

Empowering Entrepreneurs in Fragile Contexts and Communities

Impact, Learnings and Opportunities



Coumba Diakite (CEO BY'RECYCL),

*A TEF-UNDP Entrepreneurship Programme beneficiary
from Mali, at the Tony Elumelu Foundation high-level
roundtable in the United Arab Emirates, May 13, 2024.*



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EXECUTIVE SUMMARY

The context of state fragility continues to be a major consideration as organisations design and launch new initiatives or expand on existing interventions. Their implementation strategy and approach to certain challenged states continue to be determined by the known level of fragility. However, for more effective implementation, there is a real need to better understand fragility in the context that reflects even much less limitation in the definition and contextualises the actual nuances of the communities of these interventions.

According to a recent report by UNDP on their Implementation implantation of SDGs in fragile states, it was established that the current definition of fragility overemphasises institutional deficiencies, neglecting external shocks and social relations. Definitions fail to account for context-specific vulnerabilities, oversimplifying fragility through binary categorisations, prioritising violent conflict as the primary driver of fragility, and overlooking other critical factors.

However, to effectively implement in this state a more inclusive definition of the fragility of one must consider adopting a more nuanced, multidimensional approach, incorporating social, economic, and political factors. It should consider context-specific vulnerabilities and shock-resilience capacities. Move beyond binary classifications, recognizing gradations of fragility.

Similar to the other interventions in Africa, last-mile implementation of entrepreneurship initiatives must be carefully tailored in consideration of the fragility and changes in the context and situation of the beneficiary state. In designing this initiative, organizations must expand the focus beyond violent conflict to include other drivers of fragility. The right operational strategy must seek to effectively deploy targeted action that would mitigate state fragility, drive entrepreneurship, and promote sustainable development

This study aimed to examine the implementation of The Tony Elumelu Foundation Entrepreneurship Programme in fragile communities in Mali and provide valuable insights into its operational strategy, partnership dynamics, and programme impact. Consequently, look into the learnings from the implementation and impact, and overall opportunities for scale and programme expansion in the region.



SUMMARY OF FINDINGS

- ✔ **Fostering Youth Entrepreneurship:** The programme has successfully targeted and supported a significant number of young entrepreneurs aged 18-35 years, accounting for 83.7% of participants. This aligns to promote youth entrepreneurship and highlights the programme's effectiveness in engaging and empowering the youth demographic.
- ✔ **Inclusive Job Creation:** The programme has facilitated substantial job creation, with a 125.3% increase in permanent employment. Notably, the representation of women in the workforce has increased, accounting for 42.5% of employees post-programme, contributing to gender inclusivity in employment opportunities.
- ✔ **Economic Impact:** Participating businesses have experienced revenue growth, with an average monthly revenue increase of 12.75% and a 58.33% rise in the number of businesses generating revenue. This demonstrates the programme's positive impact on supported enterprises' economic performance and sustainability.
- ✔ **Access to Financing:** The programme has enabled 26% of participants to access additional financing opportunities, with 53% attributing their success to the programme's support. This highlights the programme's role in improving access to capital, a critical factor for business growth and development.
- ✔ **Resilience and Adaptation:** Despite facing challenges such as conflicts, economic recessions, COVID-19 impact, and infrastructure deficiencies, businesses have exhibited remarkable resilience and adaptability. This underscores the importance of fostering resilience and providing support mechanisms to help entrepreneurs navigate adverse circumstances.
- ✔ **Comprehensive Support Needs:** Participants have expressed diverse support needs, including financing, training, mentorship, access to equipment and resources, partnerships, and networking opportunities. This highlights the importance of providing multifaceted support to address entrepreneurs' challenges and requirements at different stages of their business journey.
- ✔ **Capacity Building:** The training and mentorship programmes have been identified as primary sources for acquiring business skills, emphasizing the value of structured capacity-building initiatives in equipping entrepreneurs with essential knowledge and guidance.
- ✔ **Networking and Partnerships:** The programme has facilitated networking opportunities among participants and identified partnership prospects, contributing to business growth and development. This underscores the significance of fostering networking and collaboration within the entrepreneurial ecosystem.



