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REGIONAL SERVICE CENTRE FOR AFRICA

Section 3: TERMS OF REFERENCE (TOR)

I. GENERAL INFORMATION

Title of the Open Innovation Challenge:	Implementing a Sustainable 'African Youth (especially women) Entrepreneurship Online Portal'
Agency:	UNDP Regional Service Center for Africa
Managing Cluster:	Inclusive Growth and Sustainable Development Cluster (Private Sector Unit)
Type of Contract:	Agreement between UNDP and the Winning Company under the 'Implementing a Sustainable 'African Youth (especially women) Entrepreneurship Online Portal' Open Innovation Challenge
Expected Commencement Date:	June 2017

II. BACKGROUND / RATIONALE

The Inclusive Growth and Sustainable Development Cluster (IGSDC) of the UNDP Regional Service Centre for Africa (RSCA) aims to contribute to "*growth and development that are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods, especially for the poor and excluded*" in Africa. Through its dedicated unit on private sector development and engagement, the cluster implements activities which contribute to, among others, inclusive business and entrepreneurship so as to help realize Africa's potential to transform poverty into prosperity for all.

In 2016, the private sector unit of the IGSDC commissioned the services of a consulting firm to support the development of an 'African Youth (especially women) Entrepreneurship Online Portal'. The portal will be an online platform where young entrepreneurs across Africa, especially women, can access comprehensive support for them to be able to create, maintain and grow successful businesses in Africa.

The consultancy, which is still ongoing, is divided into two phases:

- **Phase I**, which is complete, focused on assessing the most feasible way to develop the portal. A feasibility report was developed in this phase and based on it, an action oriented strategic (business) plan was produced which is now guiding the creation of the portal.
- **Phase II**, which is still ongoing, is focused on designing and creating the 'African Youth (especially women) Entrepreneurship Online Portal.'

Findings from the Feasibility Study

The feasibility study identified critical gaps in the youth entrepreneurship ecosystem which the portal can address. The recommendation made by the consulting firm in the feasibility report is to leverage UNDP's brand, credibility and convening power to position the youth entrepreneurship portal as an ecosystem catalyst, supporting the youth entrepreneurship ecosystem as a whole. Specifically, the recommendations made revolve around the following findings related to the four main pillars of ecosystem support:

- a) **Information:** Most youth entrepreneurship focused initiatives aim to provide information and advisory services of some kind. Virtual platforms provide youth-entrepreneurship specific information. However, the findings suggest that generating original content is a resource intensive task as information tends to be outdated after a short period of time. Furthermore, the feasibility study indicates that the market need is to leverage existing information that is already out there and help entrepreneurs maneuver and find what

is relevant to them rather than to generate new content, as many of the information needs of entrepreneurs are already available online in one form or other.

- b) **Mentorship:** Virtual mentoring services find it hard to take-off, if not combined with physical, face to face interactions, as entrepreneurs are not open to share detailed information virtually without being able to trust the mentor. This relationship is usually established over time or through a structured mentoring process which is more than a "once-off" event. However, while a number of initiatives provide this kind of virtual support, it is not the most strategic entry point for an online portal because of the challenges in implementation.
- c) **Finance:** Similar to mentorship, providing access to finance is also a "physical activity" requiring face-to-face interaction. Financial transactions are rarely made on a virtual platform. Those initiatives that have online support provide match making support with potential capital providers rather than actually providing capital through their online platforms.
- d) **Networking:** Networking opportunities for youth entrepreneurs are a gap in the ecosystem. Many business networks focus on more mature entrepreneurs. A few fellowships exist which build an alumni network in the process, which also has a virtual presence. However, few initiatives aim to strengthen community building among youth entrepreneurs. Existing online communities leverage social media and existing platforms such as LinkedIn or Facebook. Maintaining a separate networking page is difficult to manage from a resource perspective, as it is resource intensive to curate discussions.

