GIVE YOUTH A CHANCE: AN AGENDA FOR ACTION

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MULTILATERAL INVESTMENT FUND
The MIF...

- Is a laboratory for testing, pioneering, innovating, and taking initial risk to unlock private sector activity at the base of the pyramid
- Helps others take successful models to scale
- Focuses on poor and low-income populations: their businesses, their farms, and their households
- Empowers clients through tools to increase their incomes: access to finance, markets and skills, basic services and green technology
- Is on the ground: 45% of staff based in the region
- Provides grants (69%), early stage equity (22%), and loans (9%) to project partners—alone or in combination depending on the nature of the obstacle or market failure to be overcome
- Leverages private and public resources to magnify impact. In 2011, each $1 of MIF investment was matched by almost $4 from partners.
Well Suited to Youth Training Challenges

- Openness to innovation and adaptation; tolerance for risk
- Region-wide knowledge sharing
- Commitment to results measurement and impact evaluation
- Capacity to mobilize best implementing partners and funding partners
- Well-positioned for increasing systematic impact
The Challenges

FOR YOUTH

- 148 million are between the ages of 15 and 29
- 32 million 1 in every 5 youth (15-29) is not in education, employment, or training
- 50% of employed youth work in the informal sector

FOR EMPLOYERS

- 41% of employers in Americas struggle to find qualified employees (71% in Brazil)
- Over 90% of employers surveyed in LAC valued life skills as highly as technical competencies
- 88% of employers surveyed in Argentina, Brazil and Chile indicated that life skills are the most difficult capacities to find
18 Years of Experience

120+ youth employment and entrepreneurship projects

235,000 poor and low-income youth trained in 24 countries

Total MIF investment $77 million

with an additional $125m leveraged from public and private partners
Employment Training Model

- **ASSESS MARKET DEMANDS**
  - Survey employers & private sector associations
  - Diagnose youth needs
  - Develop curricula to respond to youth and employer needs

- **LIFE SKILLS TRAINING**
  - Teach youth core life skills, such as communication, respect, teamwork, etc.
  - ICT literacy
  - Reinforce basic math/reading skills, as needed
  - Reinforce values throughout training program

- **TECHNICAL TRAINING**
  - Provide in-demand technical training in sectors relevant to the local market
  - On-the-job training is an option

- **INTERNSHIPS**
  - Incorporate into training cycle to get real work experience

- **JOB PLACEMENT SERVICES**
  - Career counseling
  - Job seeking skills
  - Access to databases
  - Coaching on interviewing and CVs
  - Outreach to employers & matching youth with vacancies

- **MEASURE OUTCOMES**
  - Employment rates
  - Formal education re-enrollment
  - Employer/youth satisfaction
  - Quality of employment
Employment Training Model: Key Results

**Entra21**
- 135,000+ youth trained
- 22 countries
- 59 projects in the region
- 48% job placement rate

**A Ganar**
- 3,200 youth trained in 3-country pilot
- 70% of graduates had a job, returned to school or started a business
- Has expanded to 12 countries in the region
Entrepreneurship Training Model

**PARTICIPANT SELECTIONS AND SCREENING**
- Diagnose youth needs
- Define screening criteria

**NON-FINANCIAL SERVICES: MENTORING AND COACHING/ADVISORY SERVICES**
- Volunteer mentors serve as role models, contacts and sounding boards for ideas
- Personalized guidance from experienced business coaches to help youth start and run their businesses

**BUSINESS PLAN PREPARATION AND COMPETITIONS**
- Competitions can be used as filters to select participants
- Business plan development is a practical learning tool

**BUSINESS AND ENTREPRENEURSHIP TRAINING**
- Build entrepreneurial skills (problem solving, creativity, leadership)
- Build core business skills (accounting, pricing)
- Reinforce basic math and reading skills as needed

**FINANCIAL SERVICES**
- Facilitate access to capital for young entrepreneurs
- Financial literacy training

**MEASURE OUTCOMES**
- Business creation and survival rates
- Job creation rates
- Business formalization rates
- Business profitability
## Entrepreneurship Training Model: Key Results

