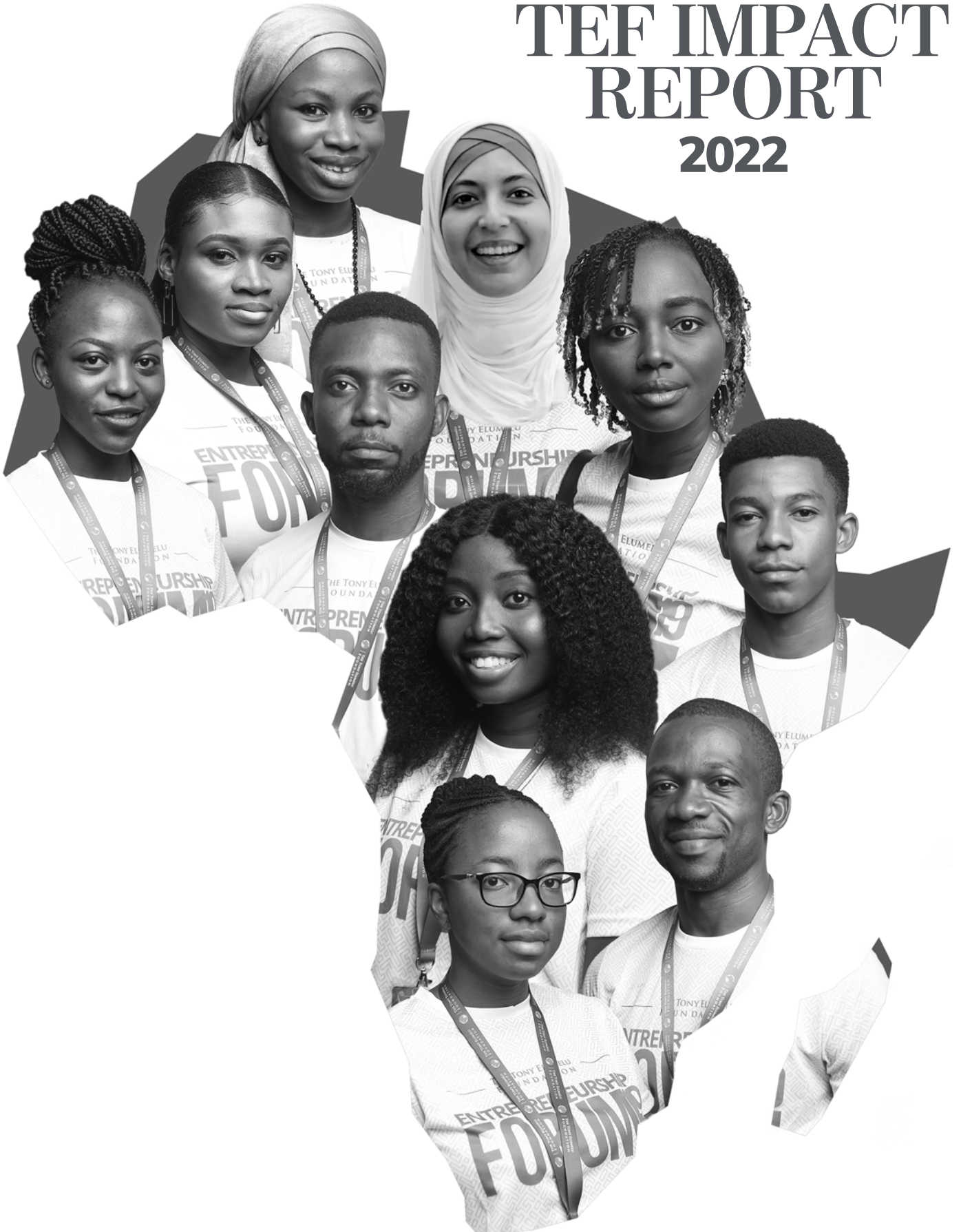




THE TONY ELUMELU
FOUNDATION

EXECUTIVE SUMMARY

TEF IMPACT REPORT 2022



The Tony Elumelu Foundation has always aspired to position entrepreneurs as the catalyst for Africa's social and economic development. Since its launch in 2015, the Tony Elumelu Foundation Entrepreneurship Programme has demonstrated the catalytic role of systemic funding, training, mentoring, and access to networks for young African entrepreneurs in driving poverty eradication and catalyzing jobs creation, and ensuring women's economic inclusion, across all 54 African countries.

