLE OF CONTENTS

<b>1</b>	<b>EXECUTIVE SUMMARY</b> .....	<b>6</b>
<b>2</b>	<b>INTRODUCTION</b> .....	<b>10</b>
<b>3</b>	<b>EVALUATION METHODOLOGY</b> .....	<b>12</b>
<b>4</b>	<b>OVERVIEW OF THE PROJECTS AND OUTPUTS OF THE LAB</b> .....	<b>15</b>
<b>5</b>	<b>EVALUATION FINDINGS</b> .....	<b>17</b>
5.1	RELEVANCE .....	17
5.2	COHERENCE.....	19
5.3	EFFECTIVENESS.....	21
5.4	EFFICIENCY .....	26
5.5	IMPACT .....	28
5.6	SUSTAINABILITY .....	30
<b>6</b>	<b>CASE STUDIES</b> .....	<b>32</b>
6.1	GHANA – BUSINESS DEVELOPMENT SERVICES FOR ESOs .....	32
6.2	SOUTH AFRICA – CALL TO INNOVATION BY TRACTION.....	36
<b>7</b>	<b>SIGNIFICANT ACHIEVEMENTS</b> .....	<b>40</b>
<b>8</b>	<b>LESSONS &amp; CHALLENGES</b> .....	<b>41</b>
<b>9</b>	<b>RECOMMENDATIONS</b> .....	<b>42</b>
<b>10</b>	<b>ANNEX</b> .....	<b>47</b>

## OVERVIEW OF FIGURES

Figure 1: Summary of the Assessment Based on SDC SECO DAC Criteria .....	7
Figure 2: Pillars of the Lab .....	10
Figure 3: Country-level Beneficiaries of the Lab Interventions .....	11
Figure 4: Employed Evaluation Approach .....	12
Figure 5: Data collection target and achievement .....	14
Figure 6: Output of the Lab from SECO funding (2019-2023) .....	16
Figure 7: The Digital M&E Tool of the Lab.....	17
Figure 8: In which managerial areas have your capacity as an ESO improved due to the ESO360 Training?.....	22
Figure 9: Extent to which ESOs agree the training has improved the services and assistance they offer to startups .....	22
Figure 10: Extent to which ESOs had applied recommendations from the ESO360 training to operations .....	23
Figure 11: Extent to which the Cleantech Program was relevant to participants' needs .....	23
Figure 12: Extent to which ESOs of the Chemonics program agree that their capacities and awareness have been enhanced with respect to specific climate areas.....	24
Figure 13: Do you agree that the training program has enhanced your understanding and knowledge of the key challenges women face in clean technology sectors? .....	24
Figure 14: Are you aware of the ENNOVA platform of the Lab? .....	25
Figure 15: What are the major reasons for using the ENNOVA platform?.....	26
Figure 16: % of cumulative disbursements by area of ongoing activities (2022) .....	28
Figure 17: What is the approximate value of funds secured (\$) following the trainings from the Lab? .....	28
Figure 18: Extent of perceived contribution to sectoral development and transformation.....	29

## OVERVIEW OF TABLES

Table 1: Documents reviewed during the desk review .....	47
Table 2: Ghanaian and South African ESOs that participated in the ESO360 Training offered by the Frankfurt School of Finance & Management (FSFM) .....	48
Table 3: List of Stakeholders Engaged in Semi-Structured Interviews .....	48
Table 4: Survey ESO respondents for Ghana .....	49
Table 5: ESOs contacted for Egypt Case Study .....	49
Table 6: Survey Respondents for South Africa .....	50
Table 7: Logical Framework of the Lab.....	52
Table 8: SDC SECO Assessment Grid for DAC Evaluation Criteria.....	53

## TABLE OF ABBREVIATIONS

Abbreviation	Meaning
AHHD	Human Capital Youth and Skills Development Department
BDS	Business Development Services
CAPI	Computer Assisted Personal Interviewing
CATI	Computer Assisted Telephone Interviewing
CAWI	Computer Assisted Web Interviewing
DAC	Development Assistance Committee
ESO	Enterprise Support Organizations
FAPA	Fund For Africa Private Sector Assistance
JfYA	Jobs for Youth in Africa
KII	Key Informant Interviews
KOAFEC	Korea-Africa Economic Cooperation
Lab	Innovation & Entrepreneurship Lab
OECD-DAC	OECD DAC Network on Development Evaluation
SECO	State Secretariate for Economic Affairs
TOR	Terms of Reference
VC	Venture Capital

# 1 EXECUTIVE SUMMARY

**The Innovation & Entrepreneurship Lab (the Lab) is a flagship project under the Jobs for Youth in Africa Strategy (JfYA), along with the Boost Africa Initiative.** The JfYA was approved in 2016 to create 25 million jobs and positively impact 50 million young people with skills to enhance their employability and entrepreneurial success by 2025. In close collaboration with the Boost Africa initiative, the aim of the Lab is to strengthen the local entrepreneurship ecosystems in Africa and support enterprise support organizations (ESOs) including business incubators and business accelerators<sup>1</sup>. In furtherance of this goal, the Lab received grant contributions (in total CHF 3,000,000) from the State Secretariat for Economic Affairs of the Government of Swiss Confederation (SECO) to fulfill its mandate of creating a better support environment for early-stage entrepreneurs and Enterprise Support Organizations (ESOs). The Lab set to fulfill these objectives by supporting activities/interventions under 5 headings or pillars<sup>2</sup>. The interventions supported by the Lab are meant to build the capacities of ESOs, address the information asymmetries in the African entrepreneurship ecosystem and provide business development services, among other goals. This evaluation report focuses on Ghana, South Africa and Egypt which were focal countries for targeted interventions under SECO financing.

**A mixed-methods approach using qualitative and quantitative data analysis was employed for the evaluation of the Lab.** The evaluators applied a theory-based approach to examine the overall logical framework of the program to understand how and whether inputs were correctly designed to lead to the expected outcomes. The evaluation employed a combination of in-depth desk reviews, semi-structured interviews, case studies and beneficiary surveys to collect both primary and secondary data to perform an independent evaluation of the Lab initiatives. The interviews and survey engaged key stakeholders such as Enterprise Support Organizations (ESOs) (i.e., accelerators, incubators), youth-led enterprises and startups, Lab management unit, Lab counterparts, and governmental stakeholders. The results were in accordance with the TOR assessed against the OECD-DAC evaluation criteria (i.e., relevance, coherence, effectiveness, efficiency, impact, and sustainability). Furthermore, the evaluation highlighted the Lab's significant achievements and the key challenges and lessons learned from its inception till date. Based on the derived findings, a set of practical recommendations were offered by the evaluation team to improve intended future phases of the program as well as to inform the design of similar initiatives in the future.

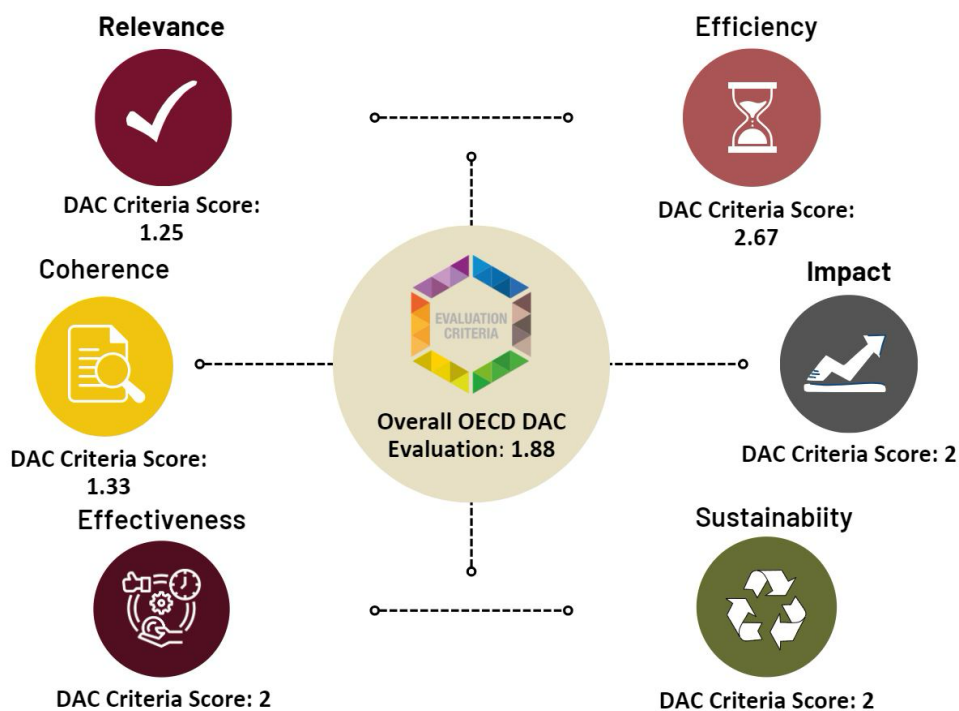
---

<sup>1</sup> Detailed information about the Lab can be found on this website:

[https://www.afdb.org/sites/default/files/documents/publications/brochure\\_jobs\\_for\\_youth\\_in\\_africa\\_innovation\\_lab.pdf](https://www.afdb.org/sites/default/files/documents/publications/brochure_jobs_for_youth_in_africa_innovation_lab.pdf)

<sup>2</sup> The pillars under which the Lab program operated are: (i) Market analysis and networking (ii) Capacity Building (iii) Knowledge and Exchange Platform (iv) Startup Finance (v) Innovation & Incubation

**Figure 1: Summary of the Assessment Based on SDC SECO DAC Criteria**



*Note: For more details see Table 8 in the Annex on the SDC SECO Assessment Grid for DAC Evaluation Criteria*

**The evaluation findings suggest that the AfDB-SECO funded interventions performed reasonably well as benchmarked against the OECD criteria, with identified areas of improvement.** The objectives of the Lab, which was to enhance the entrepreneurial ecosystem of selected countries was assessed as highly relevant to address the key challenges of the African continent, particularly as it relates to youth population growth, slow industrialization, and unemployment. In terms of coherence, the Lab programs were not only coherent with the national and youth development policies of the member countries but also highly aligned and complementary with the bank's year 10-year strategy. Furthermore, its complementarities and synergies with other donor-funded interventions such as KOAFEC and FAPA was commendable. In terms of efficiency, however, the evaluation determined there was more room for improvement. Bureaucratic and complex administrative procedures, the recruitment process and the contract renewal for external consultants and delays imposed by COVID for instance affected the efficiency of the program. The effectiveness of the programs, particularly the training programs were deemed to be largely effective based on the survey of beneficiaries, although the lack of follow-up interventions was expressed as a key concern<sup>3</sup>. At the impact level, the interventions of the Lab culminated in enhanced capacity skills for ESOs which consequently resulted in fund raising and jobs creation. Whereas the program was deemed to be largely sustainable, a few strategic adjustments<sup>4</sup> will ensure that its financial sustainability is improved.

**The Lab is well aligned with the Boost Africa Program and the JfYA Strategy (2016-2025).** The Boost

<sup>3</sup> See Section 5.3. for the full scope about Effectiveness

<sup>4</sup> See section 9.

Africa Program aims to create 25,000 direct jobs and at least 70,000 indirect jobs by supporting 1,500 SMEs by leveraging EUR 1 billion in investments. The Lab interventions directly focus on the (common) Boost Africa goals of enabling and enhancing innovative entrepreneurship in Africa through innovative technical trainings, workshops and networking events, along with the provision of financing (not part of SECO Evaluation) and knowledge products to enhance entrepreneurship ecosystem level development. The Lab interventions are targeted towards capacity building of the ESOs and thus helping create innovative startups, raise funds for financing the startups and improving job creation and employment. The JfYA Strategy aims to create 25 million jobs for African youth and to equip 50 million youth with a mix of hard and soft skills to increase their employability as well as their entrepreneurial success rate by making use of three strategic intervention areas: Integration, Innovation, and Investment. The Lab activities align with the “Innovation” area of intervention, but the Lab inherently connects all three strategic intervention areas under JfYA. Therefore, it is important that full cooperation is in place to avoid duplication of efforts, and benefit from synergies can be optimized. For instance, under the area of “Integration”, the Bank has produced various reports, the topics of some of which overlap with the knowledge products created by the Lab. Under “Innovation”, the flagship programs focus on three sectors, namely agriculture, industrialization, and information and communication technology. Some of them, such as the ENABLE Youth program, share common goals and methods as the interventions from the Lab.

**From inception till date, the Lab was characterized by significant achievements under SECO financing.**

The development of the ENNOVA platform was deemed as a very important invention of the Lab. Furthermore, the country level market studies and reports were deemed as invaluable knowledge products or resources that will benefit ecosystem stakeholders and players massively. Under the Lab’s strong and on-going partnerships are being discussed key players such as Microsoft, Netflix, The World Bank, Huawei, and the ILO. These partnerships could serve as catalysts to further fortify the entrepreneurial ecosystem by promoting investments and innovation. Furthermore, the on-going development of a digital monitoring and evaluation tool which will ensure transparent, robust, and real-time updates of results was deemed extremely laudable.

**Nevertheless, some key challenges diminished the overall efficacy of the Lab.** The bureaucratic and complex administrative procedures at the Bank were a key challenge for the Lab. This affected the procurement processes which were critical for the outsourcing of projects to external consultants and getting the required logistics. Furthermore, the Bank’s policy of rehiring consultants after a one-year gap impacted the Lab’s efficiency and project implementation. The lack of long-term planning resulted in the issue that ESOs and trainers saw the training programs as a one-time standalone intervention, and the lack of follow-ups tainted its effectiveness. Furthermore, there was the sense among beneficiaries that the Lab had not properly marketed some of its flagship outputs such as the ENNOVA platform<sup>5</sup>, where some initial publications were still not available for public consumption. Furthermore, the results suggest that there is room for improvement in maintaining continued communication between the Lab and the donors; reportedly SECO, including the HQ and country offices were Lab, as the evaluation findings reveal that SECO (in particular its country offices) was not always fully updated on the interventions on the

---

<sup>5</sup> However, it would be important to mention that officially ENNOVA was launched as a minimum viable product (MVP) and reportedly received formal approval from the Management (VP) in late October (31<sup>st</sup>).

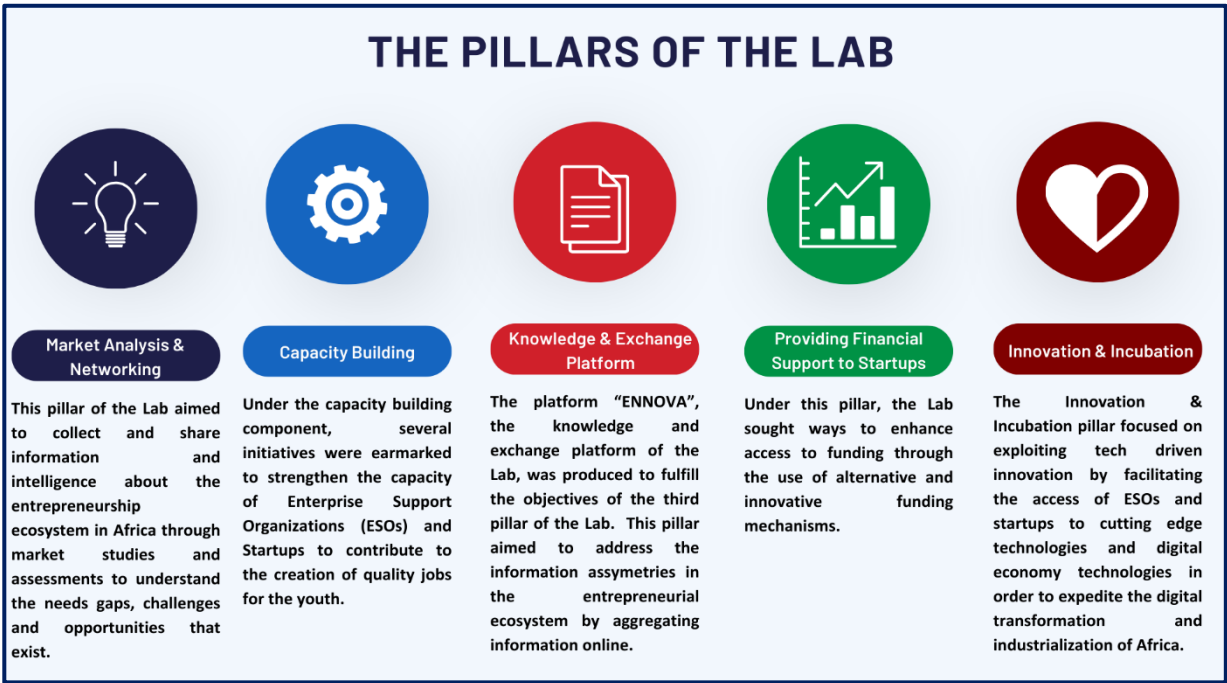
ground.

**Key recommendations based on the evaluation findings revolve around four broad areas: (a) leveraging opportunities for synergies on the ground; (b) working towards a co-creation approach with the donor(s); (c) developing a robust M&E framework; and (d) optimizing dissemination and awareness raising efforts.** While there is mentionable interest for and understanding of the importance of the synergies between the teams for the Boost Africa program and JfYA strategy, there is no clear mechanism for leveraging these opportunities. In this regard, quarterly progress reports and alignment discussions with both these teams and country level stakeholders (e.g., policymakers, representatives of ESOs, entrepreneurs' organizations) could be organized. This could also help avoid duplication of efforts in the same areas of intervention related to the development of entrepreneurial ecosystems. A co-creation approach between the donor and the Lab could provide an alternative perspective to implementation, if optimal use of available resources on the ground can be ensured. This could allow SECO to be more involved in the long-term planning of future initiatives and the implementation of the interventions together with the managers of the Lab. This could ensure alignment of priorities and ensure that SECO can easily follow the outputs of the Lab and the impacts of the initiatives being implemented on the field. A robust M&E framework with clear program and project level data collection methodology and plan, country and gender-based KPI creation on an ongoing basis and clarity of logframe assumptions could greatly enhance learning. A centralized database for program management and results related data with dashboard capabilities would also greatly streamline M&E functions and learning. Lastly, periodic (monthly/quarterly) workshops with donors and country-level stakeholders to disseminate progress, interim and final results and key lessons would enhance coordination collaborations. The Lab's impact and sustainability could be enhanced through the dissemination of its knowledge products and ongoing efforts to raise awareness of the ENNOVA platform among ESOs, startups and other key players at the country ecosystem level.

## 2 INTRODUCTION

The Innovation & Entrepreneurship Lab (the Lab) is a flagship project under the Jobs for Youth in Africa Strategy (JfYA), along with the Boost Africa Initiative. The SECO and AfDB partnership relating to the Lab was implemented in 2019. A total contribution of 3 million CHF was apportioned to the management of the Lab to oversee its operations. In this regard, the Lab set out to fulfill its mission of improving the entrepreneurial ecosystem in selected countries and supporting activities or interventions under the 5 pillars of the Lab. To do this, a primary focus on engaging Enterprise Support Organizations and startups was determined. The Lab set to fulfill these objectives by supporting activities/interventions under 5 headings or pillars<sup>6</sup>. The interventions supported by the Lab are aimed towards building the capacities of ESOs, address the information asymmetries in the African entrepreneurship ecosystem and provide business development services, among other goals.

Figure 2: Pillars of the Lab



The Lab operated regionally but also had a specific focus on Ghana, Egypt, and South Africa and certain economic sectors. A total of 50 Regional Member Countries (RMCs) participated in the programs of the Lab. The Lab used resources as availed by SECO on a priority basis for the core and secondary focus countries which were determined during the inception phase of the Lab program. Thus, the initiatives and activities implemented in the core or focal countries had more depth and breadth. The core focus countries which were Ghana, Egypt, South Africa, Kenya, Nigeria, and Côte d'Ivoire were selected due to their mature entrepreneurial ecosystem and needs assessment. The secondary focus countries included Senegal, Tanzania, Morocco, etc. This evaluation report therefore encompasses a comprehensive

<sup>6</sup> The pillars under which the Lab program operated are: (i) Market analysis and networking (ii) Capacity Building (iii) Knowledge and Exchange Platform (iv) Startup Finance (v) Innovation & Incubation

evaluation of the Lab activities that were implemented in the core countries selected by SECO and the AfDB during the incipient stage. While the Lab was sector-agnostic, there was the recognition that specific sectors had a high potential for youth employment and economic impact including ICT, healthcare, climate action/green growth, education, financial services, and the manufacturing sector.

