

January 2015
Programme Document *(Amendment 1)*
Inception Phase YouthStart Global: Boosting Economic Opportunities for youth
2015-2016

Expected Programme Framework Impact:

800,000 youth (15-24 years old) in particular young women, youth living in rural areas and out of school youth transition from school to work at the right time, secure decent work and /or start or expand their own business.

Expected Inception Phase outcome: Secure commitment for the programme both politically and financially, while laying the foundations for effective country specific programme design and implementation.

Programme Duration: <u>20 months</u> Anticipated start/end dates: <u>01/04/2015 to 31/12/2016</u> Implementing partner: UNCDF	Total estimated budget: <u>\$1,156,843</u> Out of which: 1. Funded Budget: <u>\$ 1,053,851</u> From Core: <u>\$ 415,851</u> From Non-Core: <u>\$ 638,000</u> Of which PFIS <u>\$ 388,000</u> Of which Luxembourg <u>\$ 250,000</u> 2. Unfunded budget: <u>\$ 102,992</u>
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Brief Description

This initiation phase entails a county specific situation analysis of the youth economic opportunities ecosystem in ten to fifteen countries. This exercise will result in youth specific country assessments that will inform specific country programme design, secure funding and political commitment for the larger strategic programming framework of YouthStart Global.

This document outline the expected outcome and outputs of the initiation phase of YouthStart Global as well as its contribution to a much larger programming framework.

Agreed by UNCDF: *Judith Karl*
Judith Karl, Executive Secretary

Date: *18 March 2016*

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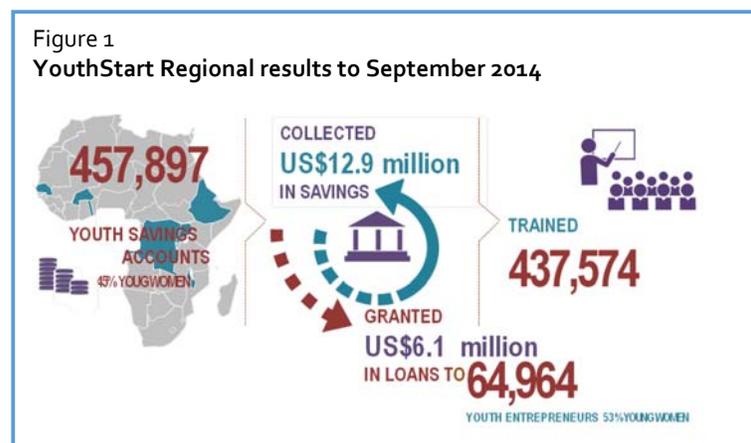
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LIST OF ACRONYMS

ACSI	Amhara Credit and Saving Institution
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest
CYFI	Child and Youth Finance International
FIPA	Inclusive Finance Practice Area
FSP	financial service provider
FTB	Finance Trust Bank
HE	household enterprise
IANYD	UN Inter-Agency Network on Youth Development
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
INGO	international non-governmental organization
LDC	least developed country
MNO	mobile network operator
PAMECAS	Partenariat pour la Mobilisation de l'Épargne et le Crédit au Sénégal
PBA	performance-based agreement
PMU	programme implementation unit
RfA	request for application
SBAA	Standard Basic Assistance Agreement
TVET	technical and vocational education and training
UNCDF	UN Capital Development Fund
UNDP	UN Development Programme
UNESCO	UN Educational, Scientific and Cultural Organization
UNIDO	UN Industrial Development Organization
USAID	United States Agency for International Development
VSLA	village savings and loan association
YEO	youth economic opportunity
YFS	youth financial services
YS	YouthStart
YSO	youth serving organization

1. BACKGROUND OF THE INCEPTION PHASE

In 2010, UNCDF in partnership with The MasterCard Foundation launched the YS programme, Building Youth Inclusive Financial Sectors in Sub-Saharan Africa, as a regional pilot. This innovative programme has worked with 10 partner FSPs in eight countries in sub-Saharan Africa, granted access to financial services to over 450,000 young people (of which 45 percent are young women), and trained almost 4350,000 youth in financial education (46 percent young women). Youth that have opened savings accounts with YS partners have accumulated over \$12.9 million in savings and accessed over \$6.1 million in loans (see figure 1). Early findings from research conducted by the regional pilot access financial services (eg.



savings, loans etc) in order to open their own business or to reduce risks associated with the transitions that youth undergo (eg. dropping out of school).