Based on these findings, the ongoing work has proposed the following as the **value proposition and scope of the UNDP Youth Portal** currently under development:

1. The portal should provide responses to the most basic questions that young entrepreneurs have as they get started establishing an enterprise. This feature will help young entrepreneurs begin their entrepreneurship journey by providing the answers that help them understand basic but key concepts relevant for enterprise development (e.g. what type of capital do I need? what is mentoring? what is a business plan? Etc.).
2. Building on the desire by UNDP to avoid duplication of existing efforts and leverage existing portals and offline resources, UNDP should facilitate a Pan-African "one-stop solution" to the youth entrepreneurship ecosystem for youth run enterprises. The portal should support enterprises as they navigate the existing youth entrepreneurship support ecosystem. In this regard, the UNDP portal should Act as a "Navigator" and "Gateway of Gateways". It should act as an ecosystem catalyst by providing the market infrastructure that enables the industry to aggregate existing [information, access to finance, mentorship and networking] portals and communities for young entrepreneurs to find and access them easily from one place. The portal should navigate youth entrepreneurs to existing online resources through a listing of micro-sites as well as a map based directory-like feature searchable by country, actor group (e.g. finance, networking, mentoring, government program, incubator, etc.), and sector (e.g. agriculture, energy, health, education etc.).
3. The portal should support the development of youth entrepreneurship in Africa by running challenges and providing awards/grant financing for the development of youth driven entrepreneurship at two levels:
 - **Ecosystem challenges:** grants which will focus on catalysing local ecosystems by providing financial support for local ecosystem players to promote youth entrepreneurship through the provision of support to activities such as business plan development, mentorship events, networking and pitch events at the country level.
 - **Entrepreneurship challenge (idea stage funding):** grants which will directly fund the development of business ideas by social entrepreneurs, providing them the funding and mentorship support they need to articulate their business propositions. These challenges will focus on social enterprises who propose innovative solutions contributing to the attainment of the Sustainable Development Goals (SDGs).

Due to the heavy focus of the portal on African youth and SDG attainment, it shall be called 'YAS! Youth for Africa and SDGs'.

Towards this end, UNDP would like to identify a host, who can propose and implement an innovative operational and financial sustainability plan to keep YAS! relevant and sustainable in the very long run. The innovator will serve as the main anchor of YAS!, managing it and coordinating all other partners to ensure the continued delivery of the goals of YAS! in the long run.

The ongoing design and development work of the portal is cognizant of the fact that YAS! must be dynamic, containing room for easy adjustment and changes by the winning proposer after YAS! is handed over to them to host. In addition, the design will be intuitive, making it easy for the identified host to be able to maintain and keep it alive post launch. As such, in addition to these ToRs, interested bidders must also review the following resources:

- The feasibility report
- A link to YAS! (the design of which is ongoing)
- The modules for the pages of YAS! (including the client modules, the user modules and the admin modules)
- The UNDP Innovation Challenge Policy (which will be the guiding policy for all UNDP funded challenges to be run on YAS!)

Innovators can also request any additional information which they require to help develop their sustainability plan.

III. OBJECTIVES OF THE CHALLENGE

UNDP is inviting proposals from interested hosts who can implement YAS! in a sustainable manner, keeping it relevant over time. All proposals must present a clear operational and financial sustainability plan for implementing YAS! over the next 5 years.

The expected output from this challenge is that UNDP identifies an innovator that is willing and able to host YAS!, implementing it in a manner that ensures it remains relevant and sustainable in the very long run.

IV. CONSIDERATIONS FOR PREPARING THE SUSTAINABILITY PLANS

The following considerations have guided the design of YAS!, and it is recommended that all innovators take them into account in developing their sustainability plans:

- A. Maintaining the front-end functions of YAS!, keeping it relevant to the end users (African youth entrepreneurs) over time.
- B. Maintaining and manage the back-end functions of YAS! to keep it effective, running and functional

A. Product Delivery: Maintaining and Managing the Front End Functions of YAS!

In order to ensure that YAS! it is able to deliver on its goals and remain relevant to the end users (African young entrepreneurs) over time, the following were considered as critical front end functions:

1. YAS! is designed as a collaborative platform and its success and effectiveness is highly dependent on contributions to be made by key partners and relevant stakeholders. Potential partners include (but are not limited to):
 - **Content partners:** those who will be listed on the 'one-stop' map of the African entrepreneurship support ecosystem, including the 300+ organizations identified in an ongoing mapping exercise.
 - **Dissemination partners:** who will publicize YAS! to their larger set of audiences using their existing resources.
 - **Financial partners:** who will be mobilized to fund challenges run by YAS! at various intervals. These can include donor organizations, foundations and corporates who are keen on building youth entrepreneurship ecosystems in Africa.
 - **Featured microsite and implementing partners:** who can be mobilized to partner with YAS! and provide offline support services around the four pillars of the youth entrepreneurship ecosystem (i.e. funding, mentoring, networking, and information) to users of YAS!.
 - **Outreach partners:** who include social media channels like Facebook and Twitter etc.
 - **IT/ Developer partners:** who will support the design, development, testing and branding of YAS!.
 - **Youth Drivers:** who can be part of a network of young Africans who will drive and lead SDG attainment in Africa. It is UNDP's hope that YAS! can be interactive, with its content and direction driven by young African entrepreneurs themselves.

Interested innovators should clearly highlight how partnerships will be identified, sourced and maintained in the long run by YAS!.

2. YAS! will collate existing online resources in a module that helps young entrepreneurs get started. This will include (but will not be limited to) the collation of existing online resources available to young (especially women) entrepreneurs for business creation, establishment and development in Africa; existing online funding platforms targeting young African entrepreneurs, disaggregated by sex; existing online mentorship platforms targeting young African entrepreneurs; existing information on (communities of) young entrepreneurs, investors, mentors, business networks, the private sector etc. for the entrepreneurs to network with bilaterally, through recurring forums/events, or through networking platforms. This 'Getting Started – Your Entrepreneurship Journey' module will need to be regularly updated so as to remain relevant to the end users.

Interested innovators should clearly indicate what (if any) additional information they would add to the existing information, how they would secure this information, keep it relevant and up to date over time.

3. The innovator will manage the challenges run through YAS!. These will include the challenges for seed stage SDG-focused youth led enterprises, and the ecosystem building support initiatives to be funded by UNDP. UNDP has some resources to fund a few rounds of the challenges, but these are finite. The innovator must as such continuously identify and mobilize alternate sources of funding to ensure continuity of the challenges, even without direct financial contribution from UNDP. As YAS! will link to other online resources where young African entrepreneurs can get funding for their ideas and businesses, the innovator should indicate what innovative funding features (incl. crowd funding, thematic competition windows, impact investment initiatives, corporate match making partnerships etc) they have access to which the youth using YAS! can benefit from.

The innovator should propose a clear resource mobilization plan within the sustainability plan highlighting how they would mobilize the funds required to hold the challenges. The innovator must as such propose a clear financial model that will lead YAS! to own financial sustainability within, at least the next 2 years.

4. As YAS! needs to have very strong social media presence, the innovator should indicate how they would keep YAS!'s Facebook, twitter and LinkdIn pages active. It is anticipated that the social media pages will be where the young entrepreneurs get to interact with one another actively, but the innovator is invited to make additional propositions on how to create interactive spaces where youth using YAS! can interact, network and share ideas.

B. Operations: Maintaining and Managing the Backend Functions of YAS!

If required, UNDP can support the winning innovator to make minimal and critical adjustments for improvements to the back end design of YAS!. UNDP will however not provide support for adjustments over 20% of the existing backend design. If the winning innovator proposes changes in excess of 20% of the current design, the innovator will be required to generate or mobilize the resources for implementing these changes without the financial or technical support of UNDP, but all proposed changes must be discussed and approved by UNDP.

In order to ensure that YAS! is able to deliver on its goals and remain relevant to the end users (African young entrepreneurs) over time, the following are considered as critical back end functions which innovators are advised to take into consideration in their sustainability plans:

1. Dedicated human and technical resources to maintain and manage the backend functions, systems and processes as may be required to keep YAS! optimally running. This includes managing and maintaining all relevant hardware and software needs to ensure the success of YAS! in delivering and attaining its goals.
2. Transparency, and where feasible, open sourcing of skills, resources and input for YAS!.
3. Systems which ensure that young entrepreneurs and relevant partners are able to effectively interact with YAS!. These could include:
 - Maintaining open and effective communication systems to allow linkages between the host's team, the young entrepreneurs applying for challenges through YAS!, UNDP and other relevant stakeholders and partners.
 - Designing and implementing a communications strategy to raise awareness and place the 'African youth (esp. women) Entrepreneurs Online Portal' in the public domain. Specifically, targeted marketing and communications for potential applicants of the different windows to attract