**Figure 3: Country-level Beneficiaries of the Lab Interventions**



**This report presents the final evaluation of the Lab activities funded by SECO from 2019-2023 to study the performance and impact and identify key lessons learned.** The report presents the status of the Lab’s performance in contributing to the stimulation of the entrepreneurial ecosystem since its inception in 2019 to date with a focus on the 3 core countries mentioned earlier. The report is comprised of the following 8 sections.

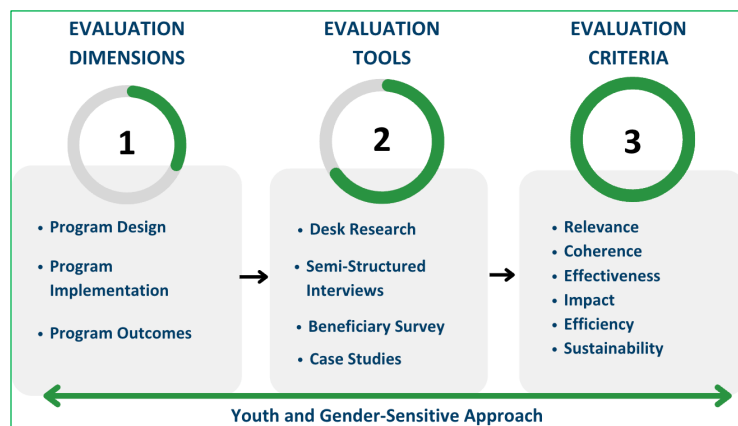
- Section 3: Evaluation Methodology
- Section 4: Overview of the Projects and Outputs of the Lab
- Section 5: Evaluation Findings
- Section 6: Case Studies
- Section 7: Significant Achievements
- Section 8: Lesson & Challenges
- Section 9: Recommendations
- Section 10: Annex

### 3 EVALUATION METHODOLOGY

The objective of the evaluation was to assess the extent to which the Innovation and Entrepreneurship Lab (the Lab) had achieved its goal of strengthening the African entrepreneurship ecosystem under SECO financing. The evaluation focused on the Lab activities in the 3 core countries, Ghana, Egypt, and South Africa.

**The evaluation of the Lab’s achievements followed a theory-based approach.** This involved the detailed examination of all Lab interventions funded by SECO based on the program logical framework, linking inputs, outputs, outcomes, and impacts. The aim was to understand and identify how the Lab’s activities undertaken contributed to the chain of results that led to the observed outcomes and impacts. The program design was reviewed to understand whether it was adequate for achieving the results. Similarly, the implementation of the interventions was reviewed to understand if it was in line with the design, whether there were any challenges and the extent of modification to the implementation due to the same. Following the analysis of the design and the implementation, the observed results were assessed to establish the contribution of the inputs towards the achievement of the outputs/outcomes/impact. This was achieved through the collection and analysis of information from both primary and secondary sources and thereafter the synthesis of the findings. This was followed by identifying the challenges and lessons learned. Based on the findings, recommendations have been developed to inform the design and implementation of similar initiatives in the future.

**Figure 4: Employed Evaluation Approach**



**The evaluation of the Innovation and Entrepreneurship Lab was structured around three dimensions.** The evaluation sought to understand: (i) the validity of the program logic and its assumptions (program design); (ii) the degree to which its activities were implemented (program implementation); and (iii) outcomes and lessons that can be learned from the program’s implementation (program outcomes). The analysis of each dimension of the evaluation was guided by the five Development Assistance Committee’s (DAC) evaluation criteria: (i) relevance, (ii) coherence, (iii) efficiency, (iv) effectiveness, (v) impact, and (vi) sustainability.

**The data collection consisted of (i) desk research, (ii) semi-structured interviews, and (iii) beneficiary survey and (iv) case studies.** For the desk research, A2F undertook a review of all relevant program documents including interim monitoring and evaluation reports, third-party reports, publications from

the Lab and others. Semi-structured interviews with different stakeholders such as the Lab’s management unit, SECO, external consultants and program trainers were executed to gather relevant information and diverse perspectives<sup>7</sup>. The evaluation and corresponding data collection focused on 2 case studies of interventions in two countries: Ghana & South Africa. Interviews were conducted in person and by virtual means, and the survey was employed using CAPI, CATI and CAWI formats for ensuring efficiency.

<p style="text-align: center;"><b>Desk Research</b></p> <p>The document research entailed a review of the program’s document and secondary resources. This included the logical framework, interim monitoring and progress reports as well as secondary literature on youth and entrepreneurship policies.</p>	<p style="text-align: center;"><b>Semi-Structured Interviews</b></p> <p>Semi-structured interviews with the Lab Management Unit, Donor (SECO), Country-level Coordinators and appointed consultants were undertaken to assist in the evaluation exercise and assess the results against the evaluation criteria.</p>	<p style="text-align: center;"><b>Beneficiary Survey</b></p> <p>Beneficiary surveys were undertaken, targeting Enterprise Support Organizations (ESOs) and Startups that were involved in the Lab programs or interventions at the country level. The survey sought to establish the impact of these programs on the capacities of the beneficiaries.</p>
<p style="text-align: center;"><b>Case Studies</b></p> <p>Case studies entailed a deep dive into selected programs or interventions at the country-level in Ghana and South Africa. The goal was to document some of the achievements of the Lab using impact stories.</p>		

**A detailed desk review was conducted on the program documentation, the Lab interventions and relevant literature available publicly to inform the evaluation.** The analysis encompassed a thorough understanding of the design of the interventions and the establishment of operationalization procedures. The assessment of the degree of implementation of the various initiatives was conducted through the review of Interim Monitoring and Progress reports. Moreover, an examination of the number of disbursements per country and budget documents was undertaken to contribute to the evaluation of the Lab’s efficiency. All this analysis was based on the Program’s Logical Framework. The second aspect of the desk review included a concise investigation into the entrepreneurship development ecosystem within the selected countries. This involved recognizing the startups’ lifecycle, examining funding sources, evaluating support and complementary programs, and identifying key providers. Furthermore, secondary literature on youth, gender, and entrepreneurship policies was revised to boost the Youth and Gender-Sensitive Approach.

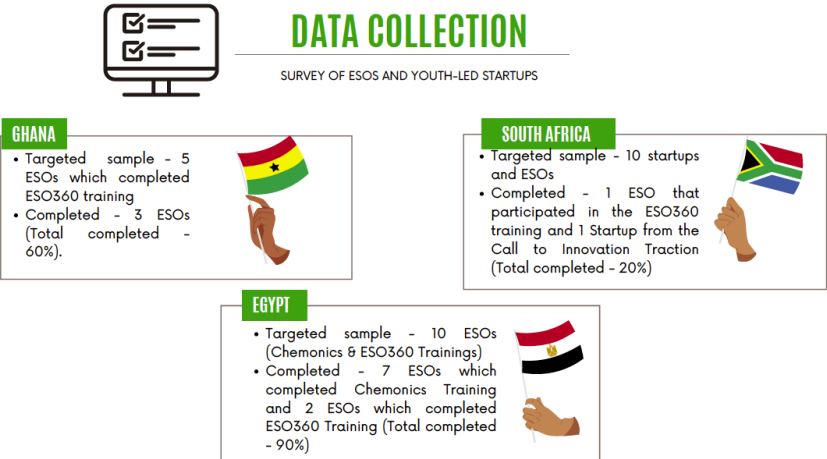
**The primary data collection started with semi-structured interviews with 18 stakeholders comprising the lab management, donors, external consultants, and lead trainers.** For most of the semi-structured interviews, certain members of the evaluation team conducted a field trip to the AfDB headquarters in Abidjan. The discussions were centered around the Lab's results, achievements, and challenges, and its internal processes. Furthermore, the interviews included broader conversations on the Lab's impact on

<sup>7</sup> The list of all interviewed stakeholders (ie ESOs, startups, Lab management, donors, external consultants etc) can be found in the annex of this document.

Human and Youth capital development, along with the sustainability of the achieved results. This method allowed the evaluation to encompass diverse perspectives from various stakeholders, ensuring a thorough comprehension of the subject matter.

**In addition to the semi-structured interviews, beneficiaries of the Lab’s programs or initiatives were surveyed.** ESOs and youth-led startups from Egypt, Ghana, and South Africa were invited to participate in the survey deployed in CAPI, CAWI and CATI formats based on the availability of the beneficiaries and the evaluation timeline. In total, 5 ESOs in Ghana, 18<sup>8</sup> ESOs in Egypt, and 3 ESOs and 21 startups in South Africa had completed training. The size and characteristics of the sample were discussed and agreed with AfDB and comprised all the beneficiaries. From this sample, it was possible to collect data from 3 ESOs in Ghana, 9 ESOs in Egypt and 1 ESO and 1 startup in South Africa<sup>9</sup>. Survey questions were aimed at grasping the outcomes of the Lab’s interventions, the level of satisfaction, and areas of future improvement in the eyes of the beneficiaries. One of the focus points of the survey was the capacity building programs and the ENNOVA platform. Findings from the survey were thoroughly discussed for each evaluation criterion, while achievements, conclusions, recommendations, and lessons learned were backed by the evidence from our analysis.

**Figure 5: Data collection target and achievement**



Furthermore, the evaluation focused on two case studies which dove into two selected programs of the Lab in Ghana and South Africa. The two chosen initiatives were the *Business Development Services in Ghana* and the *Call to Innovation by TRACTION in South Africa*. These interventions were selected due to their successful level of implementation. Their advanced stage permitted the evaluation team to have a more informed review of the Lab’s impact. Both case studies allowed a deeper analysis of the Lab’s interventions in the two selected countries as a part of the evaluation.

<sup>8</sup> 16 organizations participated in the Chemonics training program, of which 14 fit the ESO definition of the Lab.  
<sup>9</sup> The low response rate in South Africa was due to a lack of response from the beneficiaries of both the ESO360 training and the Call to Innovation Program to several attempts to schedule an interview. The evaluation team used different means of contact, but they were not successful in getting a response from the beneficiaries.

## 4 OVERVIEW OF THE PROJECTS AND OUTPUTS OF THE LAB

Since its inception in 2019, the Lab has been involved in several interventions to enhance the entrepreneurial ecosystem in Africa. The funding by SECO was used to develop a better support system for early-stage entrepreneurs and ESOs. To fulfil this objective, the Lab supported initiatives related to 4 pillars of the Lab - *Market analysis & Networking, Capacity Building, Knowledge & Exchange Platform, and Incubation & Innovation*. The aim of these initiatives was to build the capacities of ESOs, reduce information asymmetries in the entrepreneurship ecosystem, and provide business development services. These interventions culminated in the creation of both tangible and intangible assets. Which included knowledge products and its dissemination, training for ESOs and Startups, and digital technologies, such as the ENNOVA platform.

**The Lab, operating under the Market Analysis and Networking pillar, has produced key knowledge products focusing on the entrepreneurship ecosystem.** Extensive market studies were conducted in Egypt, Ghana, and South Africa, offering insights into the main challenges and areas for improvement within these ecosystems. In response to the challenges posed by the COVID-19 pandemic, toolkits for SMEs and startups were assembled focusing on eight African countries. These toolkits not only depicted the current state of the ecosystem but also provided information on future challenges and policy recommendations. A recent addition to the Lab's portfolio is a legal study addressing the reversal of establishing startups outside Egypt, offering insights for promoting local entrepreneurship. Complementing these knowledge products, the Lab organized networking events to disseminate information and foster connections within the entrepreneurial community.





**Strategic Capacity Building programs were established by the Lab to equip ESOs and Startups with the tools necessary to develop the entrepreneurial Ecosystem in Africa.** These initiatives consisted of the *ESO360 training program* and the *Climate Action Training Program*. The *ESO360 training program* was conducted by the *Frankfurt School of Finance & Management*, and was attended by 23 ESOs from Côte d'Ivoire, Ghana, Kenya, Nigeria, and South Africa. Additionally, 15 startups also participated in the program. The program equipped ESOs and Startups with the tools to grow and support their respective communities. Chemonics Egypt developed the **Climate Action Training Program for ESOs in Egypt**. This program aimed to bolster the capacity of ESOs in supporting cleantech and climate action startups through comprehensive training. Sixteen organizations (including fourteen ESOs and 40 participants) underwent training as part of this initiative.

**Under the Knowledge & Exchange platform pillar, the Lab created an AI powered platform called ENNOVA, as a central repository of ESOs in Africa.** The main aim of the platform is to bolster the African entrepreneurship world by augmenting the connectivity and aggregating all actors of the ecosystem. Beside the mapping of ESOs across the African continent, ENNOVA contains resources relevant to both ESOs and Startups, such as Economic Sector Work reports, other studies and training and funding opportunities. The platform is sophisticated, with several advanced internal functionalities such as video courses and Monitoring and Evaluation of how the platform is being used. The platform addresses the information asymmetries in the entrepreneurial ecosystem, providing an important tool for ESOs and startups.

With the objective of improving the access of ESOs and startups to new technology, the Lab launched a program to provide Business Development Support to startups in South Africa. The Call to Innovation by TRACTION was created to equip innovative startups with the tools to create a successful business. The program delved into BDS, prototyping support, and commercialization for the 5 selected ventures. In the end, these participants received personalized business development guidelines and mentorship to attract investment and their market of interest.

Furthermore, the Lab is in the process of establishing partnerships with Tech companies such as Microsoft, Netflix. The Lab has established a partnership with AfDB’s Transition State Coordination office. Additionally, reoccurring meetings are being held with different financial institutions and other strategic partners to increase the impact of the Lab.

Figure 6: Output of the Lab from SECO funding (2019-2023)

Output of the Lab from SECO Funding (2019-2023)			
MARKET ANALYSIS & NETWORKING	CAPACITY BUILDING	KNOWLEDGE & EXCHANGE PLATFORM	INCUBATION & INNOVATION
<p>Through comprehensive market analysis and diagnostic reports, the E-Lab produced several key knowledge products in different countries. There were several networking events to disseminate information</p> <ul style="list-style-type: none"> <li> Toolkits for SMEs and Startups in 8 African Countries</li> <li> Market Studies in South Africa(2021)</li> <li> Market Studies in Ghana</li> <li> Market Studies in Egypt</li> </ul> <p><b>Partnerships</b> Ongoing conversations to form Strategic Partnerships with tech giants such as Microsoft, Netflix to support, universities, TVETS tech entrepreneurs and creatives. Partnership with RDTS to highlight knowledge produced on Free Trade &amp; Entrepreneurship.</p>	<p>Strategic capacity building programs were deployed to equip Startups and ESOs alike with key business and technical skills</p> <p>ES0360 Training Program by the Frankfurt School of Finance &amp; Management involving 23 ESOs from Ghana, Cote D'voire, Kenya, Nigeria and South Africa.</p> <p>Climate Action Training by Chemonics Egypt involving 16 organizations and a total of 40 participants in Egypt.</p>	<p>As part of the Lab's offerings, the <b>ENNOVA platform</b> was developed as an AI powered platform aimed at aggregating, connecting and enabling all actors in the African entrepreneurship ecosystem.</p> <p>The ENNOVA Platform is a central repository of Enterprise Support Organizations(ESOs) mapped across the African continent.</p> <p>A hub of materials and resources such as training materials and modules relevant for ESOs and Startups</p> <p>Contains advanced features such as multi-language support (ie French &amp; English), registration and authentication, video courses as well as Monitoring and Evaluation to understand how the platform is been used.</p>	<p>Call to Innovation-TRACTION South Africa</p> <p>The Call to Innovation was the flagship program under the incubation and innovation pillar of the Lab involving a total of 15 ventures with innovative ideas to commercialize. From these, ideas from 5 selected ventures were prototyped. The 5 ventures were: TRxEat, Kweza, The Marking App, Uku'hamba, and MathsGee.</p>

Furthermore, the Lab has a pipeline of programs and interventions that are ongoing and scheduled to be executed in 2024. The upcoming interventions which are SECO funded include:

- **Innovation Lab/Afrilabs ESO Capacity Building Program x 2** (Ghana, South Africa, Egypt, ADF countries and Transition states)
  - This capacity building program has not yet started. But a couple of meetings were held with the Lab
- **BDS Support to ESOs and MSMEs in Ghana + Pipeline Creation for Sovereign Projects in Agriculture**
  - The goal is to strengthen the capacity of agricultural sector ESOs and startups. The EOI has been published.
- **The Township Economy fueled with Innovation (TEI-South Africa)**
  - The aim is to enhance the success of township ESOs and startups to use digital tools. The Lab is evaluating EOIs.
- **Training of 1st Time Fund Managers to first registration fund** (Ghana, South Africa, Egypt, optionally: ADF countries, Transition states, and rest of Africa)
  - 2 online workshops for first-time fund managers on how to manage and disburse funds and support startups. The TORs are ready and with procurement.

## 5 EVALUATION FINDINGS

### 5.1 RELEVANCE

#### Relevance



DAC Criteria Score:  
1.25

1.1. Responsiveness to needs, policies and priorities: SDC/SECO sub-criteria score - 1 (highly satisfactory)

1.2 Sensitiveness and responsiveness to the context and capacities of the beneficiaries and involved stakeholders: SDC/SECO sub-criteria score - 1 (highly satisfactory)

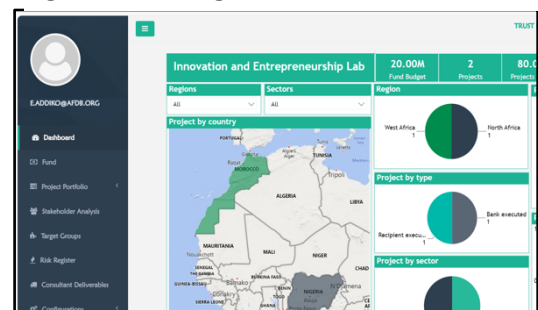
1.3 Quality of design: SDC/SECO sub-criteria score - 2 (highly satisfactory)

1.4 Adaptation over time: SDC/SECO sub-criteria score - 2 (highly satisfactory)

The design elements of the Lab, the Lab’s theory of change and Lab’s component structure were deemed to adequately reflect the needs and priorities of target beneficiaries. The Lab’s programs were underpinned by a well-defined theory of change which entailed how the Lab intended to achieve its objectives and outcomes. The Lab’s activities were qualified in the results chain of the logframe as outputs, outcomes, and impacts. Based on activities from its five pillars, records were kept, results measured, and the outputs and indicators were used to measure the Lab’s performance over the various stages of the project period. The programs were also aligned with global concerns such as climate change and how to mitigate the effects of it.

The Lab ensured an appropriate monitoring and evaluation mechanism in place to ensure that its progress was thoroughly tracked. This encompassed the preparation of quarterly reports and ad hoc data collection exercises to update the logical framework for SECO and update the output and outcomes. It is important to mention here that the Lab is in the process of developing a more comprehensive and robust data-based and transparent digital tool to facilitate real-time tracking and monitoring of the results.

Figure 7: The Digital M&E Tool of the Lab



Beyond the appropriateness of the design, the targeted initiatives and activities implemented at the country-level were deemed relevant. Africa’s youth population is growing rapidly and expected to double to over 830 million by 2050. Therefore, the Lab’s mission to develop jobs for youth and to support African countries to build an ecosystem conducive to youth development is extremely necessary and is well aligned with the country level policy focus. The youth population of Africa is expected to

“ The private sector in Africa is relatively small and for many years is not still industrialized. This makes entrepreneurship

one of the primary solutions.”

One of the members of the Lab Management



significantly rise relative to other continents. A very mature job market in which the youth can be employed is not only crucial but critical to avoid an employment crisis.

