Challenge Fund for a Just Transition

Some Challenges Faced When Thinking About Climate Change:

- Desertification
- Food Insecurity
- Water Crisis

Yet, as we work towards solving these problems,

How can we also utilize these green solutions to create a more sustainable world and to provide decent life opportunities for everyone?

Context and Motive

North Africa has a relatively young population, which is expected to grow by a quarter by 2030. The region suffers from high unemployment and underemployment levels which are accentuated in rural areas and marginalized regions. The region is particularly vulnerable to the negative effects of climate change, such as water scarcity, intense heat waves, scarcity-induced conflict, rising sea levels, etc.

In order to face these challenges, the countries of the region need to adopt a sustainable economic model which facilitates decent, green employment, especially for women and young people.

Donor

Ministry of Foreign Affairs of the Netherlands

The Project (CFJT)

The Challenge Fund for a Just Transition (CFJT) is a 3 year-long project funded by the Challenge Fund for Youth Employment (the Ministry of Foreign Affairs of the Netherlands), and aims to contribute to climate change mitigation by supporting small and growing businesses (SGBs) in North Africa to provide sustainable, decent jobs in the region's green transition process.

Scope of the Project

- Morocco
- Tunisia
- Algeria
- Egypt

Project Duration

June 2022 – July 2025

Project Budget

€15M
CFYE → €5M
Partner Leverage → €10M
The Project Approach

The CFJT focuses on identifying green SGBs and providing them with the right support to scale rapidly through an alliance of local and regional partners. The project specifically seeks to identify and support SGBs that can act as catalysts for green value chain micro clusters. By rapidly scaling such “champion” SGBs, the CFJT also scales the clusters of micro-suppliers and distributors, as well as the micro-business clients around the SGBs, which will lead to the creation of new jobs, improve conditions of existing jobs, and connect unemployed youth with job opportunities. Through:

- Providing Sector Focused Technical Assistance
- Conditional Co-Financing
- Supporting the Building and Strengthening of Relevant Micro Clusters

The CFJT accelerates the SGBs’ scalability and ensures that all employment opportunities created in the process are green and decent based on a strong business case that enables the continuous growth of the SGB.

The Project Objectives

The general objective of the CFJT is to contribute to climate change adaptation and mitigation efforts by providing sustainable, decent jobs for 10,000 young women and men within North Africa’s green transition. To achieve this goal, the CFJT has 3 specific objectives:

1. Enable 25 SGBs contributing to the green transition, and their micro-businesses networks, to scale their businesses
2. Increase the technical capabilities and financial resources of SGBs and local project partners to leverage more commercial and non-commercial financing
3. Incentivize systematic change by providing proven business cases highlighting the commercial opportunities of a just and green transition

The Project Results

The first call for applications was launched in January 2023. Since then, the project selected a total of 36 SGBs in the 4 targeted countries, and is working on expanding its portfolio in the region.

Consortium Partners

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<thead>
<tr>
<th>Country</th>
<th>#SGBs</th>
<th>Sectors</th>
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</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>10</td>
<td>Food Industry / Agriculture / Agrifood / Health</td>
</tr>
<tr>
<td>Tunisia</td>
<td>13</td>
<td>Food Industry / Transportation / Agribusiness / Energy / Commerce</td>
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<td>Algeria</td>
<td>7</td>
<td>Energy / Recycling / Agrifood</td>
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<tr>
<td>Morocco</td>
<td>6</td>
<td>Food Industry / Agribusiness / Eco-construction / Recycling</td>
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Regional Partners:
- New Silk Roads
- Chemonics Egypt Consultants
- FLAT6LABS
- Impact Partner
- efe
- Ambo Ventures
- VENTURES

Conditional Co-Financing:
- Morocco
- Tunisia
- Algeria
- Egypt