Study Methodology and Approach

Koumba Maiga,

TEF-UNDP Entrepreneurship Programme beneficiary and a group of local entrepreneurs at a fair in Mali.

This case study will employ a comprehensive and multi-faceted approach to examine The Tony Elumelu Foundation Entrepreneurship Programme in Mali, implemented in partnership with the United Nations Development Programme (UNDP), United Bank for Africa (UBA), and other local stakeholders.

I. Document Review

- ✔ Analyse TEF's operational strategy and implementation approach in Mali
- ✔ Examine partnership agreements and memoranda of understanding between TEF, UNDP, UBA, and local agencies/stakeholders

II. Stakeholder Interviews

- ✔ Programme Implementation Analysis to assess the effectiveness of programme implementations from 2019 to 2022, including programme design, delivery, and monitoring and evaluation frameworks

III. Enterprise Assessment Review

- ✔ Leverage the recently concluded enterprise assessment of supported businesses to evaluate programme impact, identify areas for improvement, and inform future interventions.
- ✔ Synthesize and analyse data from the above components to identify key themes, challenges, and learnings

IV. Case Study Synthesis

- ✔ Integrate findings from the above components to develop a comprehensive case study of The Tony Elumelu Foundation Entrepreneurship Programme in Mali, highlighting best practices, challenges, and opportunities for future growth and improvement.



Effective Partnership Structure and Operational Strategy to drive a last mile implementation in Fragile Communities.

Koumba Maiga,

TEF-UNDP Entrepreneurship Programme beneficiary, showcased his products to a group of customers at a marketplace exhibition in Mali.

Effective Partnership Structure

The Tony Elumelu Foundation (TEF) and the United Nations Development Programme (UNDP) partnership is an exemplary model of entrepreneurship-driven development, specifically tailored to address the complex challenges facing the Sahel region. By empowering young entrepreneurs, this initiative is not only creating jobs and stimulating economic growth but also promoting stability and peace in a region ravaged by violence and displacement.

The Programme's design and implementation demonstrate a deep understanding of the regional context and the needs of young entrepreneurs within a fragile environment, and in response to this, the TEF-UNDP partnership designed a tailored Entrepreneurship Programme launched in November 2020 to empower 10,000 Mali youth entrepreneurs over 10 years, with a robust Programme concept plan guiding the process from application to the seed capital phase.

This comprehensive approach ensures that beneficiaries receive adequate support and resources to succeed.

The Programme's made an impressive impact, with 1,860 Malian entrepreneurs funded with \$2,500 each in 2020/2021, and an additional 200 entrepreneurs funded with \$5,000 each in 2021 as part of the TEF Entrepreneurship Programme. In 2022, the Programme targeted 1,500 Malian youth, with 1,000 receiving training and coaching, and 500 receiving \$2,500 in financial support to create or expand their enterprises. These numbers demonstrate the Programme's scalability and commitment to empowering a significant number of young entrepreneurs.

The Programme's institutional endorsement by the Ministry of National Entrepreneurship, Employment, and Vocational Training, and the financial support received from the Government of Luxembourg (€2,250,000.00), underscore the initiative's credibility and impact. This partnership is a testament to the power of collaboration in driving positive change and creating opportunities for young people in Africa. By addressing the root causes of poverty and instability, this Programme contributes to the region's economic growth and stability and serves as a model for entrepreneurship-driven development initiatives globally.

Tailored Operational Strategy

Similar to the implementation style in the Sahel in 2019, in 2022, UNDP and TEF flagged off another Entrepreneurship Programme in Mali aimed at empowering young entrepreneurs across 11 regions in Mali. This report provides an in-depth analysis of the Programme's implementation, outcomes, and impact.

Several innovations marked the programme's implementation, including the recruitment of 11 local facilitators and 22 national volunteers to support its rollout. These facilitators and volunteers were crucial in ensuring the Programme's success, particularly in remote and hard-to-reach areas.

