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**Yes Youth Can! National (YYCN)**

Year 1 Second Quarterly Report  
October 1 – December 31, 2011

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

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CD	Country Director
COP	Chief of Party
DCOP	Deputy Chief of Party
FM	Fund Manager
GOK	Government of Kenya
MFI	Microfinance Institution
NBA	National Bunge Association
NGO	Non-Governmental Organization
SMEs	Small and Medium Enterprises
SYTT	Sustainable Youth Think Tank
TA	Technology Advisor
TTB	Table Top Banking
TTED	Think Tank Executive Director
TYF	Tahidi Youth Fund
YYC	Yes Youth Can!
YYCR	Yes Youth Can! Regional Implementing Partner
YYCN	Yes Youth Can! National
USAID	United States Agency for International Development

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## **EXECUTIVE SUMMARY**

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During the second quarter, YYCN expanded and refined its methodology, specified programmatic targets, built linkages with prospective partners and funders, recruited leadership and staff, and developed entrepreneurship and value chain capacity building. Substantial thought and operational improvement went into the grants methodology. An innovative youth-led County Bunge Forum Financial Review Committee shall now manage grant approvals in counties. YYCN is ready to commence grants immediately upon receipt of two remaining USAID waivers.

Further, YYCN believes it may enhance its ability to reach vulnerable youth in Youth Bunges by combining direct investment and financial intermediation by lending to microfinance institutions who would onward lend funds to youth in Youth Bunges on YYCN terms. Significant support exists for YYCN's enhanced methodology amongst the financial services sector and prospective local and international funders and donors. Specifically, Kiva, World Vision, Erase Poverty, and Kenya's Women's Enterprise Fund shall likely partner with YYCN to join funds to maximize youth impact. YYCN's grant officers shall serve as brokers between Youth Bunges and the YYCN initiated pro-youth financial services sector. YYCN shall continue to pursue select direct investment into Youth Bunges where other financial services options both do not exist and cannot be incented to enter.

During the quarter, YYCN honed in on aggressive output and outcome targets. Combining innovative methodology cross-cutting the four objectives, YYCN feels it will even exceed many difficult targets early in the program. In order to exceed expectations, YYCN recruited two additional members to its senior leadership team: SYTT Executive Director and a Technology Advisor. YYCN also drafted and disseminated the first of several to-come Do-It-Yourself toolkits to build youth capacity on a massive scale.

## **I. PROGRAM OVERVIEW**

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YYC will directly reach 1 million Kenyan youth over three years in six geographic regions - Rift Valley, Nairobi slums, Central, Nyanza, Western and Coast. YYC targets groups of youth (ages 18-35) who are already self-organized, or have the ability to self-organize, and who are financially excluded from the formal and informal financial system in geographic areas prone to political violence. The central component of YYCN is the operational, financially sustainable youth led, owned, and managed investment fund – the Tahidi Youth Fund (TYF). TYF, a concrete and transparent catalyst for youth empowerment, allows youth to directly access grants for economic development initiatives and micro-capital investments for existing and new youth enterprises. TYF will result in a cadre of youth investment officers, who will develop a clear understanding of how to analyze opportunities to attract investments as TYF transitions into an independent financial entity in 2014, through a “learn by doing” approach in financial and risk management. TYF staff and beneficiaries will represent youth from the targeted geographic regions that are invested in the success of the institution and have the capacity to manage it effectively. YYC will complement this innovative funding mechanism through:

- Technical resources and community mobilization that will simultaneously enhance the skills (demand) and opportunities (supply) for young Kenyans.
- Viable and successful youth-led enterprises created and strengthened to improve economic opportunities for youth and spur job creation and confidence in financial institutions to invest in youth financial services.
- Youth leaders equipped with the information, tools, and resources to effectively engage with policy makers at the national, county, and constituency levels.

