



## EVALUATION OF THE RESULTS OF THE AFRICA COMMISSION

### SUMMARY

September 2016

*The Africa Commission launched its report “Realising the potential of Africa’s Youth” in May 2009. The report contained ten policy recommendations as well as five concrete initiatives aiming at strengthening private sector led growth and employment and promoting Africa’s participation in the globalisation. The results of the Africa Commission’s work have now been evaluated. The evaluation documents a number of good results likely to be sustained in the future. In particular, the African Guarantee Fund providing guarantees to commercial banks’ lending to small and medium-sized enterprises (SMEs) and the Sustainable Energy Fund are innovative and hold great potential.*

*The Africa Commission had a significant influence on the Danish debate on the role of international*

*development assistance and led to a greater focus on the private sector in development assistance. The Commission also aimed at influencing the wider international debate on the role of development assistance, but it is difficult for the evaluation to pinpoint this impact. The debate in the Commission was in congruence with the wider debate, not least because of the members of the Commission who were all well linked to this debate. The evaluation was carried out by Tana Copenhagen.*

The Africa Commission was launched by Prime Minister Anders Fogh Rasmussen in 2008 ‘to help Africa benefit more from globalisation’. The majority of the 18 Commissioners were senior politicians and officials from African states and regional organisations, reflecting the Commission’s commitment to ensure African ownership of its recommendations and initiatives. The

aim of the Commission was to present new and creative strategies to revitalise and strengthen the international cooperation with Africa.

The Commission focused on ways to create employment for young people through private sector-led growth and improved competitiveness of African economies. This included discussions on decent jobs, entrepreneurship, and the provision of opportunities for young African women and men through education, skills development and access to finance.

Facilitated by the Ministry of Foreign Affairs of Denmark, the Commission held three high level meetings in Denmark 2008-2009, complemented by separate meetings across Africa and specific thematic workshops aimed at identifying policy recommendations and initiatives, which could further this agenda.

The objective of this evaluation is “to document and assess the results of the Africa Commission both in terms of its

policy impact as well as the results of the five initiatives” covering the period from the establishment of the Commission in 2008 until March 2016. The total disbursement for the implementation of the five initiatives was DKK 897 million.

### Assessment of the Africa Commission’s ten policy recommendations

The Africa Commission’s ten stand-alone recommendations broadly addressed the need for a refocused agenda for international development cooperation with Africa.

*In relation to the Danish development agenda*, the evaluation concludes that the Africa Commission had a significant impact on the scale and nature of Danish policy towards Africa in relation to private sector development, although it must be noted that there already before the Africa Commission was considerable support to private sector development. Following the

Africa Commission, support for business sector programmes increased from DKK 190 million in 2009 to an average of DKK 459 million in the years 2010-2015. A number of other private sector support measures were additionally supported in parallel with this, for example IFC programmes and Danida’s Business-to-Business (B2B) Programme.

*In relation to the international development agenda*, the evaluation finds that the Africa Commission was a part of the ongoing debate on the role of development aid and the need to bring the private sector more into play to ensure growth and jobs in Africa and hence in congruence with the development aid debate at the time. The focus of the Africa Commission specifically on jobs for the youth was a relatively new aspect and considered quite timely. There is, however, no significant evidence that this aspect was carried forward by members of the Commission afterwards.

*In relation to the African development agenda*, the evaluation also confirms that the recommendations were in line

with the on-going debates, but there is limited evidence of effects on the national development strategies at country level in Africa and on the Pan-African development agenda.

### Assessment of the Africa Commission’s Five Initiatives

The five initiatives were established in close cooperation with the international organisations responsible for their implementation. The initiatives were:

- Benchmarking African Competitiveness.
- Access to Investment Finance for Small and Medium-sized Enterprises by creating the African Guarantee Fund.
- Unleashing African Entrepreneurship.
- Access to sustainable energy, implemented by the African Development Bank aimed at addressing the energy deficit in African countries by focusing on renewable energy.
- Promoting post-primary education and research.

All of the five initiatives were deemed relevant for realising the ambitions of the Africa Commission. Most of the Africa Commission’s initiatives have a fairly indirect causal-relationship to generating jobs for youth and this is only to a limited extent captured in the available results frameworks. In most cases the initiatives were designed without a proper results-matrix to guide the implementation and results measurement, so the evaluation has consequently found it hard to assess outcomes and impact against set targets.