**Furthermore, it was commendable that the interventions were preceded by need assessments phase in Ghana, Egypt, and South Africa.** This has significantly improved the relevance of the programs and made them appropriate to the needs and problems of the beneficiaries. For instance, the training modules developed for the ESO360 Training program were informed by a comprehensive survey of the needs of the ESOs conducted by the Lab. This enabled the implementing team to gather relevant information on the needs of the ESOs and the youth-led startups to curate the design of the training materials. Furthermore, the transparent and robust criteria selection for the TRACTION program was aimed at optimizing the training program's benefits and impacts. These key elements in the program design of the Lab programs were identified as factors that made the Lab's interventions and activities strongly relevant to the needs and requirements of the targeted beneficiaries.. Future programs should continue to be informed by the field data, the knowledge products and reports developed by the Lab, so that they continue to be relevant in addressing the issues of the ecosystem. Moreover, they should also build on the knowledge gained through the implementation of current and past initiatives, to further increase their relevance and appropriate target of the beneficiaries.

**All the ESOs that participated in the training programs agreed that these were relevant to their specific needs.** The participants of the ESO360 training program evaluated the program as relevant to their specific needs. 50% of the participants classified the training as highly relevant, and the other 50% evaluated it as relevant. The ESOs surveyed about Chemonics Egypt training also highlighted the relevance of the program in addressing their needs in the climate sector. 57.1% strongly agreed with the relevance of the training, and the remaining 42.9% agreed with the relevance of the program. For comparison, in a prior survey to assess the relevance of an entrepreneurship training program conducted by the evaluator, 67% of beneficiaries were satisfied with the project's relevance, while 33% were very satisfied. Nonetheless, it is important to take into account the differences in the sample size and characteristics, as well as the unique design of each training program.

**However, the appropriateness and measurement of results could have benefitted from further consideration of the nature of the interventions and attribution to the envisaged impact.** The main objective of the Lab is to help grow commercially sustainable and innovative businesses that can create quality jobs for the population. To measure this, two impact indicators are mentioned in the logical framework, namely "Number of jobs created/ retained through the projects of the Lab", and "Number of successful and innovative startups created due to the activity of the Lab"<sup>10</sup>. The attribution of Lab's programs to the number of jobs created is not tenable, based on the interventions which involved a one-time training. Therefore, it becomes difficult to establish direct causality between SECO funded training programs of the ESOs and youth-led startups and the number of jobs created and retained. As the Lab focused on the ESOs primarily, the realization of the effect of their enhanced capacity on a number of successful and innovative startup creations as a long-term impact is difficult to capture keeping attribution in mind. Moreover, even if there is an increase in the number of successful and innovative startups, robust data would need to be collected to establish a direct connection with the training

---

<sup>10</sup> This indicator was eventually dropped.

programs, which are more light touch interventions. However, the evaluation presents some evidence of the immediate results of the training in this regard. For instance, beneficiaries of the training programs reported an increase in the services they provide to startups, such as better fundraising techniques that provided startups with more funds for their businesses. Therefore, it would be beneficial during the logframe design phase to lay down the assumptions which can be used to ascertain the contribution of the interventions (also keeping in mind their scale and scope) towards the results. Ongoing M&E activities could be designed and implemented to estimate the contribution of the interventions towards the envisaged results or the likelihood of achieving them.

**The logframe could consider the youth and gender aspect when quantifying the impact of the initiatives.** Although, the target of the different outcomes and impacts does state a percentage of females in some of those indicators, the performance measurements do not state the number of female and youth-led startups impacted through the projects. Making it hard to assess and monitor the extent to which these goals are being achieved or not.

## 5.2 COHERENCE

### Coherence



DAC Criteria Score:  
1.33

<b>2.1. Internal policy alignment:</b> SDC/SECO sub-criteria score - 1 (highly satisfactory)
<b>2.2 Internal compatibility:</b> SDC/SECO sub-criteria score - 2 (satisfactory)
<b>2.3 External compatibility:</b> SDC/SECO sub-criteria score - 1 (highly satisfactory)

**The Lab’s mission and vision were deemed to be aligned and coherent with the local, national, and regional youth-development policies as well as the AfDB’s long-term strategic ambitions for Africa.** At the national and regional levels, the interventions and offerings of the Lab were complementary to and synergistic with ongoing national youth development policies such as the National Youth Policy in Ghana (2022-2032)<sup>11</sup>, the National Youth Strategy of Egypt (2021-2026)<sup>12</sup> and the National Youth Policy of South Africa (2020-2030)<sup>13</sup>. Within the Bank, the Lab’s interventions were aligned with the Bank’s identified priorities under the Bank’s Ten-Year Strategy (2013-2022) which include industrializing Africa and improving the quality of life for the people of Africa.

**The Lab programs were complementary to and harnessed synergies from other donor-funded interventions.** These included donors such as the European Commission, Korea-Africa Economic Cooperation, the Fund for African Private Sector Assistance (FAPA) and the Youth Entrepreneurship and

<sup>11</sup><https://www.fao.org/faolex/results/details/en/c/LEX-FAOC170199/#:~:text=Ghana-,National%20Youth%20Policy%20of%20Ghana.,the%20development%20of%20the%20youth.>  
<sup>12</sup> [https://aast.edu/en/news.php?page=2&unit\\_id=545&language=1&event=4&get\\_event\\_type=1](https://aast.edu/en/news.php?page=2&unit_id=545&language=1&event=4&get_event_type=1)  
<sup>13</sup> [https://www.gov.za/sites/default/files/gcis\\_document/202103/nationalyouthpolicy.pdf](https://www.gov.za/sites/default/files/gcis_document/202103/nationalyouthpolicy.pdf)

Multi-Donor Trust Fund (YEI MDTF) with vested interest in youth entrepreneurship and development. This allowed the Lab to benefit from synergies and complementarities. The alignment of the Lab's objective and interventions with SECO's strategic, regional, and local youth and entrepreneurship policies<sup>14</sup> helped the Lab leverage SECO's experience and existing knowledge in youth development in the developing country context to improve the scope of the interventions and its impacts in addressing key issues in the entrepreneurship ecosystem, with a focus on young entrepreneurs. Furthermore, the Lab's design was coherent with the idea of a coordinated effort among donors which could guarantee sustained funding and support, prevent fragmentation and support a unified approach towards youth development in the RMCs.

**The Lab was well-aligned with the 10-year strategy (TYS) of the Bank from (2013-2022) and the priorities of the Country Strategy Papers of Egypt<sup>15</sup>, Ghana<sup>16</sup>, and South Africa<sup>17</sup>.** This includes the Bank's priority areas, namely, Feed Africa, Industrialize Africa, Power Africa, Integrate Africa, and Improve the Quality of Life for the People of Africa. Furthermore, the initiatives of the Lab were well aligned with the Bank's priority areas of support in the focus countries, as stated in the Country Strategy Papers. Particularly, the support to private sector led to inclusive growth and job creation. Africa's youth population is growing rapidly and is expected to double to over 830 million by 2050. Although 10–12 million youth enter the workforce each year, there are only 3 million formal jobs created annually<sup>1</sup>; hence, there is a need to improve and enhance economic opportunities to address this situation. The Lab's primary goal is highly coherent with the Bank's priority of improving the quality of life of people in Africa by enhancing capacity and creating the ecosystem for youth-led entrepreneurial growth and development.

---

<sup>14</sup>[https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftliche\\_Zusammenarbeit\\_Entwicklung.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftliche_Zusammenarbeit_Entwicklung.html)

<sup>15</sup> <https://www.afdb.org/en/documents/egypt-country-strategy-paper-2022-2026>

<sup>16</sup> <https://www.afdb.org/en/documents/document/ghana-country-strategy-paper-2019-2023-110049>

<sup>17</sup> <https://www.afdb.org/en/documents/south-africa-combined-country-strategy-paper-2023-2028-and-country-portfolio-performance-review-2023>

### 5.3 EFFECTIVENESS

Effectiveness



DAC Criteria Score: 2

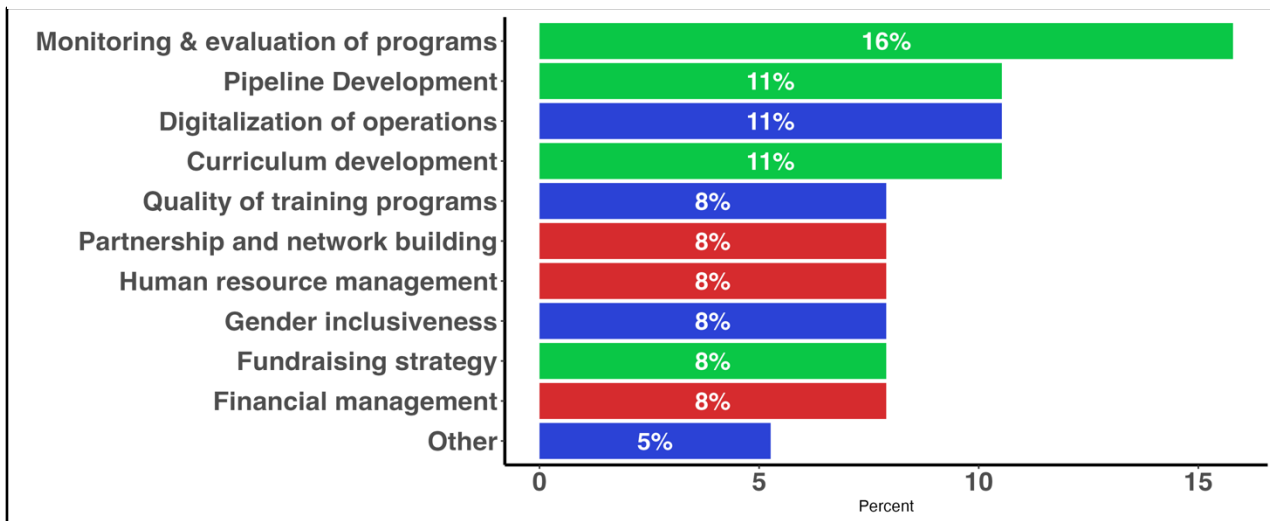
3.1. Achievement of objectives: SDC/SECO sub-criteria score - 1 (highly satisfactory)
3.2 Unintended effects: SDC/SECO sub-criteria score - 2 (satisfactory)
3.3 Differential results: SDC/SECO sub-criteria score - 2 (satisfactory)

**The deployed interventions, especially the training targeted towards ESOs to enhance their capacities, were self-reported by the ESOs to be effective.** A total of 23 ESOs were trained through ESO360, a capacity-building program developed by the Frankfurt School of Finance and Management (FSFM). Furthermore, about 40 participants from 16 organizations in Egypt benefited from a climate related training called “Cleantech”. To assess the effectiveness of how these training(s) achieved its objectives of enhancing the capacities of ESOs, primary data was collected via the survey of ESO beneficiaries in Ghana, South Africa, and Egypt<sup>18</sup>. ESOs reported improvements in their managerial capacities and consequently the services offered to startups. The Chemonics training participants reported an increased understanding of the challenges and opportunities available in climate entrepreneurship in Egypt. However, ESOs reported that follow-ups after the trainings and a more structured ongoing networking approach could have further improved the effectiveness of the training to help them remain connected with startups and industry representatives on an ongoing basis.

**The ESO360 beneficiaries reported improvement in their managerial capacities, especially with respect to the monitoring and evaluation of their internal programs.** This was the most reported area of improvement followed by pipeline development, digitalization of operations and curriculum development. The ESO training was deemed to have improved the management capacities of ESOs in several areas. This was deemed laudable by the evaluation team as the ability to support the relevant startups was linked to the quality of their managerial and administrative processes. The analysis reveals that the improvement in managerial capacities of the surveyed ESOs had also translated into improved support services for startups.

<sup>18</sup> The list of Enterprise Support Organizations (ESOs) that were interviewed through a survey for the analysis can be found in the annex of the document.

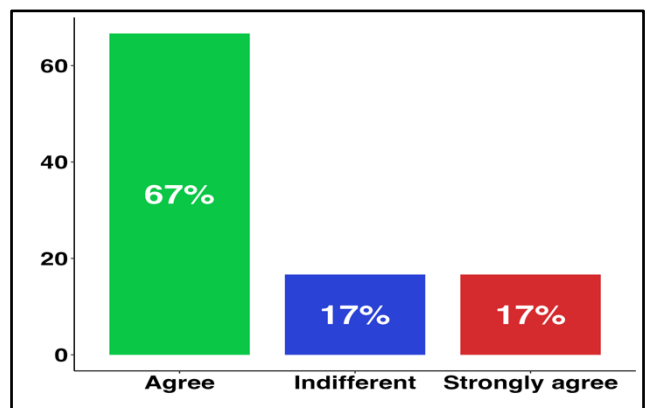
**Figure 8: In which managerial areas have your capacity as an ESO improved due to the ESO360 Training?**



More than 80% of the ESO participants agreed that overall, the services they offer to startups and ventures have improved due to the ESO360 trainings. The ESOs stated that their service offerings to startups had improved. Some of the offerings to startups that had improved significantly included but were not limited to:

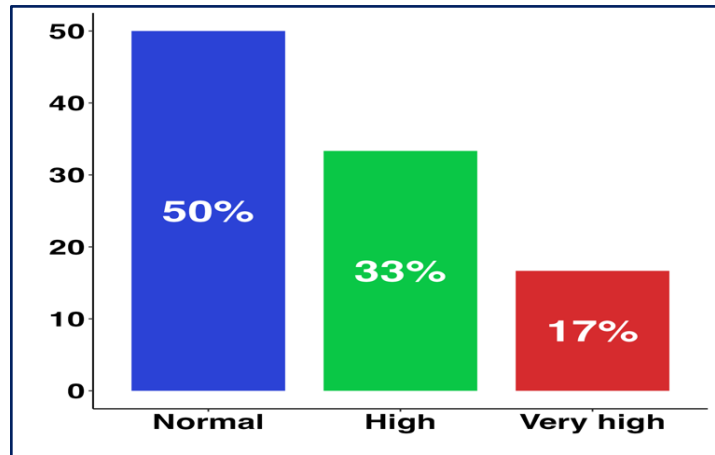
- Providing market assessment and customer mapping services
- Conducting network events to facilitate market connections
- Onboarding and supporting
- Facilitating access to technologies
- Facilitating access to funding
- Providing support to women-led startups and enterprises and effective mentorship.

**Figure 9: Extent to which ESOs agree the training has improved the services and assistance they offer to startups**



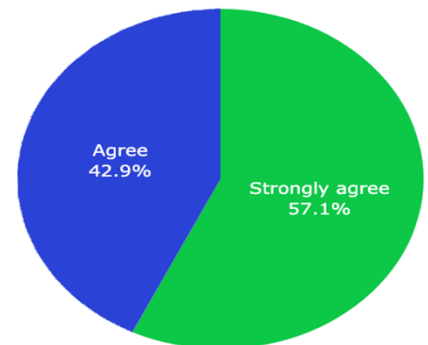
Various ESOs were applying strategies and recommendations obtained from the ESO360 training at varying levels in their organization. Some of the useful strategies applied included 'participant entry assessment and an effective fundraising strategy.

Figure 10: Extent to which ESOs had applied recommendations from the ESO360 training to operations



The Climate Action Training was highly effective in raising awareness and interest in climate entrepreneurship in Egypt. All 100% of the respondents agreed that the training was relevant for their needs in terms of understanding the challenges and opportunities in the climate-sector. About 86% of the respondents reported that the trainings were likely to improve their ability to provide technical assistance to startups with vested interest in coming up with entrepreneurial ideas likely to solve or address some of the climate issues in Egypt. Another positive development from the Chemonics training was that a high percentage of participants (86%) agreed that the program enhanced their knowledge and understanding of the key challenges that women face in clean technology sectors. A significant majority of the respondents (86%) reported therefore that the training had placed them in a very advantageous position to provide technical assistants to startups operating in the climate sector of Egypt.

Figure 11: Extent to which the Cleantech Program was relevant to participants' needs



An overwhelming majority (100%) of the respondents strongly agreed that their awareness and knowledge of specific climate sectors and how it relates to entrepreneurship have been enhanced through the training. To assess the effectiveness of the Climate Entrepreneurship training, a Likert scale was used to assess the extent to which the organization's capacity had been enhanced with respect to specific areas related to climate entrepreneurship in Egypt. Respondents were asked to rate their response from a scale of 1-5, where 1 represents strongly agree and 5 represents strongly disagree. The data collected from the respondents suggests that the training on climate entrepreneurship placed them

in a better position to guide and support startups that want to innovate solutions geared towards addressing climate-related challenges in Egypt.

**Figure 12: Extent to which ESOs of the Chemonics program agree that their capacities and awareness have been enhanced with respect to specific climate areas**

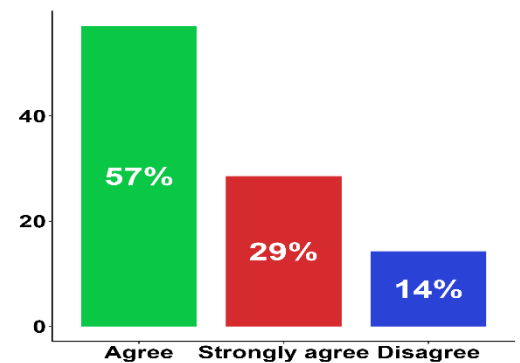


Most of the ESOs (86%) that participated in the Chemonics training program reported that they had a better understanding of the challenges that women face in clean technology sector. 57% of the ESOS agreed that the content provided by the training improved their knowledge of the problems women face in that sector. Moreover, 29% were even more confident that the training that they received was successful in expanding their knowledge in this sector. However, there was 14% that did not agree and thought that the Chemonics program did not help them in this area.

The use of various outreach techniques such as hybrid and remote means for the trainings were deemed as effective by the participants. Reportedly, this method allowed a wide spectrum of ESOs across the African continent to partake in the ESO-trainings. This method enabled ESOs to avoid the cost of travelling to a centralized location for attending the training programs. This also helped avoid other costs such as the cost of a centralized venue such as a conference hall, to undertake the trainings.

Furthermore, the majority of the participants (both Chemonics and ESO360 reported largely that the virtual and hybrid techniques for the training were effective and appropriate). Overall, the programs were deemed as well planned, with the use of experienced and qualified tutors for the training delivery.

**Figure 13: Do you agree that the training program has enhanced your understanding and knowledge of the key challenges women face in clean technology sectors?**

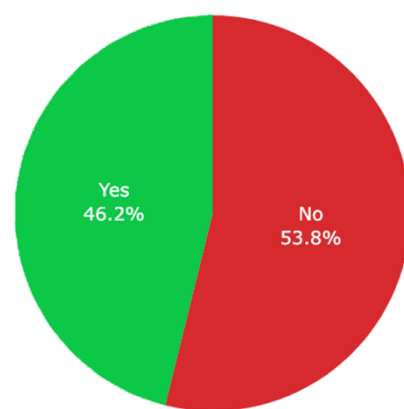


**The training programs considered the gender and youth perspective of the Lab and the initiatives that it operates under.** The ESO360 training program had a strong female participation, out of all the 84 proposed participants in the program, 44 were female and 40 were male. Most of the ESOs that received training had an emphasis on empowering women and youth entrepreneurs. For example, one of the ESOs that participated in the program, Wisehub in Kenya, has trained over 1,000 women on entrepreneurship while collaborating with several partners. Moreover, the Chemonics training program in Egypt was also concerned about the inclusion of ESOs that focus on women and youth innovation. For instance, the selection criteria prioritized ESOs that supported women and youth-led startups. Additionally, the training curriculum also included a module focusing on the nexus between climate innovation and gender. The knowledge products created also dive into the gender disparities in the entrepreneurial ecosystem, analyzing the issue and providing recommendations on how to improve the situation.

