

Terms of Reference

A Call to submit business plans by young entrepreneurs under 35 years for possible seed funding and business development support.

Project: Youth Unemployment

Application Deadline: 10 October 2019

Type of Contract: Institution

Languages Required: English

Starting Date:

Expected Duration of Assignment: Maximum of 3 months

1. BACKGROUND AND RATIONALE

In the State of the Nation Address (Sona), President Cyril Ramaphosa said government intend to create no fewer than two million new jobs for the youth in the next decade. The President reiterated this at the June 16th Youth Celebration held in Polokwane. The President further went on to indicate that his administration would support platforms that promote self-employment in rural areas and townships. He added that small business incubation centres would be rolled out to provide youth-driven start-ups with financial and technical advice.

Despite many efforts undertaken by both government and private sector focusing on entrepreneurship and participation of youth in the labour market , youth unemployment still needs attention and various interventions lack impact. As the President said. *“the brutal reality is that when it comes to youth unemployment, we have to run just to remain in the same place”* therefore youth unemployment will require a comprehensive approach whith myriad interventions complementing and augmenting existing interventions, and scaling up and expanding their reach and scope

Research by Ernst and Youth in 2015 found that 65% of the 2,800 young people surveyed around the world want to run their own business at some point in their careers These ambitions are particularly strong in developing markets Therefore the challenge is to create an environment with supporting systems that will enable young people realise their ambitions.

In heeding the call of the President of doubling our efforts to stem the tide of unemployment, UNDP in South Africa will launching a Youth Entrepreneurship Challenge Fund which is aimed at providing support business development support and financial support to young entrepreneurs under the age of 35 years.

2. OBJECTIVES

Invite young entrepreneurship under the age 35 to submit business plans for potential funding and support by UNDP

3. ELIGIBILITY CRITERIA

- Applicants must be between the ages of 15 and 35
- Applicant must have a business plan
- Business plans must be in English
- Business plans must follow the attached business template.

4. ASSESSMENT OF BUSINESS PLANS

UNDP will contract a competent and reputable service provider to assess applications and provide support to those business plans that have been selected for further support and funding

5. EVALUATION CRITERIA

The criteria which will be used to select business plans:

•Innovation: Initiatives that contain elements demonstrating clear innovation will receive preference. This could include using innovative technologies to deliver services to youth or young entrepreneurs in such a way that it improves their job prospects of profitability of the business respectively.

•Potential for job creation: The initiative must demonstrate a potential for job creation either through a project or a service provided by a company.

•Sustainability: The business or project that is supported must demonstrate its sustainability beyond the catalytic funding provided by UNDP and the job created must at least be sustainable for a period of 12 months (whether internship or temporary employment).

•Capacity to implement: Applicants must demonstrate relevant experience, organisational or individual capacity and capabilities to implement the initiative.

•Additionality: The Challenge Fund aims to support initiatives that will potentially be able to crowd in other funding either from Development Finance Institution or Commercial Banks to scale up the initiative.

•Contribution towards Sustainable Development Goals: The business or project must contribute towards achievement of Sustainable Development Goals.

•Gender balance – the selected projects will ensure a balance between young females and males bidding for the funding