UNCDF has learned from the different approaches in which financial inclusion can help address the youth employment challenge

through the regional pilot. In particular, UNCDF gained a deeper understanding of a) the types of financial services that best meet the needs of youth according to their socio-economic context and developmental stages, b) the types of financial services that can best mitigate the risk of lending to youth; c) the business models that FSPs can use to deliver financial education to youth, d) the business case for YFS; e) the types of trainings and tools necessary for FSPs to gain a better understanding of the youth market; and, f) the changes needed in the policy and regulatory environment to increase access to financial services for youth.

However, UNCDF also learned that, if we want to have greater and long-lasting impact in the youth economic opportunity (YEO) sphere, we need to go beyond financial inclusion. We need to ensure that while young people access relevant and affordable financial services they also gain access to entrepreneurship training, mentoring, apprenticeships and other relevant non-financial services that support their transition from school to work, secure decent work and/or start/expand their own business. We also need to ensure that the right policies and regulatory frameworks are in place to support these transitions and greater access to economic opportunities for youth.

UNCDF is proposing to take the best practices from the FSPs that participated in the regional pilot and scaling them up, as well as improving the programmes based on lessons learned within the framework of a new programme called YouthStart Global.

The programme will be implemented in 3 phases:

- an inception phase that entails a country specific analysis of the youth economic opportunities ecosystems in each country and getting the necessary government support;
- a phase 1 that consists on selecting the right partners to work with in each country, and;
- a phase 2 that consists in supporting selected partners to develop, test and scale up relevant, accessible and affordable services to youth.

2. DEVELOPMENT CONTEXT AND RATIONALE

2.1. THE NEED TO CREATE JOBS WHERE THERE ARE NO JOBS

There are an estimated 3 billion people in the world under the age of 25. Approximately 1.2 billion are between the ages of 15 and 24, which accounts for 17 percent of the global population.¹ Although this vibrant group has much to offer the world in terms of innovation, labour and enthusiasm, they are disproportionately affected by high unemployment rates and represent 40 percent of the world's unemployed. In Africa, three out of five young people are unemployed while in Southeast Asia and the Pacific, youth unemployment rates are six times those of adults.² In total, 75 million youth do not have a job and are actively looking for one. These data suggest that, even during periods of economic growth, many economies have failed to absorb large youth populations into the labour market and therefore have also failed to translate this growth into more and better economic opportunities for youth.

In Africa, for example, wage and salary jobs in the industrial sector are projected to increase 55 percent over the next 10 years, while the African youth population is expected to double from 200 to 400 million in the next 20 years.³ These projections suggest that, even if more jobs are created in the formal sector, the majority of this generation's workers will remain in the informal sector and, as a result, young people will need to create their own economic opportunities.

2.2. FROM ACTUAL TRANSITIONS TO IDEAL TRANSITIONS

Transition is the defining feature of youth.⁴ These transitions can be broken into five categories, as documented by the World Bank's Development Report:⁵

- **Learning:** Acquiring knowledge and skills necessary to be a productive member of the labour force.
- **Working:** Actively using the skills and competencies acquired from education investments to earn a livelihood.

¹ [World Youth Report](#) (New York: United Nations, 2010).

² [Global employment trends for youth: August 2010—Special issue on the impact of the global economic crisis on youth](#) (Geneva: International Labour Organization, August 2010).

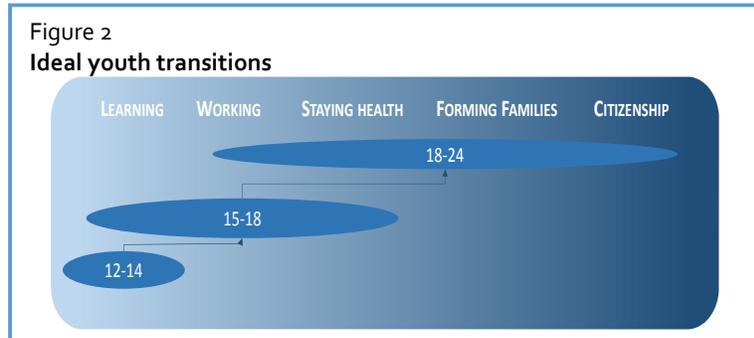
³ (Washington DC: World Bank).

⁴ World Development Report 2007 (Washington DC: World Bank, 2006).

⁵ Ibid., Ch.2: Youth Transitions. As noted in the report, transitions between phases vary by country and individuals.