Other integral components necessary for success include a national network of Youth Bunge leaders and a Sustainable Youth Development Think Tank. The Youth Bunge leaders shall be elected by their Youth Bunges and then elected to county positions and finally to the National Bunge Association (NBA). Throughout each stage, youth shall encounter direct ways to utilize leadership skills and affect meaningful positive development in their communities and beyond. The think tank shall be governed by an NBA appointed Board of Directors. In concert with international and local researchers and universities and an international think tank, youth shall direct the focus of youth issues for policy papers and other engagement.

## **II. PROGRAM PROGRESS**

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### **A. Cumulative Progress Overview**

Please find the attached APPENDIX I delineating YYCN’s cumulative progress overview.

### **B. Program Interventions**

**YYCN Goal: 1,000,000 Kenyan Youth empowered to promote their own development and become responsible citizens for peace and prosperity.**

*Objective 1: “New Partnerships”: Establish a youth-owned, youth-led, and youth-managed fund that can support local solutions for community economic development while it grows in value.*

<b>Summary of Objective 1 Results</b>
<ul style="list-style-type: none"> <li>• Increased possibilities for youth financing through financial intermediation to compliment direct YYCN investments. Kenyan financial services sector eager to participate.</li> <li>• Planning for value chain youth expos per county underway.</li> <li>• Significant interest from international donors and lenders in TYF.</li> <li>• Dissemination of Grants DIY Toolkit.</li> </ul>



#### **Activity 1.1 Youth-led, run and managed fund established to support youth economic empowerment and civic engagement:**

Legal documents finalized for the Fund. Youth elected name for the Fund: Tahidi Youth Fund (TYF). YYCN research during quarter leads program to believe that greater leverage and youth empowerment from a beneficiary and steering the financial market and TYF exists through greater use of financial intermediation than initial planned in the program design and proposal. Discussions with the microfinance association and microfinance institutions yielded extremely

positive results during the quarter. Institutions agreed in principal to lend on TYF terms without crushing interest rates and as well as adherence to the SMART Campaign principals of ethical lending and fair and reasonable collection practices. Formal term sheet and contract discussions shall commence in the next quarter following USAID approval to expand the program's scope more heavily into financial intermediation. At YYCN's request, Mercy Corps Headquarters to provide substantial support to vet and scale financial intermediation quickly.

**Activity 1.2 Public, private and civic partnerships created to connect youth to viable value chains and maximize the return on their investments:**

Participants solicited and beginning to enroll in county by county YYC value chain expos so youth know options to utilize community grants or YYCN loans/investments. Organizationally, substantive planning meetings held with Farm Concern International and Land-O-Lakes to link youth to agricultural value chains on a massive scale. Relationships fostered with KEPSA, commercial banks, microfinance institutions, other USAID programs, and technology firms (Google, Microsoft, Safaricom, etc.) to link youth value chains. Many more required with tangible partnership deliverables.

**Activity 1.3 Sustainability of the Fund secured through injection of \$22 million from investors, partners, and donors:**

Kenyan microfinance institutions and commercial banks both intensely eager to lend into Youth Bunges. Grant officers to act as deal brokers for financial institutions and Youth Bunges. Internationally, Kiva, World Vision, and Erase Poverty expressed strong interest during the quarter to fund TYF. Deal finalization expected early in the next quarter. Locally, Women's Enterprise Fund and Youth Enterprise Development Fund remain eager to partner in either TYF methodology. TYF methodology incorporating financial intermediation yields greater sustainability plausibility than starting an institution from scratch.

*Objective 2: "New Enterprises": Invest in economically viable youth enterprises with new finance products and methodologies, as well as development of new skills to facilitate livelihood development and employment.*

**Summary of Objective 2 Results**

- Community grants ready to commence immediately upon receipt of two remaining USAID waivers.
- Entrepreneurship DIY Toolkit draft distributed to youth organizers.
- Nairobi Service Provider Directory for value chains draft completed with others to follow.
- YYCN should exceed Implementation Plan targets through revised methodology.