Concerning the first initiative, *Benchmarking African Competitiveness*, (implemented by the Global Competitiveness Network of the World Economic Forum) all the

## MEMBERS OF THE AFRICA COMMISSION:

Chairman: Prime Minister of Denmark Anders Fogh Rasmussen/Lars Løkke Rasmussen  
President of the United Republic of Tanzania Jakaya Mrisho Kikwete  
Prime Minister of Mozambique Dr. Louisa Diogo  
Chairperson of the Commission of the African Union Jean Ping  
President of the African Development Bank Donald Kaberuka  
President of ECOWAS Dr. Mohamed Ibn Chambas  
Executive Director of the Kenyan Association of Manufacturers Betty Maina  
Rector of Aarhus University Lauritz Holm-Nielsen  
Dr. Mo Ibrahim, founder of Celtel  
Deputy Secretary-General of the United Nations Dr. Rose Migiro  
Danish Minister for Development Cooperation Ulla Tørnæs  
Director of the Brenthurst Foundation Dr. Greg Mills  
Managing Director of the World Bank Dr. Ngozi-Iweala  
International Director of DanChurch Aid Christian Friis Bach  
Chairman of the Board of Danida Klaus Bustrup  
Robert Calderisi, Economic consultant and writer  
UN Special Representative Ellen Margrethe Løj  
EU Ambassador Koen Vervaeke

envisaged results have been achieved. This includes that seven new sub-Saharan countries were included in the Global Competitiveness Report, and the World Economic Forum produced the report “Africa Competitiveness 2010: The State of Affairs” which was published and released at the 2010 United Nations Conference on progress in achieving the millennium development goals. The support of the Africa Commission has clearly furthered the work of the WEF in Africa and it is expected to be rolled out further.

The second initiative, Access to Finance, saw the establishment of the *African Guarantee Fund* (AGF) in close cooperation with African Development Bank and is now a well-functioning institution. The fund filled a gap in terms of providing guarantees to banks to reduce their risk (perceived or real) in facilitating lending to SMEs. The AGF was established in 2011 with capital from the ADB, Denmark and Spain. The AGF is still at an early stage of operations, but so far links have been established with 62 banks, and about 850 small and medium-sized enterprises (SMEs) have gained access to finance with many more expected to come. Being an innovative initiative, the AGF has attracted a significant level of additional funding from other donors which increases its sustainability prospects and outreach potential to many more SMEs.

The third initiative, *Unleashing African Entrepreneurship*, was implemented by the International Labour Organization (ILO) in Tanzania, Kenya and Uganda from 2010 to 2015, and led among other things to introduction of the entrepreneurship education in national curricula, and general entrepreneurship training and support to business start-ups. An estimated 40,000 enterprises were reported to have started by youth across Africa resulting from the ILO-implemented initiative. Curriculum has been developed for integrating entrepreneurship in education, more than 4000 teachers received training and 147,000 students have been reached.

## THE TEN POLICY RECOMMENDATIONS:

1. Increased emphasis on the role of the private sector.
2. Shift from donor led growth to private sector led growth.
3. Increase support from development partners to support private sector led growth.
4. Ensure progress on governance.
5. Develop and implement national development strategies involving stakeholders and improve business environment.
6. Establish strong partnerships between the public and the private sector.
7. Open markets – also for South-South trade.
8. Unleash the potential of women as drivers of economic growth and development.
9. Realise the potential of Africa’s youth by giving them influence of policies and strategies.
10. Strengthen effort to include climate change efforts in to development strategies.

The fourth initiative, *Sustainable Energy for Africa* (SEFA) was developed in close cooperation with the ADB and is implemented by the ADB. The initiative planned to stimulate and expand the emerging market for sustainable energy, primarily in rural areas, by strengthening the role of SMEs as producers, distributors, suppliers and consumers of decentralised and climate-friendly energy. SEFA has thus far seen slow progress but should now be at a stage where it is ready to accelerate implementation. It continues to be the ADBs only renewable energy instrument and has developed a solid pipeline of potential electricity generation projects - 13 approved so far - in its endeavours to bring more sustainable energy provision to SMEs. Expected results indicate that the amount of megawatts generated is anticipated to exceed targets.

The first project of the fifth initiative, *Skills for Youth*, was implemented in Benin, Burkina Faso and Zimbabwe. It saw a large roll-out of informal training and the project reports that almost 12,000 jobs have been created for youth, informal apprenticeships have been established, master crafts trainers trained, beneficiaries have participated and benefitted from crafts training and institutional partners have been trained. There is evidence that aspects of the project may be about to

become institutionalised in one country whereas there is little indication of this in the other countries.