Training Sessions

Two comprehensive training sessions were conducted, focusing on essential entrepreneurship skills such as business planning, problem-solving, and competitive analysis. These sessions were designed to equip participants with the knowledge and tools necessary to succeed in Mali's entrepreneurial ecosystem.

Pitching Competition

A pitching competition was held in November 2022, where 702 participants presented their business ideas to a panel of judges. This competition not only provided a platform for entrepreneurs to showcase their ideas but also served as a rigorous selection process for seed funding.

Seed Funding Disbursement

The programme disbursed the first instalment of seed funding (1,500 USD) to 500 selected entrepreneurs in January 2023. This funding is expected to catalyse business growth and job creation in Mali. The second instalment was disbursed upon successful implementation of the agreed milestone in the business plans prepared by the grantees.

"From its establishment in Koro to the present day, the company has had a very positive impact on the city of Koro. I learned a lot during the implementation of the business plan which helped build my abilities in terms of business

plan development. Before now I used to make a turnover of 10,000 to 20,000 francs per day but now, I can make a turnover of 25,000 to 70,000 francs per day." Boureima B Sagara: Bridging the Digital Divide in Bandiagara, from Bandiagara, Mali

Steering, Management and Coordination Framework

A multi-stakeholder steering committee was established to oversee the Programme's implementation and ensure coordination among various actors. This committee comprised of representatives from the Ministry of Entrepreneurship, Employment and Vocational Training, UNDP, TEF, and other key stakeholders.

The intervention maintained a three-tiered coordination framework that was established to ensure effective Programme implementation:

1. Steering Committee Meetings: Regular meetings were held to discuss Programme progress, challenges, and plans.
2. Local Project Monitoring Committees: Bi-monthly meetings were conducted with regional representatives to ensure local ownership and monitoring.
3. Bilateral Meetings: Regular meetings between UNDP and Luxembourg ensured effective Programme coordination and financial management.

Despite the Programme's successes, several challenges were encountered, including, a significant number of young women dropping out of the Programme, highlighting the need for targeted support mechanisms.

Reaching entrepreneurs in remote and insecure areas also proved challenging, underscoring the need for further inclusion of social cohesion angle in the implementation plan

Early Programme Impact

*“As a woman, the Programme has contributed to my personal empowerment through the gradual improvement of my income. My ambition is to diversify my products by making fruit jam and to increase production and have more customers. I therefore remain convinced that with my commitment and determination to further develop my company's activities, my future will be quite bright. To this end, I will contribute to the economic development of Mali and serve as an example to other women. **Mariam, Bamako, Mali.**”*

Programme Impact on Job Creation in Mali

Insights from the Tony Elumelu Foundation's latest enterprise assessment in Mali indicate a significant shift in employment dynamics for businesses participating in the Programme. It showcased the Programme's effectiveness in fostering entrepreneurship, job creation, and inclusivity, with a notable impact on youth employment. It's a great testament to the Programme's success!

In addition, the inclusive nature of this job growth is evident in the significant increases in employment for both women and men, with the total number of women employees growing by 108.7% and men by 80.7%.

“I have created 3 jobs, one of which is indirect, and two direct. The aim is to contribute to the reduction of the youth unemployment rate. I intend to innovate and provide training adapted to young people who wish to get into the field of aesthetics, which is not very developed in the North, especially to be able to achieve a very good turnover.”
Issiaka Somboro: Revolutionizing Fish Farming in Koro, Programme Participation in Northern Mali

Highlights of more insights on the Programme's impact on jobs and employment in Mali include:

Significant increase in companies with employees: From 41.9% to 93%, indicating a substantial rise of 60% in job creation and employment engagement.

Growth and expansion: 46.9% of companies hired new employees, reflecting business growth and expansion.

Stability: 50.4% of companies maintained their employee numbers, indicating stability in their operations.