This report is a significant milestone for the Tony Elumelu Foundation, as it presents a rigorous independent impact evaluation of impressive scale to compare quantitative results for Programme beneficiaries relative to a similar group of non-beneficiaries: more than 4,000 individuals were surveyed in total. Statistical analysis was complemented by key informant interviews from the board, leadership, team members, beneficiaries, as well as partners of the Tony Elumelu Foundation, among other stakeholders, enabling a 360-degree evaluation of key processes and illuminating the interactions among the Foundation's many moving parts. Indeed, the evaluation clearly shows the value of the TEF Entrepreneurship Programme's strategic partnerships with leading development institutions, including the European Union, the United Nations Development Programme, the International Committee of the Red Cross, the United States Government via the United States African Development Foundation (USADF), The Organization of African, Caribbean and Pacific States (OACPS), The French Development Agency (AFD), The German Development Finance Institution (DEG), The German Agency for International Cooperation (GIZ), The African Development Bank (AfDB), and Google, among others.

Assessing impact is a key part of the Foundation's strategy, and this independent evaluation makes a clear case for the TEF Entrepreneurship Programme's relevance and effectiveness in incubating and accelerating new and existing businesses in Africa. Overwhelmingly, a significant number of beneficiaries reported that the training and funding received from the Foundation were significantly impactful in executing TEF-approved business plan to develop and strengthen their business capacities. Despite having an average of two fewer years of operational business than non-beneficiaries, TEF Entrepreneurship Programme beneficiaries acquired additional investors in their business at more than twice the rate of non-beneficiaries. Beneficiaries' businesses on average created twice as many jobs as non-beneficiaries' businesses (13 employees vs. 6.5 employees per business). These significant positive impact indicators translate into more job opportunities for women and youth: half

of all the TEF Entrepreneurship Programme beneficiaries is female, out of which more than half are 18-24 years old.

The report also found that the TEF Entrepreneurship Programme and its partners are effectively facilitating networking and business partnerships across Africa. Beneficiaries reported they accessed additional mentorship from local professional networks approximately twice as much as non-beneficiaries. Beneficiaries partnered with at least one other business 50% more than non-beneficiaries. Three out of four beneficiaries have gone on to provide mentorship to non-programme entrepreneurs in their communities (20% more often than non-beneficiaries). Beneficiaries also provided seed funding to other entrepreneurs 20% more frequently than non-beneficiaries.

This evaluation identified useful lessons that will contribute to the Foundation's goal of creating 1 million jobs and generating \$10 billion in revenue for Africa. Challenges to small businesses on the continent remain formidable and vary across countries and regions. Access to finance remains a widespread and pernicious challenge for entrepreneurs and will remain a primary focus for the Tony Elumelu Foundation. As the flagship TEF Entrepreneurship Programme nears the end of its 10-year lifespan, it is an opportune moment to reflect on the organization's remarkable accomplishments. Building on this success and its robust delivery process, the Tony Elumelu Foundation will deepen its commitment to reach across sectors and geographies to identify and support young African entrepreneurs, targeting female empowerment and growth in fragile states, through its soon-to-be-launched Coalition for African Entrepreneurs.

The Tony Elumelu Foundation's Coalition for African Entrepreneurs aims to catalyse a further 100,000 young African entrepreneurs and small businesses, focussing on fragile states, women entrepreneurs, and green entrepreneurship. The Coalition is open to development agencies, the global private sector, philanthropic organizations, and governments to collaborate in empowering Africa's next generation, particularly in the green economy.