<table>
<thead>
<tr>
<th>Youth Business International (YBI)</th>
<th>Colectivo Integral de Desarrollo (CID)</th>
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<tbody>
<tr>
<td>2,875 youth trained in Argentina, Mexico and Colombia</td>
<td>893 youth trained in Peru</td>
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<tr>
<td>1,200 new businesses created</td>
<td>770 businesses created or consolidated</td>
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<td>Approx. 3,200 additional jobs created (2.7 jobs per entrepreneur)</td>
<td>Approximately 1,480 additional jobs created</td>
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<td>Average loan size: $2,000</td>
<td>Model replicated in the Dominican Republic</td>
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Model replicated in 4 Caribbean countries
Lessons Learned: Understanding Youth Needs

- Maximize retention by addressing common reasons for dropping out
  - Set convenient hours and locations for training
  - Use interactive teaching approaches that engage youth

- Address specific issues facing young women
  - Domestic violence
  - Childcare
  - Low self-esteem

- Engage youth in project design, implementation and evaluation
Lessons Learned: The Importance of Life Skills

- Employers value life skills (communication, teamwork, motivation, responsibility, etc.)
- Quality and personality of life skills trainers is key
- Creative teaching methods (sports, art, technology) are most effective
- Apply life skills throughout training process to reinforce through practice
Lessons Learned: Employment Program Design

- Provide business solutions for employers
- Offer graduates recognized technical certification
- Develop clear value proposition for companies to host interns
- Fully integrate job placement services
- Consider creative job placement solutions for at-risk youth
  - Subsidize initial internship/job costs
  - Youth-led cooperatives
Lessons Learned: Entrepreneurship Program Design

- Screen youth for entrepreneurial characteristics
- Combine “core” business administration skills with “softer” entrepreneurial skills
- Business plan competitions are just part of training process, not the end in itself
- Target volunteer mentors using a corporate social responsibility message
- Separate training and financing functions
Lessons Learned: Achieving Scale

- Drive scale through integration into public and large corporate training programs
- Need quality control through standards, guidelines, and monitoring as programs expand
- Demonstrate results to ensure sustained public sector support
- Lower costs: a model scaled by a government reduced costs from an average of $1,000 per youth in smaller scale MIF projects to less than $400 per youth
An Agenda for Action
NEO brings together private and public actors to provide youth training and job placement services on a large scale.

NEO’s founding partners: the MIF, Arcos Dorados, Caterpillar, Cemex, Microsoft, Walmart, IDB’s Social Sector, and the International Youth Foundation.

NEO’s goals:
- Train one million youth in 10 years
- Job placement rates of at least 50%
- At least 50% of youth trained are young women
- Adoption of high-impact training models by governments in at least 10 countries
- Mobilize 1,000 companies in the region
ROLES OF NEO PARTNERS

- Implementing partners (MIF, IDB, IYF): design, implementation, evaluation

- Corporate Partners: strategic guidance on country priorities, training and job placement approach, providing jobs, internships and resources, engaging local businesses

- Governments: incorporating training models in employment and education programs, increased scale, reduced costs
Innovation

- New, targeted skills certification models
- Online platforms and social media as effective job training and placement tools
- Incorporate mentoring and community service for at-risk youth into life skills training
- New screening approaches for young entrepreneurs
- Link youth enterprises to value chains of large companies
- Develop financial products for young entrepreneurs
Results, Evaluation and Knowledge Sharing

- Core set of performance indicators
- Standardized monitoring tools
- Consistent impact evaluation methodologies
- Executing agency capacity building
- Guides and toolkits on internships, labor market assessments, career counseling, business plan competitions, mentor cultivation, and strategic communication.
Youth Empowerment

- Engage youth as beneficiaries, partners and leaders
- Create formal channels for youth to lead and advise in project design and implementation
Gender

- Assess impact of gender differences on project activities
- Address specific barriers facing girls, such as household responsibilities, child care, domestic violence
- Facilitate entry of young women into non-traditional jobs
- Create girl-only “safe spaces”
- Build family support
- Monitor outcomes using gender-specific indicators
What We Look for Implementing Partners

- Core focus on youth development
- Youth project implementation experience
- Ability to learn and improve by applying new models, best practices, evaluations, etc.
- Commitment to results and impact measurement and evaluation
- Capacity to build partnerships with public and private actors
THANK YOU

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