Youth employment: The Programme built upon an already significant youth presence in the workforce (51% before the Programme), with a notable increase in young employees per company (from an average of two to four enterprises). The workforce of businesses now constitutes 93.9% of youths.

Gender dynamics: While men still constitute a larger proportion of the workforce (61.0% post-programme), women's participation has increased, with 42.5% of the workforce comprising women employees.

Overall employee growth: 91% increase in total employees for all businesses from 580 to 1,109 permanent employees.

Programme Impact on revenue growth and stability

In the context of Mali's growing economy, with a GDP growth rate of 5-6% in recent years, the Programme has significantly contributed to the financial performance of participating businesses. Average monthly revenue increased by 12.75% from \$3,686 to \$4,156, exceeding Mali's 2-3% inflation rate, indicating real growth. A 58.33% rise in the number of businesses generating revenue, from 60% to 95%, suggests a significant improvement in the financial sustainability of these enterprises.

These demonstrate the Programme's effectiveness in driving growth, revenue generation, and financial inclusivity, aligning with Mali's national goals of promoting private sector development, entrepreneurship, and economic diversification.

The consistent monthly revenue growth of 12.75% has yielded a profound impact on businesses, catapulting them towards unprecedented financial prosperity.

This substantial increase has not only expanded profit margins but also enabled companies to streamline their cash flow management.

Consequently, liquidity constraints have diminished, allowing businesses to meet their financial obligations with greater ease and agility.

“With the financial and technical support of the TEF-UNDP Entrepreneurship Programme, I received training and a grant that allowed me to strengthen my business and make investments to grow my business. In terms of impact, my turnover has improved significantly, from 80,000 FCFA to 125,000 FCFA per month. My friends and youth in my community have also benefited from this Programme.”

Boureima B Sagara: Bridging the Digital Divide in Bandiagara

As a direct result of this financial upsurge, businesses have emerged more competitive, resilient, and attractive to customers. Moreover, this newfound financial stability has empowered companies to invest in their most asset - their employees.

“Thanks to the financial and technical support of the TEF-UNDP Entrepreneurship Programme, I was able to set up my restaurant and register it legally. I was also able to get the necessary materials from Niger and also a shop well-located on the side of the road for good visibility. I have employed three persons on a part-time basis so far, and we receive an average of 50 customers a day,” ***Jaouja Idrissa Maiga, Jaouja Resto, Gao, Mali.***

By channelling resources into employee development, training, and capacity building, businesses are cultivating a more skilled and productive workforce, poised to drive innovation and sustain long-term growth.

This virtuous cycle of financial success and strategic investment positions businesses for continued excellence and market leadership.

“With the help of the TEF-UNDP Entrepreneurship Programme, I was able to get a good stock of groundnuts in Gao. I have currently employed one person full-time and one person part-time and we receive an average of 50 orders per month and place our products in supermarkets, shops and grocery stores,” ***Jaouja Idrissa Maiga, Jaouja Resto, Gao, Mali.***



Mahamadou Thiero,
TEF-UNDP Entrepreneurship Programme
Beneficiary in Mali



Discussions: Insights, Learnings, and Opportunities

Mahamane Diam,
TEF-UNDP Entrepreneurship Programme Beneficiary in Mali

The Entrepreneurship Programme's in Mali demonstrated the effectiveness of collaborative initiatives in empowering young entrepreneurs. While challenges were encountered, the Programme's successes highlight the potential for entrepreneurship to drive local economic growth and job creation in Mali. Future programmes can further leverage these lessons and insights to create even more impactful entrepreneurship initiatives across the region.

Access to Additional Financing

Access to financing remains a significant challenge for small and medium enterprises (SMEs), this initiative played a pivotal role in bridging the funding gap and fostering networking opportunities.

The Programme has demonstrated a profound impact on participating entrepreneurs, significantly enhancing their access to capital and networking opportunities. A notable 26% of participants successfully secured additional financing post-programme, with 53% attributing this success directly to their Programme experience. This underscores the programme's effectiveness in equipping entrepreneurs with the necessary skills and networks to access funding.