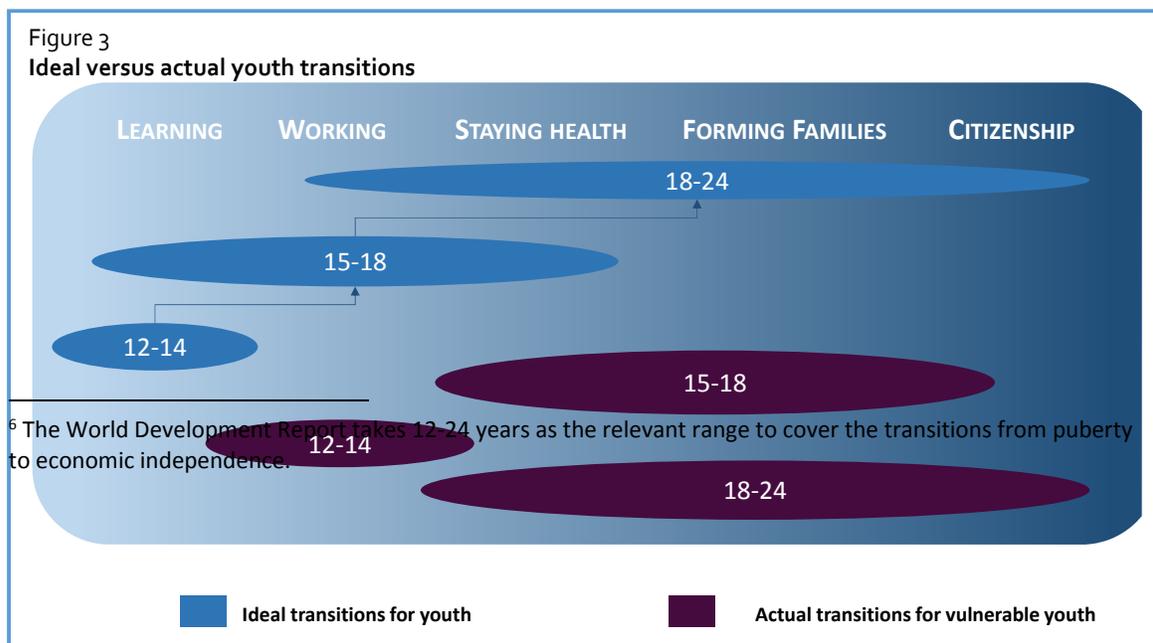
- **Staying healthy:** Making decisions which lead to maintaining good personal nutrition and physical form to live a balanced and capable life.
- **Forming families:** Ability to plan, bear and raise healthy children.
- **Citizenship:** Actively enjoying the privileges and protections, as well as the incumbent obligations, associated with community membership.

The transitions can be fluid, assuming the appropriate support and learning is available to youth during each stage. Ideally, the timing of the transitions occurs at particular age points that can be classified as 12–14, 15–18⁶ and



(overlapping) 18–24 (see figure 2). Those at the early stage of youth, 12–14, are more likely to be focused on learning, while those in the 15–18 stage experience the first big transition in their lives as they start their journey from childhood to adolescence. This period is particularly important for setting the stage for continued development, as individuals start engaging in a variety of activities that influence the rest of their lives. For example, they start making decisions about work or whether or not to engage in risky behaviours such as tobacco or alcohol use. Young adults, 18–24, go through another kind of complex transition. At this stage, youth start taking definite steps to achieve measures of financial, residential and emotional independence. As youth move into emerging adulthood (around the age of 18), their choices and challenges start to include decisions about family, career (when available) and entry into the labour market.

However, the absence of appropriate support and learning for youth, coupled with social and financial pressures, may force youth to take on adult roles at a premature age (see figure 3). For example, a 15-year-old may be forced to drop out of school and abruptly move into an adult role by getting married (in particular for girls) or helping her household generate some revenue. For adolescent girls, this transition may be harder, as they are also evolving from girlhood to womanhood. These abrupt shifts may cause feelings of



uncertainty among youth, which can result in stress, poorly informed personal decisions, and limits on what they see for their own future. According to the financial diaries conducted by YouthStart, major source of stress for youth, in particular, are financial pressures.

The YS regional pilot has been mindful of the difficulties youth face during these transition periods, noting that youth between the ages of 15 and 24 are especially in need of support systems to guide them in particular through the transition from learning to work.