- applications to the challenges from suitably qualified entities, in line with agreed criteria and application procedures. These could be done using YAS! social media pages, amongst other channels.
- Marketing YAS! to potential challenge funders, mobilizing resources to facilitate the running of challenges beyond those funded by UNDP.
4. Establishing systems and procedures for awardee eligibility & selection.
- For UNDP funded challenges, the [UNDP Innovation Challenge Policy](#) will be the guiding policy for awarding grants. This policy includes contract templates for awards granted to companies and individuals, as well as guidance for decision making regarding awardee selection.
 - The winning innovator will be requested to propose similar guidelines and Standard Operating Procedures to be used in running the challenges (both UNDP and non-UNDP funded) which could include:
 - Identification of challenge grantees in an open competitive manner
 - Eligibility and selection criteria for the different funding windows
 - Setting up of selection committees (including compositions) for the challenge windows and guidance on reviews of proposals received (which should include systems to assess capacities of applicants to implement the awards if successful)
 - Contract templates
 - Measurement and impact assessments in relation to the attainment of agreed outcomes with awardees
 - Due diligence to facilitate selection of potential funders of windows to be run through the youth portal
 - Streamlining relevant processes and procedures for the effective implementation of YAS!, which could include:
 - Ensuring efficiency and effectiveness and minimizing transaction costs for applicants to the challenges.
 - Developing templates and guidance for applicants to use when submitting their proposal to challenges to ensure consistency, comparability, high quality and standards
 - In alignment with United Nations principles, the innovator will practice impartiality in the management of challenges run through YAS!
5. Development of a robust monitoring and evaluation framework. This could include:
- The development of a Monitoring and Evaluation (M&E) system that measures the results and impacts of funded enterprises in each window.
 - Preparation and submission of work plans, budgets and reports on progress against agreed performance indicators for implementation of YAS! to UNDP.

V. THE PRIZE

UNDP will disburse up to US\$160,000.00 (One Hundred Sixty Thousand US Dollars) over the next 2 years directly to the Innovator to seed their operational and financial sustainability plan for the implementation of YAS!. Beyond that, the innovator will be expected to generate and mobilize resources to keep YAS! sustainable, hence the need for a 5-year operational and sustainability plan.

In addition, through YAS!, the host will be required to run and manage a minimum of US\$200,000.00 (Two Hundred Thousand US Dollars) worth of Ecosystem and African Youth Entrepreneurship challenges for UNDP. This US\$200,000.00 is over and above the US\$160,000.00 UNDP seed funding, or any other resources that the host will generate and mobilize for challenges on YAS!. These funds will be disbursed by UNDP directly to the winning enterprises and ecosystem support initiatives, under the auspices of the systems and procedures for awardee eligibility & selection criteria to be developed by UNDP and the host/innovator.

VI. SUBMITTING YOUR PROPOSAL

All proposals must clearly indicate:

1. **An operational sustainability plan for implementing YAS!.** The host must clearly indicate their operational sustainability plan for keeping YAS! functional, relevant and at optimal delivery in the very long run. Any linkage to be done between YAS! and any existing and ongoing interventions the innovator is running/managing/implementing must be clearly highlighted. A Proposed Operational Sustainability Proposal Outline is provided as section 6 of this call.
2. **A financial sustainability plan for keeping YAS! financially sustainable in the 5-year period.** The innovator must propose a financial breakdown of how the US\$160,000.00 from UNDP

would be used by the innovator to seed their operational sustainability plan for YAS! over a 2-year period.

The financial sustainability plan must present a business model that would facilitate YAS! to generate own resources and be sustainable over at minimum, the next 5 years. This means that the innovator should demonstrate how YAS! would keep running on its own resources when the UNDP seed funding ends in the next 2 years, up to, at minimum, 5 years. The proposal should as such present a clear resource generation and mobilization plan for the sustainability of YAS!.

The financial sustainability plan should also indicate any proposed co-financing for the running of YAS! by the innovator, be it in cash or in kind, in addition to the UNDP resources during and beyond the 2-year seed period. Proposals will be rated by the level of matching and co-financing indicated by the proposer, with higher scores rated against higher matching and co-financing.