The Programme's focus on networking has also yielded substantial benefits, with 64% of respondents

reporting sufficient opportunities to connect with fellow alumni. This has led to the creation of valuable synergies, collaborative opportunities, and knowledge-sharing among participants. By facilitating connections and potential partnerships, the Programme has fostered a supportive community that extends beyond its duration.

The Programme's impact has been far-reaching, leading to increased investment in business expansion, innovation, and job creation. Participants have also exhibited improved financial resilience and sustainability, enhanced competitiveness, and capacity building. By providing entrepreneurs with the necessary resources and support, the Programme has played a pivotal role in driving business growth, development, and success. Overall, the Programme's effectiveness in achieving its objectives is clear, making it a valuable resource for entrepreneurs seeking to scale and thrive.

“Today, I can say that my community is proud of the quality of the products that Zara company sells in the market. Indeed, women have access to quality and well-protected spices at affordable prices. My business is growing day-by-day, and I intend to strengthen my activities and have many more customers; and this will allow me to build my future. With my personal commitment and the support of my family, I am



convinced that I will be self-sufficient in the years to come, and Zara Spice will be cited as an example among the great grocery stores in the Kita region." Fatoumata Ourougui Thiam, Bamako, Zara Enterprise

Seed Capital Efficiency

An assessment of the seed funding adequacy provided a comprehensive overview of the financial situation and expense management strategies among participating businesses. Notably, an overwhelming 99% of respondents have received the \$2,500 funding, with only a negligible 1% yet to receive it. However, the duration for which this funding covers business expenses varies significantly, revealing diverse financial stability and expense management levels among the respondents. While a small portion of businesses (6.2%) reported a short funding duration of only one month, indicating potential cash flow challenges, another 6.2% had a funding duration of two months, suggesting a slightly more stable financial situation.

"This capital gave me the chance to achieve one of my goals. It allowed me to be an entrepreneur and today I generate income that allows me to earn a living." Abdoulaye Souare, CEO Innovating Renewable Energy Solutions

The majority of businesses (68.1%) had a funding duration of four months or longer, indicating a more stable financial foundation. This is further reinforced by the average funding duration of around six months, demonstrating that the \$2,500 funding provides a substantial boost to businesses, covering expenses for half a year. Moreover, a significant 29.9% of businesses were able to stretch the funding to last between seven to twelve months, potentially due to efficient expense management strategies or additional revenue streams.

This suggests that the funding has a profound impact on financial stability and growth, enabling businesses to navigate financial challenges and explore expansion opportunities.

The assessment also sheds light on future funding needs, revealing strategic priorities among respondents.

A significant majority (91%) indicated that they would allocate additional funds to purchase equipment, highlighting a focus on enhancing operational capacity and efficiency. This is a critical investment for businesses seeking to scale up production, improve service delivery, and strengthen their competitive edge. Other key priorities include hiring more employees (41%), paying existing employees (17%), and renting spaces to expand physical presence (25%). These findings underscore the importance of targeted funding in supporting business growth and development, particularly in areas such as operational capacity, human resources, and market expansion.

Conflict Dynamics Analyses and Contextual Change on Businesses

The assessment presented a narrative about the profound impact of context changes on businesses, with conflicts, economic recession, and COVID-19 emerging as the most significant disruptors. The prevalence of conflicts (53%) and economic recession (48%) underscores the fragility of businesses in the face of macroeconomic and geopolitical instability. The ongoing repercussions of COVID-19 (39%) further exacerbate the challenges, as businesses grapple with supply chain disruptions, shifts in consumer behavior, and operational constraints. Moreover, the impact of natural disasters (7%) and other unique challenges (5%) serves as a poignant reminder of the diverse and multifaceted nature of the business environment, necessitating a nuanced understanding of the complex interplay between internal and external factors.