2.3. CONSTRAINTS THAT LIMIT YOUTH POTENTIAL TO TRANSITION TO PRODUCTIVE EMPLOYMENT

As youth go from childhood to adulthood they are faced with the following four constraints that limit their potential for making the above mentioned transitions at the right time and for finding their own pathways to productive economic opportunities:

Skills gap

The first constraint relates to the lack of relevant skills and education to either secure decent work or start/expand their own business. In addition, child labour—common in many countries and largely associated with lower school attendance and educational attainment—often leads to delays in human capital. This skill deficit is being felt all over the world. UN Educational, Scientific and Cultural Organization (UNESCO) calculates that one fifth of young people aged 15 to 24 in all developing countries have not even completed primary school and lack skills for work.⁷ And, the ILO estimates that 130 million young people lack the basic reading, writing and numeracy skills needed in everyday life.⁸ Many are emerging from education without these basic skills, making it difficult for them to obtain technical skills needed to compete in the labour market or transition into secondary school. The Ministry of Education in most countries is not able to ensure that schools, universities and other education providers equip learners with the education needed to transition to financial independence.

This constraint refers not only to the skills gap between what youth learn at schools, universities, vocational schools, technical and vocational education and training (TVET) and YSOs and what is demanded in their changing economies; but also the lack of connections and networks needed to successfully make those transitions. For example, some of the vocational schools that FSPs worked with during the regional pilot offered services to build the skills of young people to create businesses in already saturated markets (e.g., tailoring for young women or mechanics for young men). As a result, once youth graduate from these kinds of programmes, they are discouraged to find they cannot apply their new skills to successfully transition to financial independence.

To fill the skills gap, we should take steps to strengthen traditional apprenticeships systems like the ones found in West Africa. This is important because in many of these countries the majority of all basic skills training of individuals that lack the educational requirements for formal training, come from traditional apprenticeships. This indicates the existence of both supply –master craft workers capable of delivering training- and demand- youth employees

⁷ Education for all Global Monitoring Report 2012: Youth and Skills—Putting education to work (Paris: UNESCO, 2012).

⁸ Global Employment Trends 2012: Preventing a deeper jobs crisis (Geneva: ILO, 2012).

seeking training. However, they favour young men, screen out applicants from very poor households, perpetuate traditional technologies and lack standards and quality assurance⁹.

Making the transition from school to work, and making it at the right time, is particularly more difficult for young women. Given the limited resources of a family, the cultural notion still persists that if families have meagre resources to pay for education, then it is more advantageous to educate the males. In many developing countries, marriage and childbearing prevent young women to continue going to school and/or invest in vocational training services. Distance to schools may also reduce young women's attendance as their personal security is a concern for parents.

Limited access to finance

The second constraint, currently being addressed through the regional pilot, is the lack of access to financial resources to start or expand a business. Of youth surveyed in 2012 by the UN Inter-Agency Network on Youth Development, 52 percent considered lack of access to financial services the major obstacle to entrepreneurship.¹⁰ Young participants in the [Jua Kali Pilot Voucher Programme in Kenya](#), reported that lack of access to financial resources was one of their major barriers to entrepreneurship¹¹. Yet, in developing countries, 62 percent of youth remain outside the formal financial system.¹² Many FSPs consider lending to start-ups and youth risky. Other reasons that FSPs do not provide YFS include legal restrictions, high transaction costs and negative stereotypes about youth.

This constraint refers not only to access to credit to start a business, but also to access to secure places to accumulate assets, insurance and other relevant financial services. Lack of access to financial services is even more acute for young women than for young men. For example, most YS partners experienced challenges reaching young women during the regional pilot because, in some cultural settings, parents who are required to open a savings account for a child are more likely to open an account for their son than for their daughter. This trend is due to the fact that, in some countries, the cultural norm is to invest in young men because young women will marry into another family and their savings will go with them to that family.

Lack of youth-friendly policies and programmes

The third constraint is the lack of appropriate policies and regulation that facilitate economic opportunities of youth. Some policies, such as facilitating the start-up or operation of new businesses, or promoting the development of sectors where there are economic opportunities for youth, are not youth specific but are likely to have a disproportionate impact on youth. For example, many youth in developing countries live in rural areas and most of the employment opportunities they find are not only in agriculture but also off farm¹³. Development of the non-farm sector is tied to improved productivity on the farm. Given youth's advantages in using new technologies, policies that promote small

⁹ World Development Report 2007, chapter 3. (Washington DC: World Bank, 2006)

¹⁰ [Report on the United Nations System-wide Action Plan on Youth \(SWAP\) Survey](#) (New York: UN, 2012).

¹¹ Adams, Avril. "Assessment of the Jua Kali Pilot Voucher Program". World Bank

¹² (Washington DC: World Bank, 2012).

¹³ World Development Report 2007, chapter 3. (Washington DC: World Bank, 2006).

and medium rural enterprises that use imported technologies could have an impact on youth employment as it has been the case in China and Taiwan.