**Activity 2.1 850,000 young people's community engagement and status increased through implementation of community economic development projects with grants from the Fund:**

External facing grant manual for Youth Bunge use completed. Compliance completed on grant application, grant agreement, and grant manual. Draft internal process manual underway. USAID and YYCN developed innovative County Bunge Forum Financial Review Committee to facilitate youth participation and ownership over grant application decisions per county. CBFs in Coast Province are currently undergoing training in revised methodology. YYCN ready to begin grants immediately upon specific waivers needed from USAID: DUNS number and

environmental waivers.

**Activity 2.2 Young people’s ability to contribute economically to their communities increased through stronger life, employment, and entrepreneurship attained through technical assistance:**

Entrepreneurship Do-It-Yourself Toolkit draft completed and distributed to youth delegates at the Organizers Conference. Toolkit delineates value chain identification among other salient issues. Draft Service Provider Directory for Nairobi completed detailing extensive value chains and suppliers/buyers for youth products and services. Nyanza directory in process with other provinces will finish during the next quarter.

**Activity 2.3 348,600 youth livelihoods enhanced through investments from the Fund:**

The revised methodology to incorporate both direct and indirect intermediation through YYCN initiated youth-friendly loans and investments should likely enable YYCN to blow through the full three-year targets very early in the program.

**Activity 2.4 5 youth financial products developed to improve the viability of youth enterprises:**

YYCN’s TYF financial intermediation should yield dramatically higher results for materially greater youth choices for financial products for Youth Bunge members.

*Objective 3: “New Networks”: Network and link youth groups, and youth-serving organizations and strengthen their linkages with all relevant development actors so that their activities are both economically and politically self-sustainable, and promote ethnic tolerance.*

Summary of Objective 3 Results
<ul style="list-style-type: none"><li>• Held 600 participant YYC Organizer’s Conference in December.</li><li>• YYCRs conducted first round of CBF elections. Inasmuch, NBA/CBFs conference location search and agenda underway.</li><li>• Recruitment identified top-notch objective 3 manager.</li><li>• Identified reality TV show entertainment firm and program agenda.</li><li>• Technology recruitments finalized, more to follow.</li><li>• Extensive negotiations with Safaricom on MIS system, sms platform, and mPesa integrated software options.</li><li>• Substantial progress on multiple technology partners.</li></ul>

**Activity 3.1 National Bunge Association established to involve youth in Kenyan development and reform issues:**

YYCN began recruitment for a Leadership Program Manager to lead objective 3. Top candidate identified and brainstorming began for NBA and CBFs. Also, MC Kenya logistics initiated a venue search and events organizing firm selection for the upcoming NBA conference in March 2012. YYCN will design and lead the NBA conference with feedback from USAID. Draft NBA agenda detailed during quarter, though provided to USAID in January.

**Activity 3.2 Inter-ethnic and inter-regional coalitions built through information exchanges and collaborative projects:**

Initial collaborative project occurred during the quarter with the YYC Organizer's Conference with nearly 600 participants across the YYC footprint. Conference included training, team bonding, feedback, and motivational programs. Exchanges and collaborative projects will begin in full force with the CBF and NBA conference next quarter. Also, YYCN during the October to December quarter initiated a competitive bidding process for a leadership, national ID campaign, and cross-cultural exchange reality TV show. Brainstorming session between USAID, YYCN, and the selected entertainment firm already held. Follow-up submitted. Production to commence next quarter.

**Activity 3.3 New technology innovations connect 1,000,000 Kenyan youth from different ethnic groups, regions, and socio-economic classes:**

Extensive planning and negotiations with Safaricom were undertaken during the quarter to develop and implement an sms platform and MIS software linked to mPesa. YYCN built relationships with multiple technology firms to partner with YYCN from discounted services, to free advice, to free software and hardware. Brought on YYCN Technology Advisor and commenced recruitment on multiple technology positions.