Opinion Research Business (ORB) International presents this Impact Assessment report as part of its Third-Party Monitoring (TPM) and Impact Evaluation Services for the Tony Elumelu Foundation (TEF).

Established in 2015, the Tony Elumelu Foundation Entrepreneurship Programme is a \$100 million commitment made to empower 10,000 African entrepreneurs across 54 countries over a period of 10 years. The Programme seeks to train, mentor, and fund aspiring African entrepreneurs to create one million jobs and generate \$10 billion in revenue for Africa. TEF and its partners aims to achieve this objective through a comprehensive approach towards building entrepreneurial capacity, which includes the following:

1. Building skills through formal training
2. Awarding seed capital
3. Providing mentorship and networking opportunities

This evaluation addresses the Programme's relevance, effectiveness, impact on the entrepreneurial ecosystem, and sustainability.

This report focuses on the Impact Assessment of TEF beneficiaries from 2015 to 2020, which we will refer to throughout this report as 'TEF and partner beneficiaries.' These beneficiaries are inclusive of the partners TEF has worked with since the Programme's inception; they originate

from 54 countries across the African continent, and make up different ages, genders, and backgrounds.

To assess the Programme's impact, we report beneficiaries' outcomes on a variety of indicators and compare key measures between two data sources:

1. Our sample of 3,160 TEF and partner beneficiaries who participated in the 2022 Impact Assessment conducted by ORB
2. A control group of 1,312 survey participants who applied to TEF between 2015 and 2020 but did not receive the funding (non-beneficiaries). This allows us to compare and verify the progress of sponsored TEF and partner beneficiaries against entrepreneurs who did not receive support via TEF Entrepreneurship Programme training or funding.

Key informant interviews (KIIs) from TEF staff, partner staff, beneficiaries, and Hub Leads support an understanding of programming challenges and give context to working relationships between various stakeholders.

3,160

TEF and partner
beneficiaries
sample size

54

countries across
Africa

2015-2020

Impact Assessment of TEF
beneficiaries

1,312

non-beneficiary
survey participants
(TEF applicants
who did not receive
funding)



Beneficiary from Madagascar (Education & Training)

Overall, the TEF Entrepreneurship Programme received largely positive ratings on relevance and effectiveness: all respondents report that they would recommend the TEF Entrepreneurship Programme to others. Beneficiaries also find the Programme to be effective and organised at delivery of the content and the funding.



Overwhelmingly, beneficiaries report that the training increased their knowledge and strengthened their business management skills.



Nearly all (>94%) beneficiaries report that funding and training helped to develop their business capacities. Fifty four percent find the funding adequate to start a business.