Other policies are youth specific and should be designed to fit the country context. Countries like South Africa, for instance, are trying to respond to the needs of the job market by emphasising practical thinking and behavioural skills and blending academic and vocational subjects¹⁴. Kenya is stimulating the training markets in their countries using voucher systems, so youth are the ones deciding what training they want to take that will help them acquire the skills they need for their future. Rwanda allows youth to open savings accounts at the age of 16 which allows youth to build a savings culture from an early age and start accumulating assets (financial and social-relationship with an FSP) that they can later use to start their own business.

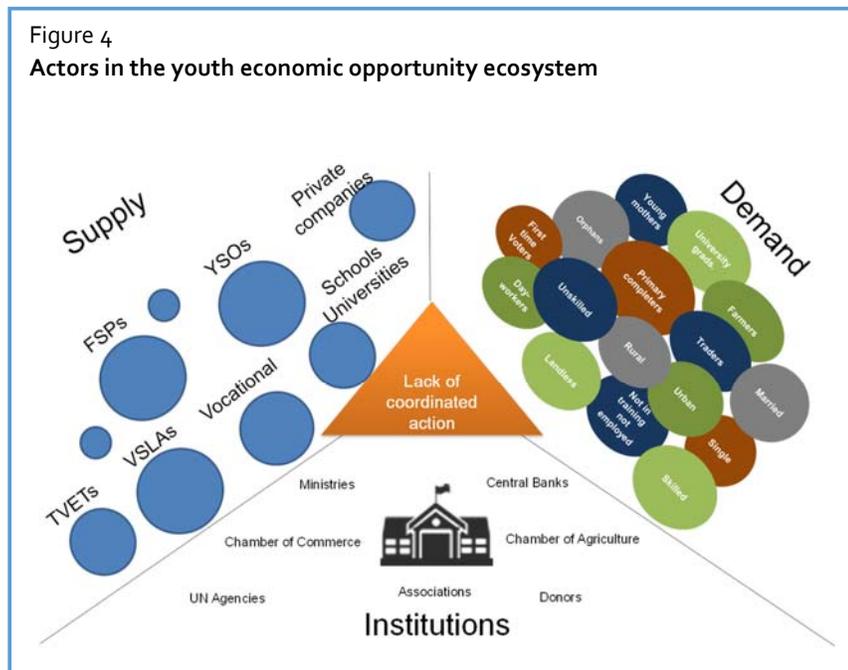
Lack of national coordination

Given that youth need both access to finance as well as non-financial services, the lack of coordination and harmonization of actions between the different key players in the YEO ecosystem is one of the biggest challenges the sector faces (see figure 4). For example, YSOs do not communicate with FSPs and vice versa. Some YSOs assume youth graduates of their programmes should receive loans, while some FSPs assume they receive referrals for youth that are 'loan ready.'

In many cases, graduates of the YSO programme are not equipped with the necessary skills and knowledge to effectively manage a loan, and the FSP is not designing products to promote investment in the sectors in which the YSOs are training the youth. In addition, the catchment area of

the FSP does not always coincide with the catchment area of the YSO. This situation forces the organization with the greatest catchment area (which in most of the cases is the FSP) to look for another partner when seeking to scale up the programme to other parts of the country.

There is often disconnection among the actions taken by the different government bodies responsible for ensuring an enabling environment for young people to become



¹⁴ World Development Report 2007, chapter 3. (Washington DC: World Bank, 2006).

entrepreneurs. For example, youth employment policies developed by the Ministry of Employment are often disconnected from the regulatory frameworks and policies governing the financial sector. Sector ministries are often responsible for most of the policies that affect youth, while Ministries or Departments of Youth are responsible for youth outcomes. As a result, clear lines of accountability for youth outcomes are lacking, as most Departments of Youth have little influence over their sector counterparts.

3. YOUTHSTART GLOBAL PROGRAMME DESCRIPTION

3.1. THEORY OF CHANGE AND PROGRAMME OVERVIEW

The underlining theory of change of YouthStart Global focuses on providing youth the right combination of good quality financial services (e.g. savings, loans, insurance, payments, etc.) with complementary holistic services (e.g. mentoring, apprenticeships, etc.) that will support youth's smoother transitions from school to work and an increased ability to seize economic opportunities available in their communities. Provision of these complementary services must be integrated (eg. the same youth benefits from greater access to entrepreneurship education and financial services) and framed by coordinated actions of stake holders in the Youth Economic Opportunities ecosystem, as well as an enabling policy and regulatory environment where economic opportunities for youth can flourish.