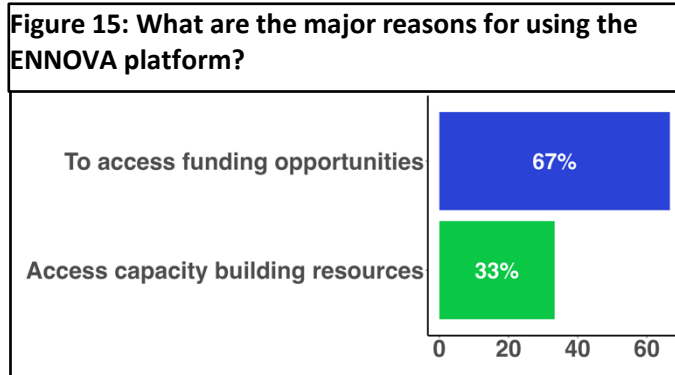
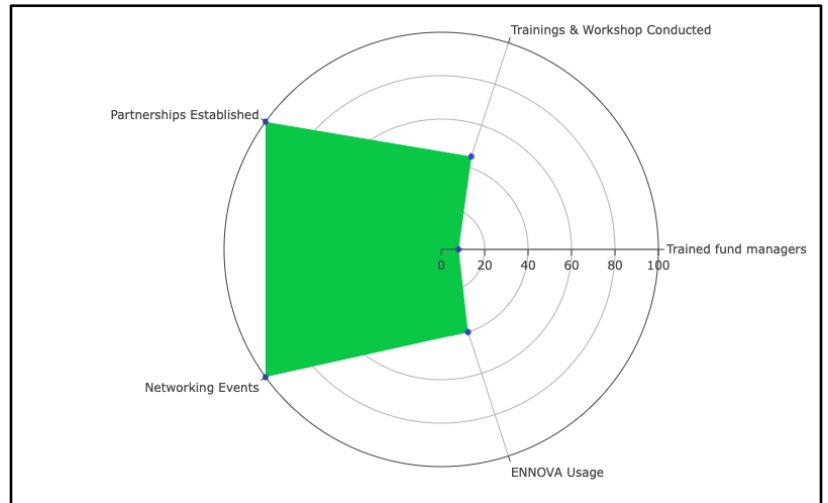
**Some identified areas of improvement include periodic networking opportunities between the ESOs, youth-led startups and other industry representatives.** This was also reflected by the perception of the training participants in the three countries being assessed, which affected the perceived effectiveness of the program. Trainers who were also involved in the design of the ESO360 training expressed disappointment with the fact that there were no follow-up interventions to the trainings, such as networking events and trainings. They expected that, given the program's success and relevance, there would be structured follow-ons, but no information or clear answers about the upcoming steps have been noted. Some ESO360 training participants also expressed this opinion. The same issue was reflected among the participants of the Chemonics program in Egypt. Furthermore, the use of English for the ESO360 training program negatively affected some participants, such as the ones from Cote D'Ivoire. Therefore, the contextualization of the training program to the country of delivery would greatly increase the effectiveness of the training (or other similar ones) in the future.

**Despite the stakeholder enthusiasm and positivity centered around the ENNOVA platform, there is a perceived lack of visibility of the same among the ESOs and youth-led startups.** Therefore, although the official launch of the platform took place on October 31<sup>st</sup>, 2023 (and the data was collected in December 2023) there is need to increase awareness of it among the target beneficiary groups to achieve the Lab objectives. More than half of the ESOs and startups involved in the Lab activities (54%) responded they were not aware of the online digital platform of the Lab called ENNOVA. Given that the ENNOVA platform was inceptioned in 2019, this suggests that there hasn't been adequate promotion of the ENNOVA platform even amongst the engaged ESOs under the Lab. Even among those respondents that were aware of the ENNOVA platform, some of them reported that they have never interacted with the ENNOVA platform or utilized it. Some respondents expressed the concern that they did not feel that the platform would make a huge difference and hence did not really see the value it was expected by some to create. For some respondents, the absence of some services such as a Virtual Academy did not make the ENNOVA platform particularly effective or lucrative for them.

**Figure 14: Are you aware of the ENNOVA platform of the Lab?**



At the same time, some ESOs/startups were using the ENNOVA platform to access essential services. Based on the analysis of the data, most (67%) of the respondents who were aware of the ENNOVA platform were using the tool to primarily check and access funding opportunities. This reported use of the platform was followed by access to capacity building resources (33%) as the second major use of the ENNOVA platform for ESOs who were interacting with the platform during their operations.



## 5.4 EFFICIENCY

Efficiency



DAC Criteria Score:  
2.67

4.1. Economic efficiency: SDC/SECO sub-criteria score - 2 (satisfactory)
4.2 Timeliness: SDC/SECO sub-criteria score - 3 (unsatisfactory)
4.3 Operational efficiency: SDC/SECO sub-criteria score - 3 (unsatisfactory)

The efficiency of the Lab was hampered by high transaction costs associated with implementing projects of small sizes and bureaucratic procedures. The Lab encountered inefficiencies due to the substantial transaction costs linked with executing small-scale projects within the Bank's framework, which was determined to be tailored for managing considerably larger initiatives. The bureaucratic procedures and administrative systems within the bank were designed to handle large scale projects. Consequently, the Lab's modest interventions were forced to navigate these structures for validation and approval of resources, leading to delays in the approval and execution of these smaller-scale initiatives. The implementing body's magnitude may be mismatched for handling projects of smaller sizes,

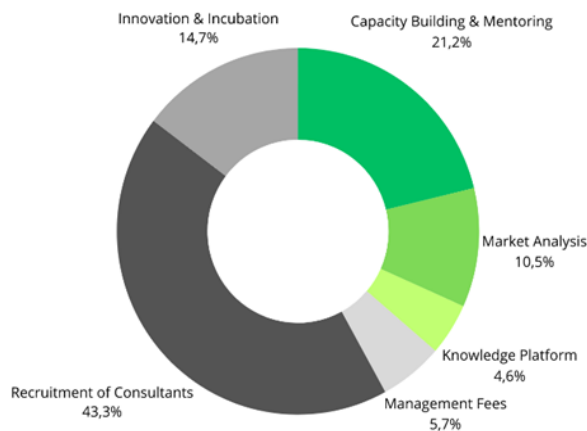
highlighting a systemic challenge within the bank's established infrastructure, which primarily caters to larger-scale endeavors.

**The administrative and bureaucratic procedures of the bank slowed the implementation of the Lab activities.** One of the common responses that came up during the interviews with the stakeholders was the slow and bureaucratic procedures associated with dealing with the Bank. This manifested in the form of slower response times for the approval and validation of needed resources. For instance, the need to employ external consultants for carrying out Lab projects and the process for approving their contracts took considerable time, following the Bank's extensive approval process. As such, activities/programs that were envisioned to be completed were delayed. This resulted in the postponement of some activities to the 2024 fiscal year.

**The reliance on consultants and the time-intensive procedure for new employment contracts or renewals resulted in significant time-lapses.** The reliance on external consultants for key positions and the process for re-hiring for these positions or renewing the contract of existing consultants upon contract expiry is time-consuming following the Bank's standard procedures, which led to considerable delays. The substantial amount of time spent in seeking and hiring qualified personnel posed a drain on time resources. Additionally, the Bank's policy of contract termination after one year, followed by rehiring, resulted in prolonged periods of delays. This situation was exacerbated by the time required for onboarding and offboarding external consultants. The associated processes of debriefing, familiarizing new consultants, and realigning efforts further compounded these delays. Notably, the agreed use of external consultants also meant that a portion of the allocated SECO funds was directed towards recruitment purposes. Consequently, this allocation likely impacted the available budget for core operational activities, such as designing and executing interventions.

**One efficient strategy incorporated into the design was the primary focus on ESOs.** Focusing on enterprise support organizations rather than startups directly was deemed as a strategic approach to optimize the allocation of resources, with the aim of building capacity among the ESOs to work effectively with the startups. This approach has the potential to prevent the duplication of efforts by centralizing support mechanisms via the enhancement of the capacity of the ESOs. This enhances their internal processes and understanding of key areas of business where they could work directly with youth/women-led startups more effectively. By bolstering the capacity and effectiveness of these support organizations, the program should potentially create a ripple effect, impacting a larger number of startups across diverse sectors and regions. These entities possess established networks, experience, and resources that can be leveraged to offer tailored assistance, training, and connections to a broader array of emerging businesses. This streamlined approach was deemed to have saved considerable time and resources by harnessing the organizational capacity of ESOs, improving the efficiency of the Lab interventions.

**Figure 16: % of cumulative disbursements by area of ongoing activities (2022)**



Note: The recruitment of consultants corresponds to the consultants contracted by the Lab to run their day-to-day activities, however there are some exceptions for the staff related to the ENNOVA platform. The Lab's staff helps the implementation and development of the projects but does not implement them directly. For this, external consultants or firms are contracted.

## 5.5 IMPACT

### Impact



DAC Criteria Score: 2

5.1. Intended impacts: SDC/SECO sub-criteria score - 2 (satisfactory)
5.2 Contribution to intended impacts: SDC/SECO sub-criteria score - 2 (satisfactory)
5.3 Unintended impacts: SDC/SECO sub-criteria score - 2 (satisfactory)
5.4 Differential impact: SDC/SECO sub-criteria score - 2 (satisfactory)

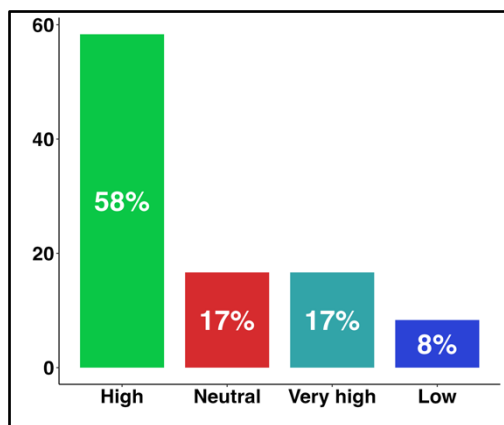
**There were positive impacts of the Lab's training programs with ESOs and startups alike in terms of securing funding.** One of the primary impacts of the training was reportedly that ESOs were able to deploy better fundraising strategies to help startups obtain finance to grow and improve management. About 40% of the ESOs reportedly had helped secure fundings of more than USD 100,000 to startups. This reported impact is a key achievement of the 4th pillar of the Lab which is related to startup finance. Although SECO does not directly provide funding for the Lab to financially support ESOs, this is an impact of the capacity building programs on access to

**Figure 17: What is the approximate value of funds secured (\$) following the trainings from the Lab?**



finance. The SECO funded trainings received by different beneficiaries in the ESO ecosystem such as fund managers resulted in improved fund-raising strategies. About 40% of the ESOs reported that they had helped less than 5 startups to secure funds, and 60% of the surveyed ESOs reported assisting between 5 to 10 startups to secure funding. Access to funding is critical for startups to be able to expand their business, deliver products to the wider market and onboard new talents which can contribute to both employment and industrialization in their local countries.

**Figure 18: Extent of perceived contribution to sectoral development and transformation.**



**The majority (75%) of the respondents (i.e., both Chemonics and ESO360 training participants) were confident that the trainings conducted by the Lab will contribute positively to their sectors.**

However, about 17% reported being indifferent/neutral and about 8% did not believe the trainings will contribute to the sector development and transformation in any meaningful way. The respondents who were skeptical were asked to explain why they chose their answers. Some respondents believed that the program could have offered more. For instance, another assessment of an entrepreneurial training program where a survey of beneficiaries was conducted by the evaluator reported the following results: 66% were satisfied with how effective the program was, 17% were very satisfied and another 17% were neutral. An interesting case was

that of a beneficiary of the Chemonics program who had a lot of questions about the incoming steps after the training, but since there was no follow-up trainings, the questions were left unanswered, making the program ad hoc in their perspective<sup>19</sup>. Similarly, for the ESO360 training program that were several remarks from the beneficiaries about the networking component which they would have liked to have more of. For instance, one respondent opined that the program would have had more impact if it offered structured networking on an ongoing basis. The lack of follow-on intervention was also stated as one of the reasons why contribution to sector development and transformation was likely to be low. The individuals that participated in the Chemonics training also stated that the program increased their knowledge around cleantech and its opportunities. In total, 23 ESOs were trained through the ESO360 program, and 40 individuals participated in the “Cleantech” training.

**The training programs had a positive impact in addressing the inclusion of women and youth-led startups in the entrepreneurial ecosystem.** Both the training programs targeted directly ESOs and startups that support women and youth in the entrepreneurial space. These ESOs reported that their capacities and the services they provide were enhanced due to the trainings. Therefore, women and youth-led startups were supported with more tools to grow and expand their sustainable businesses. The ESOs surveyed state that one of the areas that they improved on was the services provided to women and youth-led startups.

<sup>19</sup> For the Chemonics Egypt training program, a webinar is planned for the first quarter of 2024.

## 5.6 SUSTAINABILITY

### Sustainability



DAC Criteria Score: 2

6.1. Capacity and resilience development: SDC/SECO sub-criteria score - 2 (satisfactory)

6.2 Financial sustainability: SDC/SECO sub-criteria score - 2 (satisfactory)

6.3 Contextual factors: SDC/SECO sub-criteria score - 2 (satisfactory)

**The program design involving the capacity enhancement of the ESOs is likely to achieve sustainability, to further increase the sustainable effect on the ecosystem, it is important that these initiatives are complemented with follow-ups, further training/retraining and assistance..** Including the ESOs in the program design can achieve sustainable ecosystem growth. In this regard, the primary focus of Enterprise Support Organizations as the primary beneficiaries as per the design is deemed to be strategic. This strategy allowed the Lab to build capacity of the ESOs to enable them to work with startups more effectively and reach a wide array of startups which are incorporated under each ESO. This aspect of the design also made the program efficient, as one-on-one engagements with startups would have been more costly. Moreover, if the training under the Lab was focused on the startups, there would have been a higher likelihood of lost capacity due to a high rate of startup failures (54% in the African continent, 74% in Ghana, 42% in South Africa, and 29% in Egypt<sup>20</sup>). However, the cause of attaining sustainable ecosystem level growth would best benefit from continued engagement with the ESOs through trainings, retraining, technical and financial assistance under this program and potentially through follow-up programs.

**The beneficiaries reportedly benefited through the training programs and there is a certain level of optimism among them on achieving sustainable outcomes in the future as a result. *The ESO360 training program, the Cleantech Training Program by Chemonics and the Call to Innovation Call to Traction*** were reported to lead to sustainable outcomes in terms of enhanced capacity and ability to better guide startups. These trainings were reported to have positively contributed towards building the relevant skills within ESOs and startups to be able to succeed in their areas of endeavors. Furthermore, the training of fund managers was deemed strategic towards improving the inflow of funds to startups which is essential for their daily operations and growth. However, there was a lack of follow-ups after these training programs. The presence of structured follow-ups could have created even larger long-term benefits.

**The country-level program design and diagnostics reports would serve as a key catalyst to design more sustainable programs in the future.** Country level programming will allow future projects to be easily integrated into national strategies and frameworks, ensuring alignment with long-term development goals. This also facilitates the understanding of the specific entrepreneurial needs of the countries and the development of targeted programs to address them. Any country level reports produced by AfDB such as for Ghana, South Africa, and Egypt, could inform the sustainable design of future initiatives. This could also facilitate the development of a long-term strategic plan. A long-term strategic plan will assist

<sup>20</sup> <https://www.statista.com/statistics/1295678/startup-failure-rate-in-africa-by-country/>

in the development and implementation of programs which can best address the needs of the country while also integrating the key lessons learned from the implementation of Lab interventions in other countries in Africa. This could result in potentially more impactful interventions or strategies that require long-term planning and investment and long-term monitoring of impact and sustainability goals.

**Effective dissemination of all knowledge products and resources developed would be an important step towards sustainability of the results of the Lab's interventions.** For instance, public availability of the market assessment findings, blogs or opinion pieces on identified areas of growth for startups, their capacity building needs and resources to obtain the needed skills could be immensely valuable for the startup ecosystem players, stakeholders, researchers, etc. This information would also benefit future project design on the topic of startup development. It would add to the body of knowledge about the entrepreneurial ecosystem in the selected countries and assist with policymaking. The use of the said knowledge products could be tracked by the number of downloads of the documents on the AfDB website to monitor impact of the Lab's knowledge creation/dissemination pillar.

**More could be done on the promotion of the ENNOVA platform as a central repository of information for ESOs and Startups among the beneficiaries, stakeholders, donors etc.** The platform maps ESOs across the African continent, and this information is available publicly. In addition to that, it is also a space where important resources, for all players in the entrepreneurial ecosystem, are stored. This is an important tool to decrease information asymmetries in the ecosystem. There is a great deal of potential for it to grow in the future as a key resource to connect ESOs and startups. Nevertheless, more visibility for the platform and the addition of other resources are needed to improve the overall benefits of ENNOVA. This is also supported by the evidence obtained from the data collected from ESOs and startups, as many of them were not aware of the platform or were of the opinion that the platform was useful. Increased awareness raising efforts and live demonstrations of the platform and its functionalities to ESOs and startups would greatly address this issue and increase the impact and likelihood of the sustainability of the Lab's efforts.

**With regards to raising awareness on the ENNOVA platform, the Lab has anticipated the need to communicate officially around the platform and is making progress in this direction.** Currently the team is awaiting the green light from the management. The Lab has hired a communications agency (Bean Interactive), that is currently working on an engagement strategy to promote the platform both to both internal and external audiences. This strategy is being finalized, with the support of colleagues from the Communications Department of the Bank and will soon be presented to the management for approval. This strategy includes the development of different communications assets, such as a short video, a press release and social media content. The Lab also aims to partner with an African event on entrepreneurship in order to promote the platform. There are reportedly ongoing planning efforts to explore partnerships. The Lab is partnering with the Transition States Department of the Bank (RDTS), on content development and dissemination for Transition State countries which includes the development of a microsite linked to ENNOVA, making the White Paper on Free Trade and Entrepreneurship more accessible to the target audience.

**The lack of a dedicated fund and dependence on external donors may have an impact on the Lab's financial sustainability.** Based on donor review, the Lab interventions are funded primarily by donors

such as SECO. In the short to medium term, the Lab would benefit from being integrated under a more sustainable source of funding. For instance, the integration of the Lab into country level frameworks could unlock access to funding from local sources. This would be beneficial in ensuring continuity of the targeted interventions and sustainable growth within the startup ecosystem. Furthermore, the evaluation supports the fact that it is essential to continue long-term engagements with the beneficiaries for long-term impacts to be realized. To achieve this goal, a sustainable source of financing would be required which would not necessarily depend on donors and their ongoing areas of focus for development finance. Securing ongoing funding would be crucial for the Lab's sustained engagement with ESOs and youth-led startups. Establishing/maintaining government partnerships and other key stakeholders could also play a vital role in financial sustainability. Additionally, widening the reach of knowledge materials and training programs could enhance the Lab's impact and boost financing opportunities.

## 6 CASE STUDIES

### 6.1 GHANA – BUSINESS DEVELOPMENT SERVICES FOR ESOs

**Ghana is the 8th largest country in Africa and regarded as one of the most important hotspots for business development in the continent due to the political and social conditions.** Ghana has the population of 33 million people as of 2022<sup>21</sup>. The country has experienced a steady growth of the Gross Domestic Product (GDP) in the last decade<sup>22</sup>. However, this was hindered in the last few years due to the Covid pandemic. The youth unemployment rate in Ghana was 7.2% in 2021<sup>23</sup>, and the situation will worsen if job opportunities stay limited. Therefore, the importance of the entrepreneurship ecosystem and its development is critical for the future of Ghana and its young population. Furthermore, the country is regarded as one of the most important hotspots in business development, due to the political and social conditions. Consequently, these characteristics make a strong case for the country's inclusion in the Lab's list of RMCs for implementing interventions to promote the improvement and growth of the private sector.