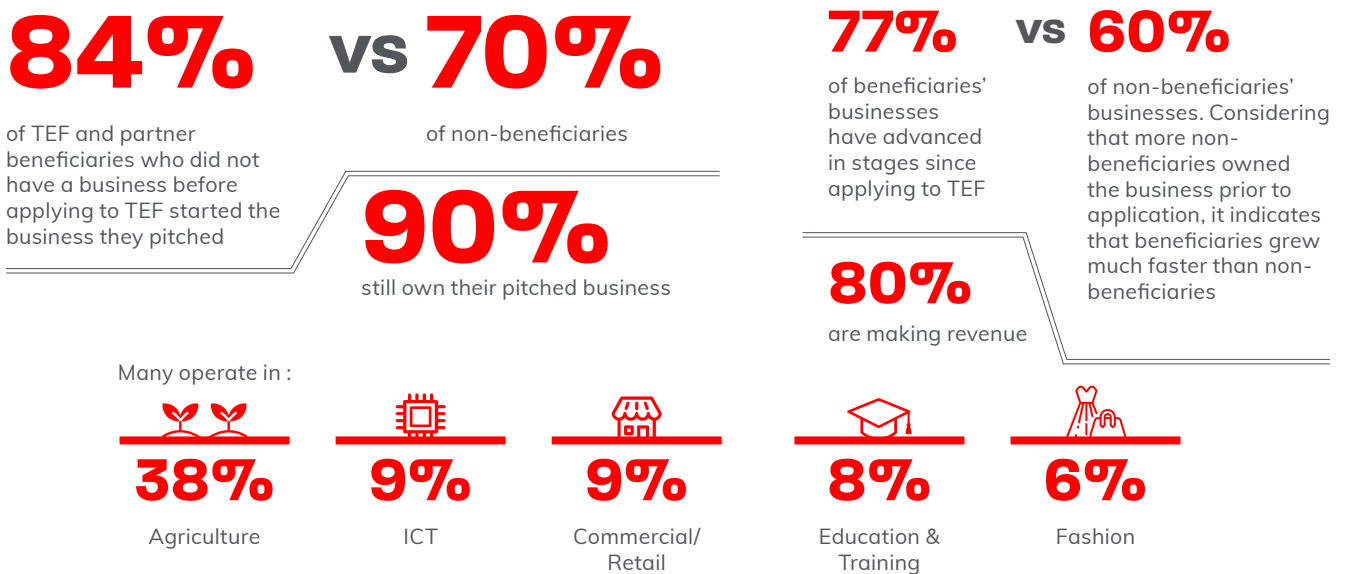


Less than half (49%) of beneficiaries have reached out to fellow alumni for advice and support. Of those who have not reached out to alumni, many indicated they did not know how (44%) or did not believe the advice would be helpful (14%).

Impact

To assess the Programme’s impact, ORB focused on the Programme’s contribution to its targeted outcomes, including to the local entrepreneurship ecosystems across Africa, and to the UN’s Sustainable Development Goals. Specifically, we focus on impacts on the following categories of indicators:

Business ownership and growth



Typical monthly profit was **22X the average per capita income** in the beneficiaries' respective countries.

Despite on average 2 fewer years in business than non-beneficiaries, **25%** of beneficiaries have acquired additional investors in their business **vs 11%** of non-beneficiaries

Barriers

Of **9%** who no longer own the business they pitched to TEF:

26% report that they could not find the proper equipment or hire the people needed to start their business

29% reported that seed funding was not enough

The main reported barriers to business growth:

71% reported resource issues

50% reported government regulation

45% reported corruption

41% reported infrastructural issues, such as roads

Job Creation

TEF and partner beneficiaries have had significant impacts on job creation:

Beneficiaries' businesses on average create

2X as many jobs

as non-beneficiaries businesses (13 employees vs 6.5 employees per business respectively)

Beneficiaries' businesses are fulfilling TEF's goals to provide more job opportunities to women and youth:

52% of their current employees are women

46% of their current employees are aged 18–24

Full-time employees of beneficiary businesses typically earn over **3X the average annual per capita income** in the countries with the most beneficiaries reporting.

50%

(half) of TEF and partner beneficiaries' employees are paid with a fixed salary per week or month.



Beneficiary from Guinea (Commercial & Retail)

Entrepreneurship Culture

TEF and partner beneficiaries overwhelmingly feel their communities are supportive of entrepreneurship:

77% report their communities are supportive of entrepreneurship

85% state that entrepreneurs have a good social status in their communities

86% of beneficiaries in West Africa and **84%** in East Africa state that their communities are supportive of entrepreneurship.

However, **69%** of beneficiaries in Central Africa report support, suggesting beneficiaries in Central Africa might not be receiving the same level of support from their local communities regarding entrepreneurship.

Networking and Partnerships

TEF and partners are effectively facilitating networking and business partnerships across Africa:

71% have developed professional networks outside of TEF alumni (vs 64% of non-beneficiaries)

56% TEF Entrepreneurship Programme beneficiaries report they accessed additional mentorship from local professional networks (vs 34% of non-beneficiaries)

72% have partnered with at least one other business (vs 55% of non-beneficiaries who may have been in business longer than TEF beneficiaries)

Community Impact

TEF and partner beneficiaries support their local communities by mentoring fellow entrepreneurs, supporting charities and furthering their education.