YouthStart Global will continue to focus on low-income youth (people between 15 and 24 years old), in particular young women, out-of school youth living in Africa and Asia, where 62% of the young people live. It will place a special emphasis on rural youth as two thirds of the youth population in sub-Saharan Africa live in rural areas. YouthStart Global will also leverage opportunities provided in the agricultural, non-farming enterprises and technology sectors. At the conclusion of its five year programme, YouthStart Global will provide integrated financial (e.g. savings, loans, insurance, payments, etc.) and non-financial services (e.g. vocational training, financial literacy) to at least 800,000 youth in LDCs, of which 400,000 will also be receiving complementary holistic services (e.g. mentoring, apprenticeships, etc.) to either secure decent work or start/expand their own business. It will do this through the implementation of the following 4 strategies (please refer to annex 1 for more details on the different strategies):

1. Improve coordinated action of YSOs, NGOs working with youth and for youth, and FSPs to design and deliver financial and non-financial products and services for youth in ways that complement each other
2. Promote a bundle of services that will impact youth in a direct and indirect manner
3. Promote a bundle of services that motivate youth to seize economic opportunities in sectors with the greatest potential (eg. agriculture, house hold enterprises, digital jobs) (see table 1 in annex 1)
4. Partner with others to improve policies and regulations to facilitate youth transitions to economic independence (see table 2 in annex 1)

The programme will be implemented in the following 3 phases.

The **inception phase** entails a country specific situation analysis of the youth economic opportunities ecosystems in each one of the countries where the regional pilot was implemented and in four to five additional countries (see annex 3 for a potential list of new countries). These countries will be identified and prioritized based on the following factors:

- a. Youth (people between 15 and 24 years old) as a percentage of the population of the country is greater than the average for the LDCs (18.7 percent);
- b. The problem of youth employment is or should be considered a national priority as reflected in national policy and strategy documents;
- c. There are enough FSPs in the country's financial market that have the potential to provide relevant and affordable financial and non-financial services to youth and that are deposit-taking institutions—both key indicators used to select partners for the YS regional pilot;
- d. There are strong YSOs in the country with great potential to scale up meaningful services to youth living in rural areas and to serve the most vulnerable;
- e. Completion of UNCDF's Making Assess Possible (MAP) diagnostic
- f. Presence of other UNCDF global thematic initiatives (e.g., MM4P, MicroLead) in order to leverage investments in technology, clean energy, or their savings-led initiatives; and
- g. Presence of Joint Country Programme with UNDP-UNCDF, in order to leverage host country government's and the U.N.s convening power to bring together the large number of actors needed to break through silos and tackle the range of issues related to youth employment;

Inception Phase activities will be conducted by the YS team with the support of a technical partner (eg. International NGO or a consulting firm) with extensive expertise conducting country specific youth assessments. Because these country diagnosis will be public goods, available with all stakeholders, UNCDF will engage this partner through a Grant Request for Application (RfA) process and a Performance Based Agreement (PBA).

UNCDF will work closely with other UN agencies (e.g., IFAD, ILO, UNDP, UNIDO) and donors to gain a deeper understanding of the country's 'youth learning economic opportunities ecosystem and their interventions. YS Global will leverage the Youth Maps completed by the International Youth Foundation in countries where they exist (Senegal, Uganda, Malawi, DRC, Tanzania, Mozambique and Zambia), the youth employment reports of the World Bank and the recently launched ILO School to Work

Box 1

Potential synergies with other United Nations programmes

- Through a wide range of tools for business management training and business services development, the ILO has helped build national small and medium enterprise support structures in more than 100 countries.
- **UNIDO** has equipped vocational training centres to assist young entrepreneurs seeking to set up an enterprise with a) analyzing markets and value chains to identify sectors and value chains with high potential for young entrepreneurs, b) assisting young potential entrepreneurs to set up their business, c) appraising the business idea through the use of UNIDO's financial appraisal software (COMFAR), d) identifying forms of capital, and e) providing support services related to counselling, investment promotion, technology upgrading, and business linkages, which help further develop micro, small and medium enterprises and create more jobs.
- **UNDP's** African Facility for Inclusive markets supports the development of inclusive pro-poor markets across Africa through the development and expansion of regional value chains in job creating sectors such as agribusiness, tourism, renewable energy, retailing and mining.

Transition Survey Reports for the available countries. YouthStart will also work closely with other UN agencies (in particular ILO, UNDP and UNIDO) involved in the InterAgency Network of Youth Development and make sure are goals are aligned with the System Wide Action Plan on Youth in the selected countries.