**The Lab launched the Enterprise Support and Business Development Services (BDS) project in Ghana to assess the gaps and needs of the ESOs and startups in terms of key areas of capacity development.** This intervention included a comprehensive nationwide market assessment survey of the enterprise ecosystem, which reported on the environment, conditions, and opportunities of this space. The information was then disseminated through networking events. A market study was also done amidst the Covid-19 pandemic to assess key challenges, and then a toolkit for both startups and small enterprises was produced. Additionally, some selected Ghanaian ESOs participated in the ESO360

<sup>21</sup> <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=GH>

<sup>22</sup> <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2022&locations=GH&start=2012>

<sup>23</sup> <https://www.afdb.org/en/countries/west-africa/ghana/ghana-economic-outlook>

training program. Moreover, currently there are preparations underway to offer BDS support on digitalization to ESOs related to agriculture.



**The Market Assessment Study by MEST-Eyecity was implemented to better understand the dynamics of the startup and enterprise ecosystem in Ghana.** The outcome of the market assessment was a comprehensive report on the Startup Ecosystem in Ghana. This knowledge product is a comprehensive survey and mapping of ESOs and Startups in the Ghanaian ecosystem. The results provided valuable insights into how to best offer support services to startups and ESOs, which economic

sectors are to be considered and how to promote further support and linkages within the Ghanaian startup/entrepreneurship ecosystem. The report was deemed as highly informative for donors, private investors, and governmental stakeholders.

**The report on the findings of the market assessment offered specific and practical recommendations on how to improve the entrepreneurial ecosystem by sector which are key for informed policy design.**

Aside the creation of knowledge on ESOs and Startups in specific sectors in Ghana, the report offered recommendations on how to promote the growth of startups in these areas and catalyze their innovations for growth. This delineation of recommendations by sector was particularly helpful since stakeholders may have specific interests in a particular economic sector. In all, 249 startups/enterprises and 51 ESOs across the 16 regions of Ghana participated in the study.

**A networking event was organized as a part of the study to disseminate the information and facilitate connections between ecosystem players.** The networking events enabled ecosystem players, particularly ESOs and startups to come together to create connections. Furthermore, the findings of the study was availed to make them better understand the intricacies of the market and how to better position and enhance themselves based on the information from the market report.



**To respond to the Covid 19 pandemic and the challenges imposed by it, the Lab produced 2 toolkits for SMEs and startups to recover from the crisis.** Furthermore, this Technopolis and PwC implemented intervention under the Lab also included case studies in 8 different African countries, one of them being from Ghana. The report analyzed the impact of Covid-19 on Ghana’s SMEs and startups, specifically on business trends such as shutdowns of SMEs or startups, unemployment and investment inflow, market gaps and policy responses. Furthermore, the report also outlined the resilience shown by the e-

commerce and FinTech sectors. Moreover, the response of the government and other private actors was also scrutinized. From the combination of desk review and stakeholders’ interviews, 6 recommendations were made. These recommendations include the need to implement the start-up acts, reduce the cost of internet, improve the resiliency and value of locally produced raw materials, increase the level of market research to support SMEs. And two others directed to the AfDB, which encompassed the continuation of the support of development activities and suggesting that the bank directly engage with SMEs and support them.<sup>24</sup>

**In addition, 5 Ghanaian ESOs were trained through the ESO360 program by the Frankfurt School of Finance & Management.**

The main aim of the intervention was to build the capacity of ESOs, so they are better prepared to support startups, and help their communities. To build the curriculum, there was an initial assessment of the needs and areas of concerns of all the ESOs. With this information, 9 core training topics (1.

Ghanaian ESOs in the ESO360 training program	
1	<b>Innohub</b> – Business accelerator, growth consulting and impact investment platform
2	<b>Kumasi Hive</b> – Provides services aimed at delivering interventions to beneficiary entrepreneurs
3	<b>MBC Africa</b> – advisory firm that provides comprehensive business solutions to MSMEs on agriculture
4	<b>MEST Africa</b> – technology entrepreneur training program international seed fund, and network of hubs
5	<b>TED Hub</b> – Provides training and innovative business support through business advisory services

Digitalization for ESOs, 2. ESO Products, Services & Support, 3. Human Resource & People Management, 4. Running Effective Mentoring Programs, 5. Monitoring & Evaluation of ESOs, 6. Funding Support to Entrepreneurs, 7. Fundraising Strategy for ESOs, 8. Sustainability Planning for ESOs, 9. Impactful Storytelling for ESOs) were identified and addressed on the training modules, and an additional 4 topics (10. Market facilitation support for entrepreneurs, 11. Building strong partnerships in the innovation ecosystem, 12. Pipeline building for ESOs, 14. Best practice for running entrepreneur bootcamps) were also selected to be explored in webinars<sup>25</sup>. All the training modules were well received and appreciated by the participants.

**Preparations are ongoing on the provision of BDS support on digitalization to ESOs and entrepreneurs that delve into AgriTech.**

**The interventions implemented by the Lab in the country were relevant and impactful.** The importance of both the Market assessment, toolkits and the ESO360 training program in improving the entrepreneurial ecosystem in Ghana were relevant and aligned with the areas of policy focus in the country. These interventions are an important step towards addressing youth unemployment in the country, creating a robust job market and enhancing the startup ecosystem. Furthermore, both the comprehensive MEST-EyeCity market assessment report and the Technopolis and PwC toolkits and Case study were needed to improve the information asymmetries and create a knowledge base to improve entrepreneurial activities in the country. The Technopolis and PwC toolkit and country case study were valuable tools to provide insights on how to recover after the pandemic. These assessments impactfully tackled the information asymmetries in the Ghana entrepreneurial space and will be used as building steps for further improvements. Additionally, the ESO360 training program being informed by an

<sup>24</sup> Impact of COVID-19 on SMEs and Start-ups in Africa – Ghana Case Study (April 2022)

<sup>25</sup> “Recruitment of a firm to provide training materials & virtual training for businesses in Africa for incubators, accelerators, fund managers and startups” – ESO360 Final Report (November 2022)

assessment phase further contributed to its relevance with regards to the needs of the target beneficiaries, to optimize the process of helping them reach their objectives.

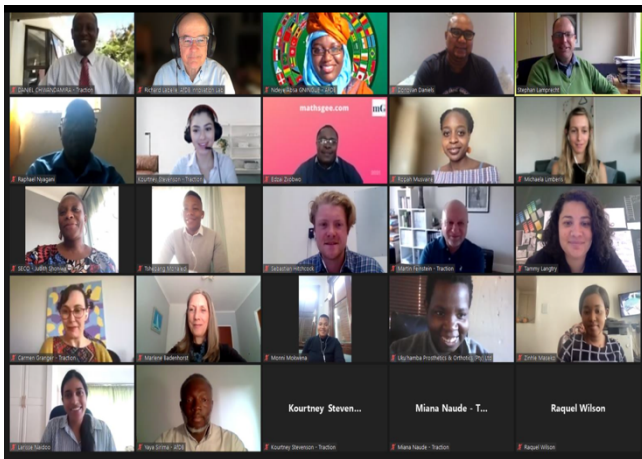
**The ESO360 training program and the market assessment were effective in terms of understanding the existing state of the ecosystem and building capacity.** The ESO360 training was deemed effective in improving Ghanaian ESOs capacities to support businesses and startups. 2/3 of the ESOs rated the ESO360 training methods as effective, and 1/3 rated it as highly effective. All the ESOs agree that the services and assistance that they offer to startups have significantly increased due to the training obtained. This improvement was not only in one specific area, but across the board in the different types of areas on which training was provided. The use of hybrid and remote technologies was also deemed as highly effective. Nevertheless, the lack of follow-up networking session diminished the effectiveness of the program. The market assessment and networking event conducted by MEST-Eyecity was effective in improving the understanding of the enterprise ecosystem. This one-time event also provided the opportunity for targeted startups and ESOs to connect with each other and understand how to better position themselves based on the information from the market assessment report.

**The focus on ESOs in theory was an efficient way of enhancing capacity, but the targeting and engagement of a greater number of ESOs could have furthered the cause of bringing about an ecosystem level change.** Although the market assessment was comprehensive in terms of its inclusion of population representative sample of ESOs and startups, the same cannot be said about the ESO training, where only 5 ESOs received the capacity building training. Nevertheless, centering the training program around ESOs created an opportunity to impact more startups with a centralized mechanism. Also, there were clear time-lapses in publishing both the market assessment and the Covid toolkits. Timely publication of the latter in particular could have enhanced its impact. Moreover, the training program was also extended for a longer time period than the one initially planned. This was due to the administrative and bureaucratic procedures of the bank which ended up delaying the timing of the initiatives.

**The ESO360 training program was impactful and is likely to bring about sustainable results for the targeted beneficiaries.** All the ESOs in Ghana that received the training agreed that the program positively influenced their services and assistance provided to startups, in areas such as providing better market assessment and custom mapping services, conducting networking events, developing training materials for startups, facilitating the access to new technologies, providing better access to finance, supporting startups led by women and better mentorship programs. All Ghanaian ESOs reported that they increased their capacity in areas such as curriculum development, and monitoring and evaluating their operations. Furthermore, the program was also deemed as sustainable, due to contributing to a sustained improvement of new skills to the ESOs in Ghana. Which will impact the services that they provide to startups and therefore lead to an improvement on the entrepreneurial ecosystem. Moreover, 2/3 of the ESOs trained reported that they were able to assist more startups to obtain funding, with one of them reporting that it was able to help 5 to 10 new startups.

## 6.2 SOUTH AFRICA – CALL TO INNOVATION BY TRACTION

South Africa makes a strong candidate for the implementation of interventions on entrepreneurship development given its socio-political conditions, the government's focus on entrepreneurship growth and the significant achievements in this regard since the mid-1990s<sup>26</sup>. As of 2022, South Africa has a population of 59 million people<sup>27</sup> in the country and the government has long recognized the power of startups and MSMEs to bring sustainable development for the country and achieve the SDGs. However, country has a very high rate of business failure in the first year (40%)<sup>28</sup> and one of the highest unemployment rates (31.9%)<sup>29</sup> on the continent. Despite having the supportive ecosystem targeted towards MSME growth, there has not been widespread improvement, and the situation was aggravated by the Covid-19 pandemic. Additionally, South Africa is also experiencing deindustrialization which has caused the unemployment to go up<sup>30</sup>. Consequently, it is important to strengthen the entrepreneurial environment, and provide better conditions to startups and small businesses so that they can bolster employment and economic growth.



In the aftermath of the Covid pandemic the Lab created a program called **Technical Assistance for Startups in South Africa**, which was implemented by the South African firm **TRACTION**. The TRACTION Program falls under the 5th Pillar of the Lab (Innovation & Incubation). The program was implemented with the aim to equip innovative startups with the requisite business and technical skills. The program was a combination of innovation, business plan development, and commercialization workshops to train mature and early-stage and ventures on how best to position themselves in the

market and commercialize their product. It included two parts, a complete and comprehensive deep dive survey and market assessment of the MSME ecosystem, and The Innovation Call during the Covid-19 pandemic which provided prototyping support and BDS to 5 startups. These 5 startups served as case studies for how to support innovations in response to a pandemic. At the end of the program each participant received a personalized business development recommendation and one-one mentorship to enable them to attract the market.

<sup>26</sup> [https://unctad.org/system/files/official-document/tcsdiaeinf2023d3\\_en.pdf](https://unctad.org/system/files/official-document/tcsdiaeinf2023d3_en.pdf)

<sup>27</sup> <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=ZA>

<sup>28</sup> Bushe, Bernard. "The causes and impact of business failure among small to micro and medium enterprises in South Africa." *Africa's Public Service Delivery and Performance Review* 7, no. 1 (2019).

<sup>29</sup> <https://www.gov.za/news/media-statements/statistics-south-africa-quarterly-labour-force-survey-quarter-three-2023-14>

<sup>30</sup> <https://www.afdb.org/en/countries/southern-africa/south-africa/south-africa-economic-outlook>

“ What was most impactful for me was the richness and extent of grassroots innovation by these startups in a localized context. The relevance of their solution was far wider even when developed in a localized context.”





**Martin Feinstein -- Cofounder (TRACTION)**



**The Deep-Dive Ecosystem Assessment of the MSME Sector in South Africa was a comprehensive report on the different dimensions that influence MSME development, as well as some recommendations to improve the sector.** This report includes a detailed analysis of 64 selected studies, complemented with 10 interviews with key stakeholders. This assessment is the first of its kind and provided the Lab with a powerful tool to guide future interventions. After analyzing the different dimensions that have a role on the ecosystem, the study provided some recommendations of how to mitigate the impact of Covid-19 and how to complement the government’s actions. In addition, it also mapped more than 400 ESOs across South Africa. The assessment provided key points of guidance to the Lab’s future interventions in South Africa. This included how to support a culture of youth entrepreneurship and increase their access to finance, how to improve ecosystem linkages and access to BDS, how to develop capacity building content for ESOs, and how to give more support to startups.

**In parallel to the market assessment, TRACTION realized an Innovation Support Program.** The program was implemented with the aim to equip innovative startups with the requisite business and technical skills to flourish. The program was a combination of innovation, business plan development, and commercialization workshops to train mature and early-stage ventures on how best to position themselves in the market and commercialize their product. At the end of the program each participant received a personalized business development recommendation and one-one mentorship to enable them to attract the market.

**This encompassed several activities such as one-to-one mentorship and an Innovation Acceleration Bootcamp (IAB).** Fifteen (15) ventures that were scalable and had high growth and impact potential were included. Based on the program, 5 innovative ideas have been prototyped through the Lab with impressive results (see figure below for examples). The program was deemed highly impactful and relevant to the needs of ventures and startups that had commercially viable ideas and needed support in commercializing their products and going to the market. In the future, a longer-term engagement and intermittent support follow ups will benefit the beneficiaries more and ensure sustainability of the impact.

			
<p>The production of lightweight prosthetics to improve the conditions of amputees living with disabilities, thus giving them back their independence. Hence, 3D printing technology was applied to produce custom-made, low-cost, water-resistant prosthetics using affordable environmentally friendly material.</p>	<p>A last-mile distribution platform that allows Spaza shops to order their inventory via a mobile app and receive delivery within 24 hours. This enables efficiency and cost-effectiveness to order products and receive delivery directly from stores.</p>	<p>An online learning platform where students can join to connect, learn, and earn. It uses a freemium business model to support all learners regardless of economic status.</p>	<p>An online learning platform where students can join to connect, learn, and earn. It uses a freemium business model to support all learners regardless of economic status.</p>

**Three (3) South African ESOs and 6 Startups took part in the ESO360 training program by the Frankfurt School of Finance & Management.** The program was divided into 2 parts, one dedicated to ESOs and the other to startups that were identified by the ESOs. The training of ESOs consisted of a capacity building program divided into 9 main training modules, and 4 webinar topics. The South African startups due to their maturity and advanced capacity participated in the training to improve their fundraising skills.

South African startups in the ESO360 training program	South African ESOs in the ESO360 training program
1 <b>Grafin Tech</b> – AI technology enterprise in big data and analytics	1 <b>mLab</b> – Tech-centred business working with partners to improve the innovation ecosystem
2 <b>Addmore Digital Solutions Company</b> – Digital marketing company focusing on creating an interconnected digital experience	2 <b>Setup A Startup</b> – Supports entrepreneurs, improves connections and increases their skills
3 <b>Bluemachines PTY Limited</b> – Data science company, centring around machine learning	3 <b>Tshimologong Digital Innovation Hub</b> – Improve the profile of Africa innovation and is a university-based incubator.
4 <b>AUKODesigns</b> – 3D design consultancy startup that helps businesses and consumers translate their ideas into real products	
5 <b>Spencer Media</b> – (no company profile available)	
6 <b>Mpho Robotics</b> – Educational company which intends to teach kids robotics	

Preparations are ongoing in future interventions to provide Business development services to township ESOs in Tshwane or Tembisa METROs in the Gauteng province.

**In terms of relevance, all the initiatives undertaken by the Lab in South Africa were important in improving the entrepreneurial ecosystem.** The comprehensive Market assessment done by TRACTION is a unique information asset and provides key stakeholders with an important tool to assess future interventions, policies, and key challenges. The study also provided in-depth recommendations on how to improve the situation in the aftermath of the Covid-19 pandemic. Moreover, the Innovation Support

program was a great tool to help startups develop their business ideas. The ESO360 program, training both ESOs and startups in South Africa was highly relevant in improving their capacities and financial tools. Starting with an assessment of the ESO's interests and making them suggest startups to take part in the training contributed to a well-structured and useful program.

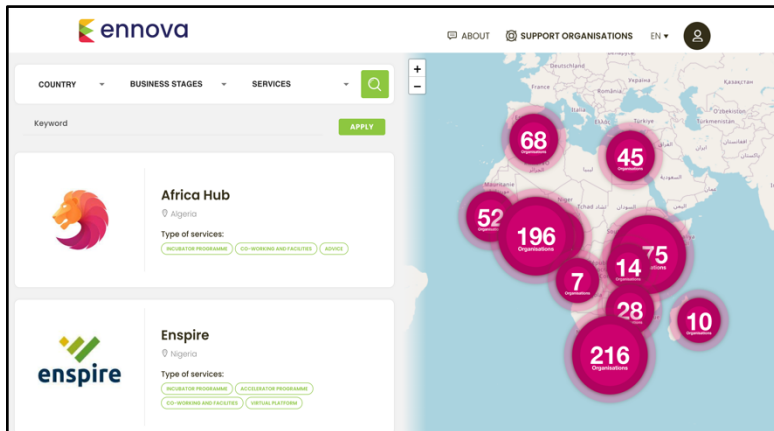
**The ESO360 training program was effective for both the ESOs and the Startups which were trained.**

The ESOs which participated in the ESO360 training program rated it as very relevant and effective. ESOs engaged in the evaluation also reportedly agreed that the services they provided to startups improved due to the training program and their improved capacity as a result. The complementarity of the training provided to startups further increased the Lab's effectiveness. The low participation of ESOs in the training program, due to a lack of applications received from South Africa and the selection procedure. May not have led to the envisaged level of effectiveness on its own, but this was complemented with the provision of direct training to some (6) startups, which contributed towards the Lab's goal.

**The market assessment and the Innovation Support program is comprehensive and played a key role in informing the ensuing support interventions.**

The MSME ecosystem study succeeds in providing an important knowledge source on how to recover from a shock such as the Covid 19 pandemic and has the potential for becoming a complete information base for future interventions and policies. The mapping of over 400 ESOs and obtaining primary data on a variety of issues pertaining to their needs, achievements, policies, etc. is also an important feature of the study which tackles the issue of information asymmetries in this space. The selection of 5 ventures from the 15 that attended the Innovation Acceleration Bootcamp, due to their higher potential and relevance, was an efficient way to provide innovation support with a one-on-one engagement. Nevertheless, both initiatives seem opportunistic, due to the Covid 19 outbreak. In the future, more long-term planning would be more strategic in terms of designing interventions aimed at entrepreneurial ecosystem development from a capacity enhancement standpoint. The Call for Innovation program by TRACTION was deemed impactful and relevant to the needs of ventures and startups that had commercially viable ideas and needed support in commercializing their products and going to the market. In the future, longer-term engagement and intermittent follow-up support (technical, financial or a mix of both) will benefit the beneficiaries more and ensure sustainability of the impact.

## 7 SIGNIFICANT ACHIEVEMENTS



"The thrust behind it (The ENNOVA) is also to consolidate within the bank, all the knowledge, lessons and good practices on how to design impactful programs targeting youth entrepreneurs because we found out that the entrepreneurial ecosystem in Africa is completely disjointed"

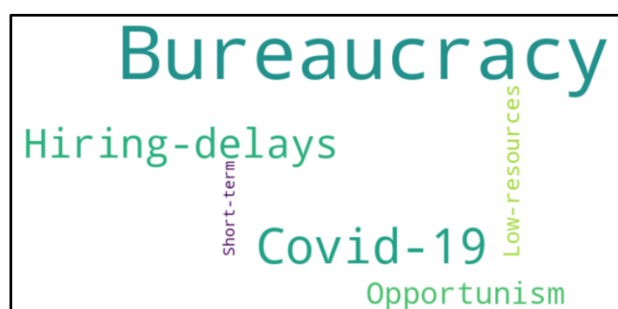
**The ENNOVA platform as a central knowledge repository is an important result of the Lab to address the information asymmetries in the entrepreneurial ecosystem in Africa.** The evaluation assessed the ENNOVA platform to understand its offerings. Firstly, the platform was deemed to be user-friendly with a very simple but effective design to match. The registration process was very quick for ESOs and startups to quickly create an account and manage their profiles. The platform had mapped the profiles of ESOs across 55 countries in the African continent. This is a valuable resource for startups to be able to quickly access ESOs that have offerings tailored to their needs and specifications. The ENNOVA platform has been deemed to have enormous potential and become the "single source of truth" for most ecosystem players to understand the entrepreneurial ecosystem. As a central repository, the platform is poised to host all knowledge resources such as country level reports, training materials and resources essential for strengthening and ESOs' and startups' capacity in the future.