*Objective 4: "New Enabling Environment": Support broader based youth policy development to create a more enabling environment for youth enterprises, youth employment, and youth civic engagement.*

Summary of Objective 4 Results
<ul style="list-style-type: none"><li>• Recruited Sustainable Youth Think Tank (SYTT) Executive Director.</li><li>• Initiated negotiations for university partner to house SYTT.</li><li>• Initial research agenda decided.</li><li>• American collegiate partners and PYD researchers networked.</li><li>• SYTT to follow YYCN PR campaign conducted during the quarter.</li></ul>

**Activity 4.1 Sustainable Youth Think Tank established to conduct and disseminate youth policy research:**

Recruited Executive Director for SYTT: Rebecca Wolfe. Academically, Ms. Wolfe earned her doctorate from Harvard University and has experience lecturing at Princeton University. Programmatically, she specializes in program design and monitoring and evaluation. Also during the quarter, commenced favorable discussions with United States International University regarding housing the SYTT.

**Activity 4.2 Youth have increased knowledge and understanding of key policy issues that affect their lives:**

Decided on preliminary research agenda until the National Bunge Association appointed SYTT Advisory Board begins to shape research agenda in March 2012. Initial agenda responding to youth focus groups: national non-ethnic identity in youth leadership. Full-blown research agenda and dissemination platforms shall follow in subsequent quarters. Additionally, began networking with positive youth development researchers and approached possible American collegiate partners such as Teachers College at Columbia University.

**Activity 4.3 National policies are influenced by youth-led advocacy campaigns and engagement:**

Yes Youth Can National still too new to impact national policies at this stage. Nonetheless, YYCN did initiate the beginning of a public relations campaign with a well-placed newspaper advertisement. The public relations campaign shall continue to grow in the coming months. One material objective of the campaign is to soften up the ground for Government of Kenya stakeholders to positively accept Yes Youth Can and affiliated institutions, including the SYTT and youth-led advocacy campaigns. YYCN also held communications strategy sessions with a consulting firm and programmatic and USAID leaders.

**III. Constraints and Challenges**

- YYCN staffing is one month off our desired target. YYCN, Mercy Corps Kenya, and Mercy Corps Headquarters prioritized staff onboarding and, inasmuch, January 2012 commenced massive recruitment and resolved the delay.
- An original programmatic constraint involving the Government of Kenya’s initial concern for YYCN appears to be softening at the national-level. Pockets of apprehension and obfuscation still occur at local levels

**IV. Lessons Learned**

- As discussed above, YYCN may reach more youth with greater access to financial services through financial intermediation than through direct engagement.
- Mercy Corps Kenya shall hire a Knowledge Manager to capture, explore, and disseminate programmatic lessons learned on an ongoing basis.

**V. Planned activities for next period of three months, January – March 2012**

January – March 2012 will form the third quarter in first year of the YYCN program implementation.

Activity (Person responsible)	2012		
	January	February	March
<b>Program start up</b>			
Hiring of program staff in APPENDIX II.			
<b>Objective 1: “New Partnerships”: Establish a youth-owned, youth-led, and youth-managed fund that can support local solutions for community economic development while it grows in value.</b>			
Conceptual buy-in on refined TYF methodology by international and local funders.			
Solidify formal deals with international and local funders.			
Finalize due diligence methodology for financial sector partners.			
First TYF loans to financial intermediaries.			
Scale TYF loans to financial intermediaries.			
Youth advisory board appointed by the NBA inaugurated for TYF.			

**Objective 2: “New Enterprises”:** Invest in economically viable youth enterprises with new finance products and methodologies, as well as development of new skills to facilitate livelihood development and employment.

Obtain necessary grant waivers from USAID.			
Capacity building of CBF Financial Review Committees.			
Begin grant making in Coast Province.			
Begin grant making in Central Province and Western Province.			
Scale grant making in Coast Province.			
Commence county youth value chain expos.			
Mass distribution of Entrepreneurship DIY toolkit.			
Disseminate Nairobi Service Provider Directory.			
Finalize Nyanza Service Provider Directory.			
Disseminate Nyanza Service Provider Directory.			
Conclude Coast and Rift Valley Service Provider Directory			

**Objective 3: “New Networks”:** Network and link youth groups, and youth-serving organizations and strengthen their linkages with all relevant development actors so that their activities are both economically and politically self-sustainable, and promote ethnic tolerance.