YS Global will leverage market intelligence gathered by UNCDF's global thematic initiatives such as MAP and MM4P, the local knowledge of UNCDF's regional and country technical advisors, CGAP, IFC and MIX Market to deepen understanding of the youth financial sector. Finally, YS Global will seek support from UNESCO, ILO, UNIDO and UNDP to carefully map the policies governing the YEO environment in each country.

This exercise will allow UNCDF, governments, UN agencies and other partners to gain a better understanding of the youth employment and entrepreneurship initiatives existing in each country, the FSPs that are already serving youth in a targeted manner or have the potential to do so, and the main policies and regulatory framework governing the YEO environment among other things. It will also provide an opportunity for all the stakeholders to identify potential linkages and avoid duplication of efforts.

Throughout the inception phase, UNCDF regional and country technical advisors will facilitate exchanges of letters with host-country governments endorsing UNCDF's support for FSPs and YSOs. They will also be critical to help the programme convene the different actors of the Youth Economic Opportunities Ecosystem identified. The inception phase will culminate in a multi-stakeholder workshop in each country with FSPs, YSOs, government officials, UN agencies, funders etc.

Cognizant of the fact government and local stakeholder ownership, commitment and political will are crucial to achieving the policy outcomes, UNCDF will only proceed to Phase I in those countries where:

- Ministries engaged in Youth related issues have designated focal points to participate in the national steering committee; and
- HCG have designated the lead ministry/champion to help co-convene with the UN, a] local stakeholders to review scoping exercise and national roadmap; b] co-convene annual meetings of the steering committee to monitor progress vis-à-vis roadmap

During **phase I**, UNCDF will build upon the results of the youth country maps conducted during the inception phase and will select consortium of partners (YSOs, FSPs, NGOs, etc.) through a targeted request for application (RfA) process resulting in PBAs similar to the one employed for the regional pilot. Particular importance will be given to consortiums consisting of FSPs, YSOs, private companies, etc with the following characteristics: a) overlapping catchment areas or concrete proposal to expand together, b) targeting young women and out-of-school youth, and/or c) proposing a bundle of services that are closely aligned and respond to a careful segmentation of youth by age and gender as well as the different sectors where economic opportunities for youth exist (see box 2 for more information on the selection criteria).

Throughout phase I, UNCDF regional and country technical advisors will facilitate exchanges of letters with host-country governments endorsing UNCDF's support for FSPs

Box 2

Selection criteria

CRITERIA FOR PHASE I YSO PARTNERS

- Majority of clients are vulnerable youth (at least 50% women)
- Greater than 10,000 clients
- Linkages for youth to apprenticeships, value chain and digital opportunities
- Technical training in specific sectors (agri-business and HEs)
- Hard and soft skill trainings

CRITERIA FOR PHASE I FSP PARTNERS

- Legal authority to mobilize savings
- Majority of clients are low-income clients (at least 50% women)
- Greater than 15,000 depositors
- Profitability and sustainability ratios reflect the ability of the FSP to continue operating in the future
- Efficiency in serving its target
- Solid portfolio quality
- Use or plans for use of new technologies
- Experience or potential to facilitate linkages with VSLAs

and YSOs. In partnership with other UN agencies, in particular ILO, UNDP and UNESCO, YS Global will put together a country-level advisory committee comprised of representatives from government, legislative bodies, significant national organizations or groups—including youth groups, for example national youth councils, networks or platforms—UN system entities, and multilateral or bilateral donors. UNCDF will serve as secretariat to this advisory committee and it will have the overarching responsibility of providing advice to support the development of new government policies, the improvement of existing ones, and the tracking of implementation of the country commitment roadmaps that were endorsed at country program inception.

Phase II will be launched right after the negotiation of PBAs between the YSO/FSP consortiums and UNCDF and the creation of the national advisory committee. Phase II will last four years and activities conducted

by UNCDF will consist of, providing technical assistance to consortiums and policymakers, monitoring implementation and capturing and disseminating knowledge.

The full programme will be implemented by a UNCDF team, consisting of a programme manager, an advocacy officer, one technical specialist and will be supported by one programme assistants and a shared knowledge manager. The team will be supported by: a) UNCDF country and regional teams (for advocacy and policy); b) a technical partner that will support UNCDF to conduct due diligence and monitoring performance of consortium partners providing non-financial services to youth; and c) three to five expert consultants for technical implementation.

3.2. YOUTHSTART GLOBAL OUTPUTS

Evidence from the regional pilot of YouthStart suggests that when accessing the right combination of financial and non-financial services, youth—young women in particular—can make more appropriate and informed financial decisions to build financial (e.g., savings), social (e.g., social networks) and human assets (e.g., skills and knowledge) that will enable them to seize economic opportunities in their communities and create sustainable livelihoods.