**One of the significant achievements of the Lab was the strategic partnerships that were initiated and are in the process of being established.** This visibility created may promote the strategic inflow of digital investments into the African economy which is pivotal for the enablement of the digital revolution. The partnership with AfDB's Transition State Coordination Office and the ongoing conversations to create partnerships with global giants in the creative and technological industry such as Microsoft and Netflix were vetted as highly relevant in this regard. In addition, the Lab has been able to elicit interest among relevant organizations such as Nestle, the ILO, the World Bank and Huawei. Furthermore, ongoing partnerships with the local stakeholders such as universities and research institutions were seen as a very strategic effort to involve relevant local stakeholders and garner traction, commitment and buy-in at the local levels.

**The knowledge products created through market assessment and diagnostics studies are invaluable and can be helpful in future development program/policy design.** These products are a permanent and sustainable source of information regarding the entrepreneurial ecosystem. During the evaluation phase, the following knowledge products had been created. Partnering with PwC and Technopolis, one regional COVID-19 recovery report was created, which reported the effect of the pandemic on startups and SMEs through a regional perspective. Furthermore, 8 country-level (Côte d'Ivoire, Ghana, Morocco, Nigeria, Senegal, Uganda, United Republic of Tanzania, and Zimbabwe) case studies reporting on this

issue were also produced. The partnership also included the production of 1 MSMEs COVID-19 recovery assessment toolkits in French and English. A complete and comprehensive market assessment was also created in Ghana in 2021, which dove into the entrepreneurial ecosystem and how to improve support and linkage in this environment. A similar market assessment was produced about the South Africa entrepreneurial ecosystem in 2021. Moreover, in Egypt a similar study was written in 2022 by Dr. Ayman Ismail. More recently, a legal study about how to stop the establishment of startups outside of Egypt was assembled by the Lab. In addition, both the capacity training programs, ESO360 and Climate Action by Chemonics, used training material on different topics related to ESOs and relevant topics, which are a great knowledge source for whom may be interested.

## 8 LESSONS & CHALLENGES



Some of the interventions seemed opportunistic and so greater long-term planning strategy would be beneficial for achieving the long-term objective of entrepreneurial ecosystem development. For instance, the Lab produced eight (8) country-level reports and the development of COVID-19 recovery assessment toolkits in French and English which allowed for quick and targeted response to emerging

needs or unforeseen challenges and opportunities. However, such programs hinted to a lack of clear strategic focus. Without a well laid-out outline of activities and programs in the medium to long term there exists the risk of focusing on immediate developments which may be ad hoc. Furthermore, a concise strategic plan ensures that programs and activities consider the long-term implications or sustainability of interventions, resulting in long-lived impacts or the interventions. Going forward, a clear outline of specific activities or interventions could be decided in advance which are aligned with the long-term goals of the Lab. On a positive note, the various country-level market assessment and diagnostic reports could serve as a crucial and important foundation to design a new pipeline of activities to inform a long-term strategic plan.

**The implementation of small projects or interventions was not conducive due to the high transaction costs incurred in completing them.** These transaction costs manifested themselves in long waiting times for comments and approval from the Bank's management. Furthermore, external consultants were primarily employed for the execution of activities. Hiring external consultants meant a significant number of resources were spent on drafting Terms of References (TORS), vetting the shortlisted candidate, and awarding contracts. Not only did it entail some financial costs, but a great deal of delays was accumulated. The Bank's policy of rehiring after one year was a significant strain on time. The use of short-term consultants and the onboarding and deboarding process could greatly reduce the knowledge management and retainment within the Lab. Additionally, this will negatively impact the Lab's staff learning curve, which will negatively impact the success of future interventions. The use of short-term consultants not only reduces the knowledge of current initiatives, but it also reduces the understanding

of important insights into programs implementation, which will have an impact on future interventions.

**The dissemination efforts of important outputs of the Lab could be improved.** For instance, the ENNOVA platform has not yet officially been launched despite its inception in 2019. Furthermore, only the ESOs and startups that have been engaged directly by the Lab are aware of the existence of the ENNOVA. The evaluation team acknowledges that the official launch of the ENNOVA platform has been delayed by internal processes within the Bank. Furthermore, important knowledge products such as the Egypt Legal report is not yet officially public and needs approval from the Bank. Due to the time value of knowledge, it is recommended that outputs of the Lab are availed as early as practicable for public consumption. These documents could serve as an important source of knowledge to inform decision-making by many stakeholders such as governments, private stakeholders, ESOs and Startups.

**The Lab requires more visibility and traction at the AfDB and uptake by the higher and senior management given its relevance.**

## 9 RECOMMENDATIONS

### Co-creation approach between donors and the Lab

- Involvement of the donor in project design phases for optimal alignment on priorities and vision
- Leverage synergies by involving donor country offices in the implementation

### Optimizing opportunities for synergies

- Periodic (quarterly) alignment discussions with Boost Africa and JfYA teams on the ground to and leverage synergies for implementing projects
- Collaboration and coordination with in-country stakeholders on an ongoing basis to optimize and avoid duplication of efforts

### Robust M&E framework

- Involvement of the donor in the M&E framework design for optimal alignment on data collection and reporting
- Incorporate robust data collection methodology, KPIs (sex-disaggregated) in M&E framework
- Development of centralized database and dashboard functionalities to facilitate optimal management and learning

### Dissemination & Awareness Raising

- Workshops (monthly/quarterly) with donors and country-level stakeholders to discuss implementation progress & results
- Periodic dissemination of knowledge products, lessons learned based on robust data collection and KPI creation and tracking methods
- Ongoing efforts to increase awareness (e.g., ENNOVA platform) and generate interest among ESOs, youth-led startups on the training program

### Key Recommendations

*Note: The evaluation finds that an MS Excel based M&E Tool with dashboard capabilities for enhanced M&E capabilities of the Lab is under construction.*

**A co-creation approach between the donor and the Lab, subject to agreement between the involved**

**parties could help align priorities and objectives.** There was a perceived sense of disconnect between SECO country offices and the projects being implemented on the ground. Although there were reoccurring meetings between the two parties, SECO country offices did not have an active role in the implementation and monitoring of the projects. Moreover, most of the impacts of these initiatives were hard to measure leaving the donor without an effective way to measure the effects. In this regard, a co-creation approach between the donor and the Lab could provide an alternative perspective to implementation, if optimal use of available resources on the ground can be ensured. A co-creation approach could allow SECO to be more involved in the long-term planning of future initiatives and the implementation of the interventions together with the managers of the Lab. This could ensure alignment of priorities and ensure that SECO can more easily follow the outputs of the Lab and the impacts of the initiatives being implemented on the field. Collaboratively aligning priorities and objectives between both parties could not only foster a deeper understanding of mutual goals but also ensure a more comprehensive and effective strategy. By engaging in this collaborative process, the donor's insights and goals could merge with the Lab's expertise, allowing for a holistic view that considers various perspectives, potential challenges, and innovative solutions. This synergy, provided well planned, could facilitate a tailored program design that could not only be responsive to the donor's vision and objectives but also incorporate the Lab's insights and capabilities, resulting in a more impactful and sustainable initiative. Moreover, this collaborative approach could establish a sense of ownership and commitment from both sides, nurturing a long-term partnership that goes beyond simplified financial support, ultimately leading to greater program success and societal impact.

**Furthermore, the Lab will benefit from a long-term strategic plan outlining activities and programs and how they meet the long-term goals.** The Lab could move from a Bank intervention and be incorporated under country-level programs or initiatives to enhance synergies and leverage on private and public resources. The Lab would benefit from being operated at the country level so that synergies with other youth-development initiatives by private and public sector players can be leveraged. One of the main findings or concerns that emerged from trainers and ESOs alike was the ad hoc or short-term nature of the interventions (trainings). Whereas both ESOs and trainers had envisioned there will be follow-up programs, none has been implemented in this regard. It is therefore essential for the Lab to set up long-term engagement plans with ESOs and startups alike. This is likely to yield more impact when there is a strategic focus on a few beneficiaries on a long-term basis compared to short-term engagements with several ESOs over a short period of time.

**A strong alignment and collaboration with country-level stakeholders could help avoid any duplication of efforts.** It is crucial that the Lab does not operate independently of country level stakeholders. In this regard, the Lab reportedly does cooperate with select country-level partners to implement initiatives through AfDB's network of country offices. Nevertheless, there are several ongoing national level initiatives targeted towards youth entrepreneurship and development that can be further explored. It is essential for the Lab to gain visibility and traction at the local levels by aggressively marketing their work and liaising with local stakeholders. For instance, Ghana has its own platform like ENNOVA that maps the ESO's ecosystem for startup to connect<sup>31</sup>. It also serves as a local repository of essential resources for ecosystem players. In North Africa, there is also an ENNOVA platform (EINA – AfDB North Africa). The Lab

---

<sup>31</sup> <https://esoghana.org/>

could benefit during the inception phase from delving further into potential synergies to understand how determined interventions can be integrated into already existent local frameworks and initiatives<sup>32</sup>. Furthermore, working with universities and other institutions of higher learning in support of youth entrepreneurship is a major opportunity for the Lab, given the extent of support that these institutions offer to young people entering the marketplace. The fact that they associate under an umbrella of likeminded organizations such as the AAU and others, represents an opportunity for the Lab to engage with key representatives in seeking large scale impact.

**A revised indicator framework would be beneficial to accurately quantify the impacts of the Lab interventions accurately and realistically.** A comprehensive and revised indicator framework stands as a fundamental necessity to precisely measure and assess the true impacts of the Lab interventions. Such a framework serves as the cornerstone for evaluating the effectiveness and success of the interventions in a manner that is both accurate and realistic. By refining and aligning the indicators to the specific goals and outcomes of the Lab initiatives, it becomes possible to capture the multifaceted aspects of impact, including social, economic, and technological advancements. This refined framework not only facilitates a clearer understanding of progress but also enables stakeholders to make informed decisions based on reliable data. Moreover, a well-structured indicator framework not only measures the immediate results but also tracks long-term effects, ensuring a comprehensive assessment that reflects the true transformative potential of the interventions. In essence, a revised indicator framework which is commensurate with the interventions ensures that the impacts of Lab interventions are not only quantified but also comprehensively understood, fostering transparency, accountability, and informed decision-making for sustainable and impactful outcomes.

**With regards to indicator framework revision, clarity on the selection of targets (and related assumptions), country-level disaggregated data collection and linkage of the indicators to the interventions could enhance learning and future program design.** The selection of targets is key to assessing the true contribution of a program, which makes it important to include it as a part of a strong logical framework. From the program document review and information collected from interviews with key informants there was not enough clarity on the assumptions behind the setting of the targets for the output, outcome, and impact indicators. A more robust indicator framework would benefit from having these assumptions laid out. In terms of the output, and in particular the outcome and impact indicators, a country-level break down of the overall achievements could be beneficial for understanding progress at the individual country level and their specific challenges and differences in the realization of envisaged results. These kinds of insights could contribute substantially to future scale-up efforts. A more robust approach to capturing program outcomes and impact would be to include the source (survey, semi-structured interviews, etc.) and frequency of data collection from beneficiaries (country-level data from the ESOs, entrepreneurs/startups) in the M&E framework design. Lastly, since it is difficult to link a one-time training intervention to impact indicators such as creation/retention in jobs, one could incorporate timelines for data collection from beneficiaries to be able to establish program contribution. In this regard, beneficiary surveys could be conducted on a quarterly/by-annual basis to collect robust evidence on the linkage between the program inputs and the outputs, output to outcomes and thereafter outcomes to impact. To facilitate this, survey questionnaires would be of critical importance via focused

---

<sup>32</sup> In this regard, reportedly there has been some progress through meetings with the leads of the two aforementioned platforms.

questions to establish robust linkage between the inputs, the outputs, the outcomes and thereafter the impact.

**The creation of a central database for the Lab's M&E data and a dashboard system to visualize progress and results could be incorporated into the M&E framework.** Having a central database for the Lab could greatly enhance the M&E function and learning by facilitating ready access to country-level data for any query-based search. Moreover, the dashboard functionality of the database could inform both the Bank and the donors of implementation progress and results. The dashboard could be designed in a way that it automatically updates the visualizations on the indicators based on the availability of new data as and when it is collected. This dashboard could be programmed to report KPIs specifically designed by geography/location, or a particular beneficiary segment (e.g., women entrepreneurs / startup owners between the age of 18-30, etc.) to identify progress/results both at an aggregate and granular level as needed. This would greatly enhance the learning from the Lab's interventions with the facilitation of gender-based differences (if any) in the realization of outputs, outcomes and impact. The evaluation findings suggest that the Lab is working on an MS Excel based M&E tool with inbuilt dashboard capabilities which is under works and will be rolled out once completed.

**Streamlining processes and addressing the bureaucratic procedures within the Bank would be important in achieving the envisaged results of programs such as those implemented by the Lab.** The Lab, where possible, should improve their internal administrative and bureaucratic procedures to reduce additional delays. Long and slow bureaucratic and administrative procedures were sighted as one of the issues hampering the efficiency of the Lab. The 12-months renewable tenure does not bring stability to the team. Furthermore, the procurement function of the Lab is critical to ensure the timely completion of projects. In this regard, a potential way could be for the Bank to pilot a shorter approval process for the Lab in areas such as selection of projects, consultants, budget allocations, etc. However, if the administrative processes of the bank cannot be changed by the Lab, it is essential that the Lab's activities are informed by the nature of it. In this regard, project design should reflect these aspects accurately and create timelines and M&E frameworks accordingly. These could ideally be discussed with the donor(s) at the program design phase and during the implementation process, going forward.

**Given the reported relevance and effectiveness of the Lab's efforts towards beneficiary capacity building, it becomes imperative to generate greater interest among this group to achieve the envisaged comprehensive ecosystem development.** The Lab has been deemed as highly relevant and coherent with existing local youth and employment development policies as well as with the strategy of the AfDB Bank. However, overall, a small number (49) of ESOs and startups participated in the trainings provided under the Lab's efforts. Moreover, the training was a one-time affair and is deemed light tough. This makes it difficult to connect the intervention with the envisaged impact indicators of the number of jobs created as a result of the Lab and the number of successful startups engaged in innovative product/service design. Moreover, the training and market assessments at the existing scale would have limited contribution towards generating impact at the ecosystem level. Therefore, follow-up programs or future program design should incorporate outreach efforts to reach out to a broader target group of ESOs and startups for training on building capacity for comprehensive ecosystem level impact.

**It is highly possible for the Lab to gain momentum in subsequent phases.** Based on the assessment, the perception so far is that the Lab is in an early phase of achieving the desired objective, laying groundwork for more targeted initiatives in the future. Based on the inception of the ENNOVA platform and the various country level diagnostics, it is highly probable that the Lab will gain strong momentum in the coming years. However, the Lab has invested resources in the creation of knowledge products such as country-level market assessments and diagnostic reports, these could assist greatly in designing future interventions to make up on time with regards to achieving the envisaged outcome. Therefore, the Lab should further promote the dissemination of these knowledge products, and base future interventions on the information collected through these assessments and past initiatives.

**The capacity training programs were deemed impactful and efficient in the sense that the target of Startups through ESOs was strategic.** However, stand-alone interventions and longtime intervals between interventions might lead to the risk of the programs outliving their usefulness. A more strategic plan of how to continuously engage ESOs and startups for the long-term is essential to ensure that the goals of the Lab are met.

**The Lab's initiatives have been aligned with the JfYA Strategy (2016-2025). Nevertheless, there is the need to increase collaboration with other departments of the Bank.** The JfYA Strategy aims to create 25 million jobs for African youth and to equip 50 million youth with a mix of hard and soft skills to increase their employability as well as their entrepreneurial success rate by making use of three strategic intervention areas: Integration, Innovation, and Investment. The Lab activities align with the “Innovation” area of intervention, but the Lab inherently connects all three strategic intervention areas under JfYA. Therefore, it is important that full cooperation is in place to avoid duplication of efforts, and benefit from synergies can be optimized. For instance, under the area of “Integration”, the Bank has produced various reports, the topics of some of which overlap with the knowledge products created by the Lab. Under “Innovation”, the flagship programs focus on three sectors, namely agriculture, industrialization, and information and communication technology. Some of them, such as the ENABLE Youth program, share common goals and methods as the interventions from the Lab. A possible way of leveraging opportunities for synergy could be that the Lab conducts focused pilot projects in the three chosen sectors, followed by rigorous assessment of results; and scale up the successful projects under the umbrella of JfYA. This could also enable the Lab to maintain its streamlined, agile structure and establish itself as a key research and development center within the Bank.