The severity of the impact varies across businesses, with a notable 15% experiencing a complete halt in operations due to context changes. However, a remarkable 15% of businesses have capitalized on new opportunities, showcasing exceptional resilience and adaptability in the face of adversity. The remaining 70% have experienced mild impacts, indicating some challenges but not enough to significantly harm their operations.

A closer examination of the affected areas reveals that financial aspects (31%) are the most vulnerable, followed by clientele-related challenges (22%), supply chain disruptions and production-related challenges (17%), and other issues. This granular understanding of the impact is crucial for developing targeted support mechanisms and resilience-building strategies.

The entrepreneurial response to these challenges has been remarkable, with businesses demonstrating a willingness to adapt and innovate in the face of adversity. Strategies such as diversifying product lines, forming partnerships, and leveraging community support have enabled businesses to sustain operations and even capitalize on new opportunities. The ability to optimize resources, manage finances effectively, and capitalize on available opportunities has been critical in navigating the complex business environment. As an expert, it is clear that supporting businesses in building resilience and developing context-specific strategies is essential for mitigating the impacts of context changes and fostering long-term sustainability.



Understanding Entrepreneurial Needs - A Comprehensive Analysis

The analysis reveals that entrepreneurs require a comprehensive approach to skill acquisition and business support. The dominance of structured training programs, such as the TEF-UNDP Entrepreneurship Programme, highlights the importance of formal training in entrepreneurial development. Moreover, the significance of mentorship, financial management skills, and digital marketing skills underscores the need for a holistic approach to business support. Entrepreneurs must allocate sufficient time for learning and skill acquisition, with 70% of respondents dedicating 1-3 hours per week to learning.

The analysis also emphasizes the critical role of networking and partnership opportunities in entrepreneurial development. The effectiveness of the TEF program in fostering connections and collaborations among entrepreneurs demonstrates the significance of providing platforms for entrepreneurs to network and partner.

"The beginning of any good thing is not easy, but with the spirit of listening, initiative, and support from those around us, we have proven our personal and professional efficiency."
Bourama Doumbia, Bamako, Mali

Furthermore, the diverse range of support needs expressed by entrepreneurs, including financial assistance, material support, training, and administrative support, highlights the multifaceted challenges they face in scaling their businesses. Programmes must be tailored to meet these specific needs, ensuring that entrepreneurs receive comprehensive support encompassing training, mentorship, networking, and access to resources and finance.

Ultimately, the analysis underscores the importance of continuous evaluation and improvement of programmes supporting entrepreneurial development. "This experience not only fulfills my desire to learn new things, but it also allows me to get to know my professional environment even more, which will be of great help to me in the future." Ibrahim Diakite: Nurturing Poultry Farming Dreams.

By understanding the specific needs and challenges faced by entrepreneurs, programs can be refined to provide targeted support, addressing gaps in financial management, marketing, and access to capital. Moreover, the analysis highlights the need for programme's to foster a culture of collaboration and knowledge sharing among entrepreneurs, ensuring that they are equipped to navigate the complexities of business operations and achieve sustainable growth. By adopting a comprehensive and tailored approach, programmes can effectively support entrepreneurs in scaling their businesses and driving economic growth.



CONCLUSION

In conclusion, the Tony Elumelu Foundation (TEF) and United Nations Development Programme (UNDP), Entrepreneurship Programme in Mali has demonstrated significant impact in empowering young entrepreneurs, fostering job creation, and driving economic growth. Despite challenges posed by context changes, businesses have shown remarkable resilience and adaptability. The programme's effectiveness lies in its comprehensive approach, combining training, mentorship, networking, and access to finance.

To further support entrepreneurial development, programme's must be tailored to meet specific needs, including financial management, marketing, and access to capital. By adopting a nuanced understanding of the complex interplay between internal and external factors, programmes can effectively build resilience and foster long-term sustainability. Ultimately, the success of the TEF-UNDP Entrepreneurship Programme in Mali serves as a model for entrepreneurship-driven development initiatives globally, highlighting the potential for collaborative efforts to drive positive change and create opportunities for young people in Africa.



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