All proposed co-financing contributions which will be in kind should be monetized to facilitate comparison of the different offers from applicants. For instance, the host partner could indicate what entrepreneurship support services they can offer directly through their existing products and services to the winners of the challenges (and/or other users of YAS!) to complement the funding provided through the challenges by UNDP or other sponsors. The monetization of the in-kind contributions would then indicate the cost to the host to provide these products and services.

A proposed financial template is provided as section 7 of this call for the convenience of all interested innovators.

VII. CRITERIA FOR SELECTING THE WINNING INNOVATOR

UNDP will set up an evaluation committee, comprising mainly of UN staff, to review all proposals received using UNDP's principles of fairness and integrity.

The following criteria will guide the selection of the winning proposal:

- The expertise of the firm/organization
- The details of the operational sustainability plan
- The details of the financial sustainability plan

Please refer to *Section 8: Proposed Evaluation Criteria for The Operational and Financial Sustainability Plan*, for a more detailed review of the evaluation criteria to be used.

VIII. PAYMENT MILESTONES

The US\$160,000.00 to go directly to the Innovator will be disbursed based on the effective UN exchange rate (in case of other currency denomination), and only after approving authority confirms the successful completion of each deliverable as stipulated hereunder.

Installment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained from:	Percentage of Payment
1 st Installment	Inception report (including a results and resources framework (RRF) for the operational and financial sustainability of YAS! (by 30 June 2017)	Tomas Sales	20%
2 nd Installment	Launch of UNDP funded challenges, selection and disbursement of first awards – for this installment to be paid, innovator must show proof of disbursement of at least 14% of their agreed co-financing (by 29 September 2017)	Tomas Sales	30%
3 rd Installment	Mid-term review report of portal implementation integrating portal success criteria detailed below – for this installment to be paid, innovator must show proof of disbursement of at least 45% of their agreed co-financing (by April 2018)	Tomas Sales	30%
4 th Installment	Final review report of portal implementation integrating portal success criteria detailed below – for this installment to be paid, innovator must	Tomas Sales	20%

Installment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained from:	Percentage of Payment
	show proof of disbursement of 100% of their agreed co-financing (by April 2019)		

UNDP Payment milestones and disbursement of funds will consider proof of corresponding co-financing expenditure by the innovator as detailed in the table above. Where the innovator has not met the co-financing disbursement as agreed, corresponding UNDP payments will be reduced proportionally.

The following criteria will be used by UNDP to assess the success of the innovator in implementing a sustainable online portal in the mid-term and final review reports:

- The amount of traffic on YAS! as a whole and the 'Ecosystem Map' more specifically, including the number of unique visitors, page visits, requests for information received etc.
- The number of partnerships mobilized e.g. for content, dissemination, outreach, microsites featured on YAS! etc., and especially for funding of challenges
- Revenue generated and resources mobilized by the innovator, as per the financial sustainability plan submitted to UNDP
- The number of challenges run, including the total number of awards granted
- The (social, environmental and financial) impact of the awards granted to social enterprises and ecosystem support initiatives based on the M&E framework that the innovator designs to assess impact

IX. MANAGEMENT ARRANGEMENTS

1. The innovator will work closely with the UNDP RSCA in Addis Ababa. They will be under the supervision of the Private Sector Special Advisor within the UNDP RSCA's Inclusive Growth and Sustainable Development Cluster (IGSDC). A focal point will be agreed upon for the implementation of this agreement during an inception call.
2. The innovator will develop and propose their own methodology to carry out the tasks described above, which should be guided by the considerations detailed in these ToRs, as well as the following background documents and resources:
 - The feasibility report
 - The design of YAS! (which is ongoing)
 - The modules for the pages of YAS! (including the client modules, the user modules and the admin modules)
 - The UNDP Innovation Challenge Policy (which is the guiding policy for this call and will be the guiding policy for all UNDP funded challenges to be run on YAS!)
3. The innovator will sign a 2 year Agreement with UNDP under the 'Implementing a Sustainable 'African Youth (especially women) Entrepreneurship Online Portal' Open Innovation Challenge.
4. The target is for the implementation of YAS! to start by June 2017, by which time the innovator should have been identified and the agreement signed.

X. HOW TO APPLY

Submit your operational and financial sustainability plans and other related documents to [this email address \(procurement.et@undp.org\)](mailto:procurement.et@undp.org) by no later than **23:59hrs EAT, 31 May 2017**.