## 10 ANNEX

**Table 1: Documents reviewed during the desk review**

No	Name of the Document
1	Agreement between SECO and AfDB concerning the Boost Africa Entrepreneurship Lab
2	Shortlisting and Progress Report Egypt Climate action
3	Cleantech Connects Egypt Program Agenda
4	Egypt Climate action Chemonics AfDB Report – M&E plan 1
5	Egypt Climate action Chemonics AfDB Report – M&E plan 2
6	FSFM Final Report ESO360 Project
7	FSFM Inception Report
8	Entrepreneurship in Egypt – Case Study: Policy Recommendations to Reverse Establishment of Startups Outside Egypt
9	Entrepreneurship in Egypt – Ecosystem Overview
10	Enterprise Support and Business Development Services in Ghana – Market Assessment Report
11	Inception Report – Innovation Call for Covid-19 in South Africa
12	Ecosystem Report – On the MSME Sector in South Africa
13	Diagnosis of Covid-19 Impacts on SMEs and Startups in Africa – Inception Report
14	Technopolis & PwC 8 case studies
15	Diagnosis of Covid-19 Impacts on SMEs and Startups in Africa – A Regional Perspective
16	SMEs toolkit
17	1 <sup>st</sup> Biannual Performance Report for January to June of 2023 for the IEL AHHD0
18	PCR for Public Sector Operations: FAPA Technical Assistance for the Entrepreneurship Lab
19	2022 Annual Performance Report for the IEL AHHD0
20	AfDB Lab SECO Inception Phase
21	IEL Activity Plan 2020
22	IEL SECO Progress Report #3
23	IEL Activity Plan 2021
24	IEL SECO Progress Report #4
25	IEL SECO Progress Report Q4, 2022

26	IEL SECO Progress Report Q1, 2023
27	IEL SECO Progress Report Q2, 2023
28	Program Logical Framework
29	The IEL Team
30	Deloitte Audit Report 2022
31	Deloitte Audit Report 2019-2021

**Table 2: Ghanaian and South African ESOs that participated in the ESO360 Training offered by the Frankfurt School of Finance & Management (FSFM)**

No	Name of Organization	Country
1	Innohub	Ghana
2	mLab	South Africa
3	Tshimologong Digital Innovation Hub	South Africa
4	MBC Africa	Ghana
5	Kumasi Hive	Ghana
6	Meltwater Entrepreneurial School of Technology (MEST Africa)	Ghana
7	Setup A Startup	South Africa
8	Tarkwa Entrepreneurship Development Hub	Ghana

**Table 3: List of Stakeholders Engaged in Semi-Structured Interviews**

Name	Organization	Position
Muzira, Tapera Jeffrey	AfDB	Lead Human Capital Youth & Social Development
Abeliwine Emmanuel	AfDB	Social Development Officer, Ghana
El Sokkary, Gehane	AfDB	Social Development Officer, Egypt
Ndeye Absa Gningue	AfDB	Senior Innovation Officer & Task Manager
Sseggujja, Henry	AfDB	Principal Investment Officer
Benbrahim, Abdelkader	AfDB	Consultant YEI MDTF
Christine Sete	SECO	Focal Point SECO
Donkoh Harriet	Ghana	SECO Representative, Ghana

Daniel Lauchenauer	South Africa	SECO Representative, South Africa
Laila Kenawy	Egypt	SECO Representative, Egypt
Anne-Alice Fievet	AfDB	Consultant - Knowledge & Content Lead
Estella Addiko	AfDB	Monitoring & Evaluation for the Lab
Mohamed Agrebi	AfDB	Consultant - Procurement & Admin Lead
Chamunorwa Togo	AfDB	Innovation / Incubation for the Lab
El Hadj Mamadou BAH	AfDB	Chief Policy Economist
Mr. Martin Feinstein	Trainer (Traction)	Co-Founder Traction Africa
Jonathan Nkoola	Lead Program Trainer	Lead Trainer (Frankfurt School of Finance & Management-FSFM)
Frederick Teufel	AfDB	Lead Coordinator - Partnerships, Innovation, Private Sector Development

**Table 4: Survey ESO respondents for Ghana**

Type	Name of Organization	Program	Interview Status
ESO	Kumasi Hive	ESO360 by FSFM	Completed
ESO	MBC Africa	ESO360 by FSFM	Completed
ESO	Innohub	ESO360 by FSFM	Pending
ESO	MEST	ESO360 by FSFM	CAWI Link Sent
ESO	TEDHub	ESO360 by FSFM	Completed

**Table 5: ESOs contacted for Egypt Case Study**

Type	Name of Organization	Program	Interview Status
ESO	ICEALEX	Climate Action	No response
ESO	Agricultural Bank of Egypt	Climate Action	No response

ESO	Step2Future	Climate Action	Completed
ESO	Acasia Impact	Climate Action	No response
ESO	AUC-CEI	Climate Action	Completed
ESO	Changelabs	Climate Action	Completed
ESO	MoTI-Technology Centers Sector	Climate Action	Completed
ESO	Arab African International Bank	Climate Action	Completed
ESO	Athar Accelerator	Climate Action	Completed
ESO	FEI-ECO	Climate Action	
ESO	Nile Venture Lab	Climate Action	Completed
ESO	DCC	Climate Action	
ESO	Etisal Assiut Association for Information Technology	Climate Action	
ESO	ENCPC	Climate Action	
ESO	EdVentures	ESO360 by FSFM	
ESO	Enroot	ESO360 by FSFM	Completed
ESO	Athar	ESO360 by FSFM	Completed
ESO	OASIS accelerator	ESO360 by FSFM	

**Table 6: Survey Respondents for South Africa**

Type	Organization	Program	Status
Startup	Solar powered kitchen appliances	Call to Innovation Traction	CAWI Link to be Sent
Startup	Leoba Business Ventures (Pty) Ltd	Call to Innovation Traction	CAWI Link to be Sent
Startup	Thola Technology Solutions	Call to Innovation Traction	CAWI Link to be Sent
Startup	EpioneNet Proprietary Limited	Call to Innovation Traction	CAWI Link to be Sent
Startup	Izizwe Zabantsundu	Call to Innovation Traction	CAWI Link to be Sent
Startup	SlideLuvre	Call to Innovation Traction	CAWI Link to be Sent

Startup	Good Grades	Call to Innovation Traction	CAWI Link to be Sent
Startup	Vedic Maths Africa	Call to Innovation Traction	CAWI Link to be Sent
Startup	The Marking App	Call to Innovation Traction	CAWI Link to be Sent
Startup	Uku'Hamba	Call to Innovation Traction	CAWI Link to be Sent
Startup	Art Meets Camera (Pty) Ltd	Call to Innovation Traction	CAWI Link to be Sent
Startup	Bashomi Trading & Projects	Call to Innovation Traction	CAWI Link to be Sent
Startup	MathsGee	Call to Innovation Traction	Completed
Startup	Kweza	Call to Innovation Traction	CAWI Link to be Sent
Startup	TRxEAT	Call to Innovation Traction	Scheduled
ESO	mLab	ESO360 by FSFM	Completed
ESO	Tshimologong Digital Innovation Hub	ESO360 by FSFM	CAWI Link to be Sent
ESO	Setup A Startup	ESO360 by FSFM	CAWI Link to be Sent
Startup	Bluemachines PTY Limited	ESO360 by FSFM	CAWI Link to be Sent
Startup	Spencer Media	ESO360 by FSFM	CAWI Link to be Sent
Startup	Mpho Robotics	ESO360 by FSFM	CAWI Link to be Sent
Startup	AUKODesigns	ESO360 by FSFM	CAWI Link to be Sent
Startup	Addmore Digital Solutions Company	ESO360 by FSFM	CAWI Link to be Sent
Startup	Grafin-Tech	ESO360 by FSFM	CAWI Link to be Sent

Table 7: Logical Framework of the Lab

Results Chain	Indicators	Baseline	Actuals										Target	Progress (%)	Means of Verification	Assumptions		
			Dec. 2019	2020		2021		2022		2023		Cumulative	2023					
			Inception Phase	January to June	July to Dec.	January to June	July to Dec.	January to June	July to October	January to June	July to October							
<b>Impact</b>	Growing commercially sustainable & innovative businesses that create quality jobs in Africa	No. of jobs created / retained	0	-	-	13614	-	5400	-	-	-	66	-	19080	10,000 (30% female)	190.8	Evaluations and surveys	Entrepreneurs improve their products and services to the point they receive investments and are able to grow their business and address employment issues.
<b>Outcomes</b>	An increasing number of entrepreneurship / startups have access to and make use of quality services offered by Entrepreneurial ecosystems are strengthened through linkages, innovation and	No. of entrepreneurs and startups undergoing training/ education	0	567	-	-	33	70	16	0	0	-	686	400 (30% female)	171.5	Registration of trainees Survey of participants	Investing in Capacity Building is at some extent more impactful for the ESCOs than financial support	
		No. of new partnerships established	0	-	2	1	2	2	1	1	1	-	10	6 Partnerships	166.7	Partnership agreement User surveys	The online services and networking activities increase the visibility of ventures and of potential partners, investors etc.	
		No. of supported entrepreneurs and startups having mobilized capital	0	-	-	-	-	19	0	0	0	-	19	100 (25% Female)	19.0	Investment reports (Boost Africa Investments)	Making capital available motivates entrepreneurs & encourages competition. Entrepreneurs develop their products and services and present their business to investors	
	More entrepreneurs / startups have access to finance	Capital mobilized by supported entrepreneurs and startups	0	-	-	-	-	-	-	-	-	0	0	LSD 2M (30% Female)	0.0	Funding mobilized through Lab financing mechanism	Investor feel confident to invest based on the solid prototypes and businesses presented	
<b>Outputs</b>	Capacity building and mentoring activities carried out.	No. of final managers and ESCOs trained.	10 final managers / 10 ESCOs	20	113	24	0	-	23	0	0	-	180	100 final managers / 200 ESCOs	60.0		ESCOs and investors are willing to improve their offering and are receptive for expert advice	
		No. of workshops and trainings for ESCOs conducted	2	10	1	2	0	-	24	0	0	-	37	20	185.0			
		Satisfaction rate of participants to workshop and training (%)	70% (25 % female)	70	100	100	-	-	100	100	0	0	-	94	80% (25 % female)	94	Registration of ESCOs Surveys Reports from capacity building activities	
		Satisfaction rate of entrepreneurs receiving mentoring (%)	70% (25 % female)	70	100	-	-	-	82	82	0	0	-	85	80% (25 % female)	83.5		A relevant number of business people want to offer mentoring advice and are receptive to receive training
		No. of mentors and mentees registered in the platform	0	0	4000	0	-	-	-	0	0	0	-	4000	160 (25% female)	2500.0		

**Table 8: SDC SECO Assessment Grid for DAC Evaluation Criteria**

DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p><b>1 Relevance: Is the intervention doing the right things?</b>            Summary: The extent to which the intervention’s objectives and design (at the time of design and at time of evaluation) respond to beneficiaries’ and involved stakeholders’ needs and priorities, and continue to do so if circumstances change.            Note: Understanding gendered power dynamics and reflecting on the SDG commitment to “leave no one behind” are crucial in understanding relevance.</p>	<p><i>Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.</i></p>	<p>The Lab's mission and vision are deemed aligned with local, national, and regional youth-development policies, as well as with the AfDB's strategic ambitions for Africa. Its focus on job creation and ecosystem development is necessary and well-aligned with country-level policy priorities. The Lab has demonstrated commendable flexibility and adaptability over time, ensuring responsiveness to beneficiary needs. Initiatives are preceded by assessments and efficiently target ESOs. However, there is potential for further refinement in result measurement and attribution to impact.</p>
<p><b>1.1 Responsiveness to needs, policies and priorities:</b> the extent to which the objectives (at output, outcome and impact levels) of the intervention respond to the needs and priorities of the beneficiaries (target group), involved stakeholders (involved in funding, implementing and/or overseeing the intervention) and, when relevant, to indirectly affected stakeholders (e.g., civil society, etc.).            Note: A particular emphasis should be placed on beneficiaries. If there are trade-offs, please describe them in the justification.</p>	<p>1 - highly satisfactory</p>	<p>The Lab’s mission and vision were deemed to be aligned and coherent with the local, national, and regional youth-development policies as well as the AfDB’s long-term strategic ambitions for Africa. The Lab’s mission to develop jobs for youth and women (program beneficiaries) and to support African countries to build an ecosystem conducive to youth development is extremely necessary and is well aligned with the country level policy focus. One of the main issues of the entrepreneurial ecosystem in Africa is the access to knowledge, and the Lab’s initiatives were relevant in addressing this issue.</p>
<p><b>1.2 Sensitiveness and responsiveness to the context and capacities of the beneficiaries and involved stakeholders:</b> the extent to which the context was considered in the design of the intervention (e.g., economic, environmental, equity, social, cultural, political economy and last but not least capacity considerations).            Note: Evaluators are encouraged to describe which contextual factors are most pertinent to the intervention.</p>	<p>1 - highly satisfactory</p>	<p>The initiatives were preceded by an assessment phase, which made them appropriate to the needs and problems of the beneficiaries and their country-level context. One of the areas of development policy focus in all countries assessed was the need to increase youth and women’s labor force participation through gainful employment, which is targeted through the Lab interventions on building capacity and providing incubation support for entrepreneurs. Furthermore, having a main focus of the initiatives on the ESOs was an efficient strategy to develop entrepreneurial ecosystem, taking into account resource constraints, while still aiming to maximize the impact of the Lab.</p>
<p><b>1.3 Quality of design:</b> the extent to which core design elements of the intervention (such as objectives and their related indicators, logframe, theory of change including related assumptions, choice of services and intervention partners, exit strategy) reflect the needs and priorities of the target group, are appropriate, realistic, clearly defined, measurable and feasible (technical, organisational and financial feasibility).</p>	<p>2 - satisfactory</p>	<p>The overall objectives of the Lab are well aligned with the country context and the national policy focus. Moreover, needs assessment studies were conducted for each of the three countries (Ghana, Egypt and South Africa) covered by this evaluation to study the opportunities and gaps in capacity of the ESOs and entrepreneurs of the countries. Based on activities from its five pillars, records were kept on the financial and technical resources deployed, results measured, and the inputs and indicators have been used to measure the Lab’s performance over the various stages of the project period. However, the Lab’s theory of change, the way it is designed makes it difficult to connect the lab’s one-time training interventions and market analysis with impact indicators such as the Number of jobs</p>

DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p><i>Note: the exit strategy should be planned from the outset of the intervention to ensure the continuation of positive effects as intended, whilst allowing for changes in contextual conditions.</i></p>		<p>created/ retained through the projects of the Lab. The assumption is that the trainings improve the capacity of the entrepreneurs such that they improve their products and services, can attract investments, grow and improve employment opportunities. In order to show one-to-one relation, it would be important to collect focused periodic data as a part of the M&amp;E function and report on the continued contribution of the intervention towards the realization of the impact. There is not enough information (either data or reports) for the evaluation to infer that the Lab interventions have led to the jobs created.</p>
<p><b>1.4 Adaptation over time:</b> the extent to which the intervention has meaningfully adapted to changes over the course of its lifespan (e.g., evolving policy and economic contexts, change of funding, new opportunities, outbreaks of conflict or pandemic, etc.).</p>	<p>1 - highly satisfactory</p>	<p>Due to the Covid-19 Pandemic the Lab adapted its initiatives to respond to the needs of ESOs and startups regarding this issue. Knowledge materials were created on how to recover from the pandemic, other initiatives targeted startups that were developing products related with Covid-19. Furthermore, more recent initiatives were informed by the assessment made in the target countries, which shows an adaptation over time to the assessed needs of the beneficiaries.</p>
<p><b>2 Coherence:</b> How well does the intervention fit?  Summary: The compatibility of the evaluated intervention with other interventions in a country, sector or institution, i.e., the extent to which other interventions (in particular policies) support or undermine the intervention and vice versa.</p>	<p><i>Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.</i></p>	<p>The Lab's objectives and interventions were well-aligned with SECO's strategic, regional, and local youth and entrepreneurship policies, as well as with the Bank's priority areas. However, SECO country offices could have played a more active role in implementation and monitoring of the field initiatives. Furthermore, the Lab's programs capitalized on synergies with other donor-funded interventions, such as those by the European Commission and the Korea-Africa Economic Cooperation, enhancing coherence and complementarity. Additionally, the Lab's projects harmonized with national youth development policies in various African countries.</p>
<p><b>2.1 Internal policy alignment:</b> the extent to which the intervention aligns with the wider policy frameworks of the Swiss Development Cooperation, including the most recent Swiss international cooperation strategy overall and at country level, as well as to relevant international norms and standards to which Switzerland adheres (international law, international agreements, etc.).</p>	<p>1 - highly satisfactory</p>	<p>The Lab's objectives and interventions were well aligned with SECO's strategic, regional, and local youth and entrepreneurship policies. The objectives and interventions were also well aligned with the Bank's priority areas: Feed Africa, Industrialize Africa, Power Africa, Integrate Africa, and Improve the Quality of Life for the People of Africa</p>
<p><b>2.2 Internal compatibility:</b> the extent to which the intervention is compatible with other interventions of Swiss development cooperation in the same country/region and thematic field (consistency, complementarity, synergies, avoiding duplication of efforts, subsidiarity).  <i>Note: if feasible, evaluators are encouraged to also take into account compatibility with the interventions of different levels / departments of the Swiss government in the same operating context (e.g.: development, diplomacy, trade, security, etc.)</i></p>	<p>2 - satisfactory</p>	<p>Egypt, Ghana, and South Africa are 3 of the priority countries of Switzerland's international economic cooperation and development. In Egypt, initiatives such as the Youth for the Future, the vocational skills development, the small business impact fund, the micro, small, and medium enterprise technical assistance facility, the economic inclusion in MENA region, and the Sanad fund for MSME are well aligned with the Lab's initiatives. In Ghana, there also are ongoing initiatives that share the same goals than the ones from the Lab. For instance, the global financial infrastructure programme, the productivity ecosystems for decent work, and the general budget support Ghana. Additionally, in South Africa, the GQS programme, the global financial infrastructure programme, the career path development for</p>

DAC criteria and SDC/SECO sub-criteria	Score	Justification
		employment, the productivity ecosystems for decent work, the INCA municipal debt fund and capacity building fund, the transition from learning to earning and jobs retention, and the technical assistance programme for SME tackle the same issues as the Lab, in terms of promoting inclusive growth and employment creation. Nevertheless, there is not any information about duplication of efforts, or the benefit from synergies related to these initiatives..
<p>2.3 <b>External compatibility:</b> the extent to which the intervention is compatible with interventions of other actors in the country and thematic field (complementarity, synergies, overlaps and gaps, value-added, use of existing systems and structures for implementing activities, harmonization, coordination, etc.).</p>	1 - highly satisfactory	The Lab programs were complementary to and harnessed synergies from other donor-funded interventions. These included donors such as the European Commission, Korea-Africa Economic Cooperation, the Fund for African Private Sector Assistance (FAPA) and the Youth Entrepreneurship and Multi-Donor Trust Fund (YEI MDTF) with vested interest in youth entrepreneurship and development. The interventions and offerings of the Lab were found to be complementary to and synergistic with ongoing national youth development policies such as the National Youth Policy in Ghana (2022-2032), the National Youth Strategy of Egypt (2021-2026) and the National Youth Policy of South Africa (2020-2030).
<p>3 <b>Effectiveness:</b> Is the intervention achieving its objectives? Summary: The extent to which the intervention achieved, or is expected to achieve, its objectives and its results, including any differential results across groups.</p>	<p><i>Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.</i></p>	<p>The Lab's interventions led to notable achievements across different fronts. In terms of outputs, the Lab surpassed expectations in most areas, particularly excelling in capacity building, mentoring, and networking. However, there was a shortfall in training fund managers and ESOs, highlighting a specific area for improvement.</p> <p>Moving to outcomes, while capacity building and networking initiatives clearly outperformed their proposed targets, the Lab faced challenges in meeting financing-related goals, with progress falling below expectations. Notably, job creation resulting from the Lab's activities was reported to have exceeded projections, indicating significant positive impact. However, comprehensive data on this impact indicator was lacking, making it difficult to establish causality between the Lab's activities and the intended impact.</p> <p>In response to unintended challenges and opportunities, the Lab had a satisfactory response. For instance, increased interest from universities prompted enhanced collaboration efforts, while the soft launch of the ENNOVA platform promises increases in opportunities for synergies which were explored by the Lab. Nonetheless, missed opportunities, such as failing to capitalize on the growing interest in climate action entrepreneurship, underscored the need for a more proactive strategy.</p> <p>The Lab also prioritized gender and youth considerations in its interventions, with targeted training programs and market assessments aiming to foster inclusivity and address disparities. However, despite these efforts, the absence of gender analysis in impact measurements revealed a key area for improvement to facilitate a comprehensive understanding of progress.</p>
<p>3.1 <b>Achievement of objectives:</b> The extent to which the intervention achieved or is expected to achieve its intended objectives (outputs</p>	2 - satisfactory	The Lab has achieved most of the targets in the output indicators laid out in the logical framework. For instance, for the capacity building and mentoring activities, 4 out of the 5

DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p><u>and outcomes</u>) as originally planned (or as modified to cater for changes in the environment), including its transversal objectives (e.g., gender, climate)</p> <p><i>Note: If some – but not all – of the objectives were achieved the evaluators will need to examine their relative importance to draw conclusions on the effectiveness.</i></p>		<p>output indicators achieved and exceeded their target for 2023 (AfDB M&amp;E report on the indicator framework for the SECO funded activities). The only one that was below the target was the number of fund managers and ESOs trained, with a progress rate of 60%. For the networking component, all indicators largely exceeded the target for 2023, with the number of participants attending networking events being 40x higher than the goal. The number of entrepreneurial ideas prototyped through the Lab also achieved its intended target with 5 patents being registered. For the outputs indicators related to supporting financing mechanisms, the ESOs supported by the Lab achieved the target of the number of startups and funding funds given to them. In terms of outcomes indicators, the capacity building and networking component clearly exceeded their proposed target. Nevertheless, in terms of financing the outcome indicators are well below their target, with progress rates of 10% and 19%. As for the impact indicators, reportedly the number of jobs created due to the Lab’s activities was a lot higher than the proposed target. The second impact indicator was dropped by the Lab and there is not any information about the progress. It is important to point out that the progress values do not discriminate between gender or youth-led businesses, and therefore it is not possible to grasp the progress made in these aspects.</p> <p>The survey of ESOs that participated in the training programs also showed a level of satisfaction with the training obtained. Moreover, these organizations reported an increase in their capacities, which improved the services they provide to startups. One of the areas in which the ESOs reported improvement was the fundraising strategies, increasing the funding available to startups. However, there is room for improvement in the design of the logical framework, particularly in the assumptions and the data and reporting mechanisms to establish a direct connection between SECO funded training programs and the number of jobs created by these projects (i.e., impact) .</p>
<p>3.2 <b>Unintended effects:</b> The extent to which the intervention has responded adequately to the potential benefits/risks of the positive/negative unintended results.</p>	<p>2 - satisfactory</p>	<p>As reported in the IEL SECO progress reports, the Lab identified unintended positive and negative effects from the implementation of the Lab’s initiatives. This allowed the Lab to assess the unintended effects and adapt its strategy to them. For instance, the Lab noted that there was a growing interest of universities and research centers in partnering with the Lab, and consequently increased efforts to engage with them to leverage their support for entrepreneurship and innovation. Another example is the soft launch of the ENNOVA platform that created synergies internally and externally, following which the Lab has taken advice from key stakeholders to further improve the platform.</p> <p>However, there are some unintended effects that were not taken advantage of. There was increase in interest in supporting climate action entrepreneurship, following the engagement in Egypt through Chemonics. The Lab thus far has missed on the opportunity to leverage this and implement follow-up trainings, or another training programs related to this topic. Another issue that could have been better anticipated is the increase in the Lab’s workload due to increased interest of external parties in the entrepreneurship development</p>

