tion criteria for the entrepreneurs who receive investment.

How the fund managers are selected also matters. To ensure true investment independence from the government, fund managers and board members must be chosen in a transparent and competitive process. And once selected, representatives of the government entrepreneurship fund agency can sit on the investment committee for oversight purposes but should respect the fund managers independent decision-making.

There are examples of funds being set up without the necessary independent, accountable fund managers. One is the YouWin program in Nigeria. Created in 2016, it was set up to help youth entrepreneurs grow businesses. But senior civil servants handed out awards to friends and relatives.

Government supported fund managers through the FoF model can also catalyse additional investment. By operating in markets and sectors often ignored by traditional private equity funds, Small Enterprise Assistance Funds and enterprise funds have mobilized additional capital for investment-starved companies. African government-backed entrepreneurship funds could do the same by participating in blended finance deals with development finance institutions, social-impact investment funds, local banks and other market players to back growing firms.

Measuring success

While not actively managing the funds portfolio investments, governments have a key role to play in guiding the funds priorities. Priorities may vary by country and given Africa s growing rates of unemployment, funds should prioritise job creation by evaluating investment on key performance indicators. These would include the number of jobs created per dollar invested, indirect jobs created per dollar invested, and average salary of job. In addition to job creation, governments can direct funds to focus on specific sectors either in need of increased capital or high-growth areas in local economies.

Beyond establishing investment criteria, government-backed funds should prioritise rigorous measurement of investment results and long-term data tracking to inform future investment decisions. The UK British Bank regional growth fund found the cost per job created varied considerably by project from £4,000 to over £200,000. It concluded that a better allocation of funds could have led to thousands more jobs created for the same resources.

Data driven investments can not only lead to a better results, but further curtail issues around potential mismanagement of funds.

Tackling Africa's job creation challenge requires innovative thinking and initiatives that support private sector-led growth. Looking to the model of Small Enterprise Assistance Funds and enterprise funds, African governments can spur local ecosystems and drive new private capital to regions today seen as unfriendly or too risky to outside investors.

Properly structured investments today could yield much larger dividends tomorrow.