Finalize recruitment for objective 3 manager: “Leadership Program Manager”.			
Author and disseminate to each CBF and NBA member a Bunge Guidebook detailing governance, internal controls, leadership, etc.			
Form youth advisory boards selected by the NBA.			
Schedule capacity enhancement sessions for elected County Bunge Forums.			
Draft youth leadership engagement strategy to discuss with USAID and subsequent implementation.			
Facilitate a national conference for County Bunge Forum leaders with specific learning and team formation objectives.			
Hold National Bunge Association elections at the County Bunge Forum-level under YYCN direction and YYCR collaboration.			
Facilitate first National Bunge Association meeting with specific governance, learning, and team formation objectives.			
Conclude hiring youth leadership development team for objective 3.			
Complete hiring the technology team.			
Negotiate more favorable Safaricom terms or engage other providers.			
Develop framework for sms platform and delineate available options in Kenya vs. what must be built.			
My ID My Life advocacy campaign rollout.			
Commence national public relations campaign to ramp up to the NBA.			

**Objective 4: “New Enabling Environment”: Support broader based youth policy development to create a more enabling environment for youth enterprises, youth employment, and youth civic engagement.**

Finalize partnership with local university partner to house SYTT.			
Finalize partnership with international think tank to incubate the SYTT.			
Continued identification of international and local researchers to participate.			
First international university partnership finalized.			
Commence first study on youth national vs. ethnic identity.			
Surveys determined and disseminated to youth leaders during the CBFs conference and first NBA meeting.			
Youth Advisory Board installed.			

**VI. Additional notes on above Gantt Chart action items.**

**Activity 1.1 Youth-led, run and managed fund established to support youth economic empowerment and civic engagement:**

- Solid relationships exist between YYCN and several microfinance institutions: KADET, Faulu, SMEP, Juhudi Kilimo, Musoni, and Maono.
- Above institutions eager to engage on YYCN’s methodology and terms.

**Activity 1.2 Public, private and civic partnerships created to connect youth to viable value chains and maximize the return on their investments:**

- Many service providers in youth value chains ready to showcase products/services at youth value chain expos.

**Activity 1.3 Sustainability of the Fund secured through injection of \$22 million from investors, partners, and donors:**

- Expect to solidify commitments reasonably at \$30 million during the quarter.

**Activity 2.1 850,000 young people’s community engagement and status increased through implementation of community economic development projects with grants from the Fund:**

- Develop CBF Financial Review Committees and rollout grants immediately upon USAID waiver approval.

**Activity 2.2 Young people’s ability to contribute economically to their communities increased through stronger life, employment, and entrepreneurship attained through technical assistance:**

- Significantly ramp up hiring of grant officers.

**Activity 2.3 348,600 youth livelihoods enhanced through investments from the Fund:**

- Mass distribution of the DIY entrepreneurship toolkit.

**Activity 2.4 5 youth financial products developed to improve the viability of youth**

**enterprises:**

- Reasonably expect to reach the target by June 30, 2012.

**Activity 3.1 National Bunge Association established to involve youth in Kenyan development and reform issues:**

- Rollout NBA elections and first meeting in massive public relations campaign. YYCN's two new communications professionals to fully engage on the initiative.

**Activity 3.2 Inter-ethnic and inter-regional coalitions built through information exchanges and collaborative projects:**

- Specific planned agenda around these themes for the CBFs conference and first NBA meeting.
- Exciting progression in discussions about the reality TV show.

**Activity 3.3 New technology innovations connect 1,000,000 Kenyan youth from different ethnic groups, regions, and socio-economic classes:**

- Incoming technology team and consultants to propel prioritized initiatives forward.

**Activity 4.1 Sustainable Youth Think Tank established to conduct and disseminate youth policy research:**

- USIU: Productive conversations with faculty and academic leadership. Ran into bureaucratic hurdles in the university structure, so utilizing muscle in the Vice Chancellor's office to broker a deal fast.

**VII. List of sub-grants**

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1. Technoserve (service provider directory, scale-up mentoring and linkages, training and select toolkits)
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