76% of TEF and partner beneficiaries have pursued further education after TEF; **46%** report family members pursued further education as a result of their TEF-supported businesses.

75% of TEF and partner beneficiaries have gone on to provide mentorship to non-TEF entrepreneurs in their communities **vs 61%** of non-beneficiaries

23% of beneficiaries have provided seed funding to other entrepreneurs **vs 17%** of non-beneficiaries

Comparisons To Non-Beneficiaries

Findings suggest beneficiaries supported by TEF and partners have already achieved better outcomes than non-beneficiaries on many indicators, including indicators of business growth and success, job creation, networks, partnerships, market access, and community impact.

This is an impressive and important preliminary indicator of the Programme's impact, given that the large majority of responding non-beneficiaries have been in business longer than beneficiaries (an average of 2 years longer).



Beneficiary from Malawi (Agribusiness)

Table 1: Indicators Of Impact

<p>74%</p> <p>of beneficiaries use at least one standard business practice.</p>	<p>98%</p> <p>report the Programme increased their confidence in their ability to run a business</p>	<p>88%</p> <p>feel very/somewhat confident about maintaining their business for the next year</p>
<p>93,719</p> <p>estimated new jobs created by all TEF-supported businesses (assuming extrapolation from responding sample)</p>	<p>\$2,325,513,903</p> <p>Estimated* total revenue generated by all TEF-supported businesses.</p> <p>*If we assume responding beneficiaries are representative of entire population of 11,023 TEF-supported beneficiaries.</p>	<p>91%</p> <p>of those who opened the business they pitched to TEF still own that business</p>
<p>85,305</p> <p>estimated decent jobs created by supported businesses (assuming extrapolation from responding sample)</p>	<p>59%</p> <p>expected increase in monthly business revenue</p>	<p>169%</p> <p>expected increase in monthly profitability.</p>

Note: We do not have the total number of decent jobs available for everybody who reported their number of employees. This value is only available for those who reported the typical hours per week of their employees, a question which was randomized for only half of respondents to report.

Sustainability And Stakeholder Feedback

TEF and partner beneficiaries are optimistic about their future since completing the TEF Entrepreneurship Programme.

96%

state they have gained the skills needed to start and grow their business

97%

report they have the skills to sustain and grow their business

In fact, vast majority **(96%) believe that TEF helped them to gain the skills needed to start and grow their business.** The biggest unaddressed challenge is acquiring the credentials and paperwork necessary for starting a business in their local communities.

To further increase the chances of their business surviving, many beneficiaries reported they plan to:

- Improve their existing goods and services in the next six months (62%), and change their business strategies (61%)

Furthermore, beneficiaries mentioned adopting/expanding use of the following:

- Various digital technologies,
- Improving methods of production,
- Introducing new goods and services,
- Improving logistics methods
- Changing management practices

All of these indicates active, engaged, and market responsive entrepreneurs

These findings indicate that the participants in the Programme believe they have received the necessary skills to sustain their business, as well as expand it.

Additionally, to strengthen the sustainability of the Programme, TEF continues to seek out partnerships with organizations to improve the beneficiary experience.

Qualitative interviews conducted with staff at the Tony Elumelu Foundation showed that staff particularly noted the continued effect of hearing the success stories of those who have completed the TEF Entrepreneurship Programme, particularly having seen the perseverance of those who work at the Foundation.



THE TONY ELUMELU
FOUNDATION

1, MacGregor Road, Ikoyi, Lagos, Nigeria
www.tonyelumelufoundation.org

Report prepared by:

ORB International 206 East Market Street
Charlottesville, VA 22902

Cara Carter, Director Office: +1 434
202-8441ccarter@orb-international.com