DAC criteria and SDC/SECO sub-criteria	Score	Justification
		agenda and related capacity building and networking events. The Lab could have prepared for this through the availability of adequate staff and streamlining their processes to respond to this increase in workload.
<p>3.3 <b>Differential results:</b> the extent to which the intervention results (outcomes) were inclusive and equitable amongst beneficiary groups and the extent to which key principles such as non-discrimination, accountability and leave-no-one-behind were taken into account during the implementation.</p>	2 - satisfactory	There was a clear focus on gender and youth aspects in some of the Lab interventions. Both the training programs had a special focus on ESOs that support women and youth-led startups. Additionally, attempts were made to maintain a gender balance between the participants of the training programs. The market assessments also delved into the gender disparities in the entrepreneurial ecosystem and provided some recommendations on how to improve the situation. However, the measurement of the impacts does lack a gender-based analysis which would have been beneficial for documenting how women have benefitted from the Lab's effort in comparison to men.
<p>4 <b>Efficiency:</b> How well are resources being used?  Summary: The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.</p>	<i>Please do not write anything here. The DAC criteria score will automatically be calculated.</i>	The Lab focused most of the interventions on ESOs, which was envisaged to have the most impact at the ecosystem level while ensuring an efficient allocation of resources. The market assessments that previewed most of the initiatives were also important for ensuring that the projects targeted the most relevant sectors and responded to the needs of the local entrepreneurs. Once the Lab was fully staffed the timeliness of the delivery of projects improved. Despite that, there were considerable delays in the implementation of projects. This was due partially to the Covid-19 pandemic, but also because of the slow administrative processes within the Bank. Getting the approval of projects and their documentation took a lot longer than the initial expected time frame. Furthermore, implementing smaller initiatives translated into high transaction and managerial costs due to the internal processes of the Bank. For instance, the reliance on external consultants and the Bank's procedure of 1 year contracts, translated into repeated processes of hiring and re-hiring employees, which affected the timely completion of projects and increased costs.
<p>4.1 <b>Economic efficiency:</b> The extent to which the intervention delivered the results (inputs → outputs; inputs → outcomes) in the most cost-efficient way possible (including allocation of resources between target groups and time periods; available options for purchasing inputs according to market conditions, etc.).</p>	2 - satisfactory	The efficiency of the Lab was affected by high transaction costs due to implementing projects of small sizes with a complex set of bureaucratic procedures. The existing bank's framework was tailored to manage larger size projects, therefore the relatively smaller initiatives from the Lab suffered from higher transaction and managerial costs. However, the primary focus of the interventions on ESOs was a cost-efficient way to impact the ecosystem. This approach has the potential to prevent the duplication of efforts by centralizing support mechanisms via the enhancement of the capacity of the ESOs. This enhances their internal processes and understanding of key areas of business where they could work directly with youth/women-led startups more effectively. By bolstering the capacity and effectiveness of these support organizations, the program should potentially create a ripple effect, impacting a larger number of startups across diverse sectors and regions.

DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p>4.2 <b>Timeliness:</b> The extent to which the intervention delivered the results (outputs, outcomes) in a timely manner (within the intended timeframe or reasonably adjusted timeframe) and the extent to which efforts were made to mitigate delays.</p> <p><i>Note: in case timeliness was unsatisfactory for reasons outside of the intervention's control, the rating should still be unsatisfactory and explanation provided in the justification field.</i></p>	3 - unsatisfactory	<p>The administrative and bureaucratic procedures of the bank slowed the implementation of the Lab activities. One of the common responses that came up during the interviews with the stakeholders was the slow and bureaucratic procedures associated with dealing with the Bank. This manifested in the form of slower response times for the approval and validation of needed resources. For instance, the need to employ external consultants, most of the time these consultants were contracted after the proposed timeframe. As such, activities/programs that were envisioned to be completed were delayed. For instance, the capacity building &amp; knowledge products by the FSFM were delayed by 5 months. Similarly, the Egypt knowledge product about how to reverse the establishment of startups outside of Egypt was also delivered after the proposed timeframe. Furthermore, activities proposed for the year of 2023, such as the township economy, the BDS support to ESOs in Ghana, the official launch of the ENNOVA platform, etc. were also delayed and will be implemented in 2024.</p>
<p>4.3 <b>Operational efficiency:</b> The extent to which management, monitoring and steering mechanisms supported efficient implementation (resource allocation, spending and redirection, risk management, logistics and procurement decisions, etc.)</p>	3 - unsatisfactory	<p>The reliance on consultants and the time-intensive procedure for new employment contracts or renewals resulted in significant time-lapses. The reliance on external consultants for key positions and the process for re-hiring for these positions or renewing the contract of existing consultants upon contract expiry is time-consuming following the Bank's standard procedures, which led to considerable delays. Additionally, the Bank's policy of contract termination after one year, followed by rehiring, resulted in prolonged periods of delays. This situation was exacerbated by the time required for onboarding and offboarding external consultants. The associated processes of debriefing, familiarizing new consultants, and realigning efforts further compounded these delays. Notably, the agreed use of external consultants also meant that a portion of the allocated SECO funds was directed towards recruitment purposes. Consequently, this allocation likely impacted the available budget for core operational activities, such as designing and executing interventions. The IEL SECO Progress Reports<sup>33</sup> mention delays in contracting consultants to several positions within the Lab, which translated to limitations in the availability of employees to conduct the Lab's activities and implement the field projects. For instance, the delays in contracting a platform technical specialist and the absence of a coordinator for a few months contributed for the ENNOVA platform not being publicly launched in the set time period in 2023. Moreover, the issue of staff attrition was reported during the evaluation from several fronts, which resonates with the evidence obtained from the progress reports.</p>
<p>5 <b>Impact:</b> What difference does the intervention make?            Summary: The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. Impact addresses the ultimate</p>	<p><i>Please do not write anything here. The DAC criteria score will automatically</i></p>	<p>The Lab's initiatives effectively bridged information gaps within the entrepreneurial ecosystem through knowledge products and training programs. Evaluation results underscored capacity-building impacts on ESOs, improving their skills to better support</p>

<sup>33</sup> IEL SECO Progress Report #4, IEL SECO Progress Report Q4 2022, IEL SECO Progress Report Q1 2023, IEL SECO Progress Report Q2-Q3 2023 for more in-depth information.

DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p>significance and potentially transformative effects of the intervention. It seeks to identify social, environmental and economic indirect, secondary and potential consequences of the intervention that are longer term or broader in scope than those already captured under the effectiveness criterion. It does so by examining the holistic and enduring changes in systems or norms, and potential effects on people's well-being, human rights, gender equality, and the environment.</p> <p><i>Note: depending on the timing of the evaluation and the timescale of intended benefits, evaluators can assess for both actual impacts (i.e., already evident) and foreseeable impacts.</i></p>	<p><i>be calculated as the arithmetic mean of sub-criteria.</i></p>	<p>startups, for example in fundraising strategies. However, follow-up mechanisms are necessary to sustain networking and capacity building to lead to the envisaged impact on job creation.</p> <p>Quantifying jobs creation directly is challenging due to the focus on ESOs. Moreover, it is difficult to connect the one-time training and networking intervention to the longer-term impact on creation/retention of jobs on a one-to-one basis. Nevertheless, ESOs reported enhanced skills and improvement in services offered to startups, which could have some instances of sustainable business growth and potential job creation. The Lab's contributions to the ecosystem, including managerial enhancements within ESOs and increased climate change awareness, signify a positive shift towards an improvement in the entrepreneurial ecosystem.</p> <p>Furthermore, growing interest in accessing the Lab's programs highlights its impact and potential for scale-up. There was also a clear focus on gender and youth considerations throughout the initiatives, translating in an impact for women and youth entrepreneurship. However, there were limitations in the assessment of these impact indicators, underscoring the need for enhanced monitoring frameworks to accurately track the impact on these groups.</p>
<p><b>5.1 Intended impacts:</b> The extent to which the intended (planned and, where applicable, revised) 'higher-level effects' (i.e., lasting changes in the lives of beneficiaries) of the intervention were (or are expected to be) achieved.</p> <p><i>Note: also consider the extent to which the intervention contributed to "holistic and enduring changes in systems or norms" and transformational change (addressing root causes or systemic drivers of poverty, inequalities, exclusion and environmental damage).</i></p>	<p>2 - satisfactory</p>	<p>The initiatives created knowledge products to tackle the information asymmetries in the entrepreneurial ecosystem. Moreover, the evaluation gathered evidence that the training programs contributed to the intended impacts of building capacity of the ESOs, so that they could help startups better. For instance, ESOs reported that they were able to deploy better fundraising strategies to help startups receive funding. Furthermore, most of the ESOs that participated in the training reported that they felt that the initiatives will have a positive contribution to their sectors. One issue was the lack of follow-ups, with continued networking and training opportunities, and the chance to clarify ESO's questions on the training materials or other resources to ensure continued enhancement of their capacities. Other initiatives such as the establishment of partnerships with companies and universities, will and already have a strong impact on the entrepreneurial ecosystem.</p>
<p><b>5.2 Contribution to intended impacts:</b> The extent to which the intervention actually contributed (or is expected to contribute) to the intended higher-level effects.</p> <ul style="list-style-type: none"> <li><i>Note: results of contribution analysis, etc.</i></li> </ul>	<p>2 - satisfactory</p>	<p>In terms of the number of jobs created, the initiatives have an impact. The ESOs reported during the survey conducted for the evaluation improvements in their skills and the services that they provide to startups. Moreover, due to the trainings the ESOs were reportedly able to help startups raise more funding. In terms of contributing to the entrepreneurial ecosystem, the Lab provided ESOs and startups with important knowledge products and training programs that contribute to the development of the sector. ESOs that participated in the training programs reported an improvement in the services they provide to startups, as well as an increase in their capacity. Nevertheless, to further impact the ecosystem it is</p>

DAC criteria and SDC/SECO sub-criteria	Score	Justification
		important that more ESOs are engaged on the initiatives, and that there are follow-ups to build on previous projects.
<p><b>5.3 <i>Unintended impacts:</i></b> Has the intervention brought about (or is it expected to bring about) any unintended (positive and/or negative) higher-level development results? If yes, to what extent have these higher-level effects been positive (or are likely to be positive)?</p> <ul style="list-style-type: none"> <li><i>Note: consider here any kind of unintended effects such as escalating or deescalating effect on a conflict or context of fragility, effect on the legitimacy of the state or non-state actors, effect on the inclusion or exclusion of vulnerable groups, unintended pollution, etc. If there wasn't any noteworthy unintended impact (higher-level effect), mark this question as non-applicable (n/a) and do not give a rating.</i></li> </ul>	2 - satisfactory	<p>The Lab's interventions increased managerial capacities and organizational changes within the ESOs as reported by them. ESOs reportedly have also used elements of the training for future strategic planning, which contribute to sustainability of the Lab's interventions. It led to increased knowledge and understanding of climate change and the need to develop innovative mitigation solutions. Moreover, the training reportedly has helped build a community of ESOs with vested interest in the climate sector.</p> <p>Overall, there is greater interest among ESOs and entrepreneurs in obtaining the Lab's training program and applying for VC lending both from the Bank and otherwise. Another area where there is positive change is within the Bank and also the Lab's demand for quantitative and qualitative data collection and rigorous M&amp;E efforts to assess program impact and sustainability.</p> <p>There is adequate interest within the Bank to explore opportunities to increase the reach of the Lab to other countries (potentially fragile or conflict-affected countries) and find out ways to scale up the entrepreneurship ecosystem development efforts of the Lab through the Bank or the Lab itself. Importance of women's inclusion in entrepreneurship developmental issues is also a positive impact that can be associated with the Lab's efforts and learnings.</p>
<p><b>5.4 <i>Differential impact:</i></b> the extent to which the intervention's intended and unintended higher-level results (impacts) were (or are expected to be) inclusive and equitable amongst beneficiary groups and the extent to which key principles such as non-discrimination, accountability and leave-no-one-behind were taken into account during the implementation.</p> <ul style="list-style-type: none"> <li><i>Note: Keep in mind that positive impacts overall can hide significant negative distributional effects.</i></li> </ul>	2 - satisfactory	<p>Most of the training programs and knowledge products created have a focus on youth and women-led startups. The trainings focused on ESOs that supported these specific startups, and as they reported an increase in their capacity, there will be an impact on youth and women-led startups. The market assessments and other knowledge products also analyzed the gender and youth specific issues in the entrepreneurial ecosystem, providing recommendations on how to improve their positions. However, the impact indicators on the logical framework do not capture gender-based progress in jobs created, so there is no quantification of the precise impact on women and the younger generation.</p>
<p><b>6 <u>Sustainability:</u> Will the benefits last?</b></p> <p>Summary: The extent to which the net benefits of the intervention continue or are likely to continue. Includes an examination of the enabling environment for sustainable development, i.e., financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. Involves analysis of resilience, risks and potential trade-offs.</p> <p><i>Note: depending on the timing of the evaluation and the timescale of intended benefits, evaluators can assess for both actual sustainability (i.e., the continuation of net benefits created by the intervention that are</i></p>	<p><i>Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.</i></p>	<p>The training of ESOs and the knowledge products created could be expected to have a sustainable impact on the entrepreneurial ecosystem. However, there is the need to refine some processes and increase the dissemination of these products. It is important that the Lab is able to secure other sources of financing to continue their long-term goals and build on current initiatives. The country-level design of the initiatives and ongoing strategic partnerships are great steps in this direction.</p>

DAC criteria and SDC/SECO sub-criteria	Score	Justification
<i>already evident) and prospective sustainability (i.e., the net benefits for key stakeholders that are likely to continue into the future)</i>		
<p>6.1 <b>Capacity and resilience development:</b> The extent to which the beneficiaries and development partners have strengthened their capacities (at the individual, community, or institutional level), have the resilience to overcome future risks and external shocks that could jeopardise the intervention’s results and have improved their ownership or political will.</p>	2 - satisfactory	<p>The program design involving the capacity enhancement of the ESOs is likely to have a sustainable effect on its growth and contribution to ecosystem development. However, the cause of attaining sustainable ecosystem level growth would best benefit from continued engagement with the ESOs through trainings, retraining, technical and financial assistance under this program and potentially through follow-up programs. Having said this, the beneficiaries of the training programs reported that these led to sustainable outcomes in enhancing their capacity and their ability startups grow their businesses. Additionally, the knowledge products created and the ENNOVA platform are sources of information that will have a sustainable impact on the ecosystem, and these products will also inform the sustainable design of future interventions. There is a need to have a more effective dissemination plan in place for these products and raise the awareness of their utility.</p>
<p>6.2 <b>Financial sustainability:</b> The extent to which development partners have the financial resources to maintain the intervention’s net benefits over time (e.g., increased national (and where applicable subnational) financial or budgetary commitments).</p>	2 - satisfactory	<p>In this moment, there is no reported ongoing discussions for the Lab to receive more funding from SECO. However, since its inception the Lab has forged ongoing partnerships with more organizations other than the initial ones (SECO, FAPA, and EC), and has mobilized funding. It would be a fair assumption to say that the Lab would continue to work with SECO and other donors to raise funding for the implementation of projects under the Lab in the next phase. For instance, the Lab received funding from the KOAFEC to launch the LEIKA project, which included a market assessment of the African ecosystem needs, business development support for ESOs, matchmaking between African and Korean ESOs, and the creation and dissemination of learning products. Moreover, the YEIMDTF, which is also a fund of the AfDB helped the Lab support the winning ventures of the Post #Africa vs Virus challenge, additionally it also funded the procurement and admin specialist of the Lab during the year 2022 and 2023. Moreover, funding by YEIMDTF is being sought by the Lab to finance the production of an economic sector work for West Africa. There are also ongoing preparations to prepare funding plans with other Bank programs such as the Transition States Coordination Office and PITD, and conversations with other international donors such as the EIB and FMO.</p> <p>The available evidence suggests that there is, at present, no official commitment for long-term funding for the Lab. There is interest within the Bank to explore opportunities for earmarking a certain percentage of the Bank’s funds to finance the Lab’s efforts in the future, but the work with partners is critical and will continue in the future.</p>

DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p>6.3 <b>Contextual factors:</b> The extent to which the context is conducive to maintain the intervention’s net benefits over time (e.g., policy or strategy change; legislative reform; institutional reforms; governance reforms; increased accountability for public expenditures; improved processes for public consultation in development planning).</p> <p><i>Note: It includes assessing the trade-offs associated between instant outcomes and potential longer-term effects as well as the trade-offs between financial, economic, social and environmental aspects.</i></p>	2 - satisfactory	<p>Both venture capital funding<sup>34</sup> and FDI<sup>35</sup> have decreased in Africa in 2023, which can have a negative impact on the sustainability of the entrepreneurial ecosystem and the Lab’s activities. However, the ongoing implementation of the Africa Continental Free Trade Area presents the opportunity to bolster the entrepreneurial ecosystem and provide an opportunity for more sustainable and profitable ESOs and startups to grow in the future. African countries have also, for the most part, completed their recovery from the Covid-19 pandemic, and can engage in other important areas of investment.</p> <p>At the country-level, there are policies, and legislative and institutional reforms that could lead to a sustainable ecosystem and lead to greater success for the Lab’s initiatives in the future. For instance, in Ghana, apart from the stable social and political situation, there is the National Entrepreneurship and Innovation Program (NEIP) which focuses on providing national support to startups and small businesses. In Egypt, the government has already been raising awareness on the entrepreneurial ecosystem, sponsoring incubators, etc. The Central Bank of Egypt has been providing financial support to startups and SMEs, and providing training opportunities in entrepreneurship building through technical secondary education. In South Africa, more recently, the government has approved the National Integrated Small Enterprise Development (NISED) masterplan. The main goal of the plan is to promote more startups and SMEs to contribute to the GDP, and ensure greater employment in these enterprises, contributing towards a more inclusive growing economy in the country.</p> <p>All these existing policies, and others in the targeted countries can contribute to the sustainability of the Lab. For this, it is important that the Lab continues to engage with local stakeholders, complementing local projects, and benefiting from synergies to improve the entrepreneurial ecosystem.</p> <p>Moreover, being under the JfYA program and more specifically the Boost Africa initiative can also improve the sustainability of the Lab. The Investment programme and the Technical Assistance pool, which are the other components of the Boost Africa Initiative with a longer term planning, can contribute to the sustainability of the Lab and the improvement of the entrepreneurial ecosystem.</p>
<p><b>7 General comments</b></p> <p>Summary: this section is only for free text (no score). The evaluator may provide an overall assessment of the evaluated intervention, explore and reflect on relationships and synergies between different criteria (this includes considering if and how they are causally related).</p>		<p><a href="#">Click here to enter text.</a></p>

<sup>34</sup> <https://restofworld.org/2023/african-startups-vc-funding-decline/>

<sup>35</sup> <https://unctad.org/news/foreign-direct-investment-developing-economies-fell-9-2023>