Concerning the second project of the fifth initiative, *Support to universities, business and research in agricultural innovation* (UniBRAIN), the initiative aimed to link university education, research and business in sustainable agriculture to promote innovation and produce graduates with entrepreneurial and business skills and research-based knowledge that is relevant to the development of African agriculture and agro-businesses. The UniBRAIN program was implemented by the Forum for Agricultural Research in Africa (FARA). Progress has been slow but this should be seen in the light of probably over-optimistic projections of how rapidly self-sustainability of business incubators could be achieved. “The UniBRAIN model” has been branded well across Africa and is a well-known concept, which may per se lead to replication of the incubator idea as an approach to linking business and academia. The UniBRAIN Facility has institutionalised itself as the African Agribusiness Incubation Network. The African Agribusiness Incubation Network is now a legal entity governed by a board of directors and is likely to continue its operations, if additional funding is identified.

The Africa Commission recommended the establishment of an *African Monitoring and Evaluation Unit* to follow up on the Commission's recommendations and ensure continued African ownership of the activities and that the initiatives maintained their Pan-African scope. A unit was established, but it did not fulfil the important tasks that it was expected to undertake. However, the five initiatives were monitored in accordance with the standard monitoring procedures of the Ministry anchored in the Technical Advisory Services as well as part of the implementing organisations' own procedures.

In terms of transformative capacity, there are some noteworthy results so far. Several of the initiatives have contributed with some degree of upstream policy influence. The support to competitiveness benchmarking in Africa has inspired further results, such as the establishment of the Nigerian Competitiveness Council, and there are examples of the media picking up on the debate and undertaking a series of debates on competitiveness. The AGF was created from scratch, but has been able to gain momentum, and future commitment

of funding from a range of other donors, which will enable the AGF to continue to stimulate the market for SME financing. It is assessed as likely to see good results in the future and hence good potential for both expansion and replication, and may in that sense have a transformative capacity. The Sustainable Energy Fund for Africa can be considered a front-runner and innovative as being the first of its kind. It has attracted much additional donor funding, which can be regarded as an indicator of its transformative capacity. Moreover, the Sustainable Energy Fund for Africa is well integrated into a number of global initiatives.

There has thus been some policy influence of the initiatives, but the vision that the initiatives should be used actively as demonstration models for wider replication is still to be achieved.

The evaluation has summarised the key lessons from the Africa Commission's work:

- *Strategy for follow-up on policy recommendations.* The ten policy recommendations were not accompanied with an

operational plan or strategy for how they were supposed to be implemented and followed-up.

- *Ensure political ownership.* Related to the lesson learned above, ownership at political level must be ensured through encouraging leadership and active involvement of the institutions.
- *Secure solid results frameworks.* Danida aid management guidelines should be followed in all cases. Attempts to short-circuit the process may lead to the design of sub-standard results frameworks, making it challenging to assess the effectiveness of the projects.

## RESPONSE FROM THE MINISTRY OF FOREIGN AFFAIRS

The The Ministry of Foreign Affairs (MFA) is pleased to note the findings of the evaluation when it comes to the concrete results achieved through the initiatives born from the Africa Commission. Beyond the concrete results delivered, the evaluation also highlights the innovative and sustainable nature of several of the initiatives. Especially the African Guarantee Fund, which provides guarantees for banks and financial institutions to provide credit for small and medium-sized enterprises, and the Sustainable Energy Fund for Africa, administered through the African Development Bank, are deemed innovative and of great potential, in part due to their

ability to attract funding from other donors as well as private sector capital. There has been strong ownership in the organisations responsible for follow-up and implementation of the initiatives. For example there has been a strong and well-functioning cooperation between Danida and the ADB with regards to the follow-up of the initiatives anchored in that institution.

The MFA also agrees with the evaluation's conclusion that the policy recommendations were well in line with the international debate at the moment, which is also a reflection of the composition of the Commission. Hence the difficulties for

the evaluation in assessing the effects of the Africa Commission on the international debate. At a relatively early stage, the Commission pointed towards the rapidly growing young population in Africa and the need to address employment for these coming generations.

The MFA agrees that programmes and projects must have solid results frameworks to assess effective implementation and results monitoring. As highlighted by the evaluation, several of the initiatives have been of a very innovative nature, which has hampered the application of existing guidelines for development assistance.