Therefore, the intended long-term impact of YS Global is to contribute to the achievement of the Sustainable Development Goals¹⁵, in particular the goal of eradicating poverty and the goal of promoting full and productive employment and decent work for all. As a result of the short-term changes brought by the combination of outputs and activities conducted by UNCDF and its partners, 800,000 young people, in particular young women, will either transition from school to work at the right time and, secure decent work or start/expand their own business.

Please note that we have also included several 'indirect benefits' of YS Global's work. These long-term outcomes are changes which do not directly result from YS Global activities but are influenced by them. These are usually the result of either replicating the actions of YS Global partners or other actors crowding into the market without direct assistance from the programme.

Table 1
Results framework: Outcome 1

Short-term outcome 1: 800,000 youth (15 to 24 years old) in particular young women, youth living in rural areas and out-of school youth access quality financial and non-financial services		
Activities	Outputs	Outcomes
<u>Inception Phase</u> Conduct country mapping exercise of youth economic opportunities (YEO) ecosystem for each country Establish baseline for both direct and indirect market development indicators Conduct workshop in each country with YSOs, FSPs, NGOs, INGOs, UN Agencies, private sector (microfranchisors, MNOs etc) to launch RFP	Map of youth employment and entrepreneurship initiatives and supply of youth financial services is <i>completed</i> in 10 to 15 countries	<u>Long-term outcome</u> <i>Increased</i> access to integrated financial (e.g. savings, loans, insurance. Etc.), and non-financial (e.g. vocational training, financial literacy) for 800,000 youth, (15 to 25 years old) to smooth transition from childhood to adulthood <i>Increased</i> access to complementary integrated holistic services (e.g. mentoring, apprenticeships, linkages to value chains, private sector companies etc) to either secure decent work or start/expand their own business for at least 400,000 youth
<u>Phase I</u> Identify relevant partners and send them a targeted RfA Conduct workshop with FSPs/YSOs/private on building successful partnerships/consortiums Support partners in developing	Trainers guides on how to build successful partnerships <i>completed and disseminated</i> At least 1 high quality YEO consortium proposal <i>selected</i> per country	Several of YouthStart partners are recognized as leaders in youth economic opportunities programming globally <u>Indirect:</u> <i>Increased</i> competition among FSPs and other consortium

¹⁵ These goals are currently being negotiated and will be finalized in 2015, but there is consensus in the zero draft that poverty eradication will be one of the main goals. The link to the Outcomes Document of the Open Working Group (zero draft of the SDGs) agreed in July 2014 and accepted by UNGA in September 2014 is <http://sustainabledevelopment.un.org/focussdgs.html>

high quality proposals to ensure programme design is linked to opportunities in key sectors		members is driving up quality of services provided to youth
Conduct due diligence and select consortiums		<i>Increased</i> number of donors contributing to starting up or expanding YouthStart
<u>Phase 2</u> Negotiate PBAs with consortiums	PBAs <i>signed</i> with 10 to 15 consortiums	
Provide financial support for programme design and implementation	YEO consortiums jointly <i>designed, piloted and scaled</i> up relevant and affordable integrated and holistic products and services for youth	
Monitoring programme implementation and consortium achievement of PBA objectives	1-2 knowledge products <i>produced and disseminated</i> highlighting innovative models to build market skills	
Document and disseminate consortium learnings through a variety of delivery channels according to different audiences (e.g. blogs, conferences, etc.)	3-4 knowledge products highlighting achievements and lessons learned of building successful consortiums for development of YEO <i>produced and disseminated</i>	
Present at 4-6 regional, country and global conferences per year		

Table 2

Results framework: Outcome 2

Short-term outcome 2: Youth Serving Organizations, Non-Governmental Organizations, Financial Services Providers and other consortium members in 10 to 15 countries better respond to the needs of 800,000 youth (15 to 24 years old) in particular young women, youth living in rural areas and out-of-school youth through coordinated programming¹⁶

<u>Activities</u>	<u>Outputs</u>	<u>Outcomes</u>
Conduct annual training/ knowledge sharing event for consortiums	10 to 15 YEO consortiums <i>trained and individually coached</i> in using behavioral science to design relevant services to youth (in line with different youth segments)	<u>Long-term outcomes</u> YEO consortiums <i>improved</i> service experience for youth
Provide one-on-one technical assistance in the areas of i) behavioral science to develop programmes, ii) management information systems; iii) client protection and risk mitigation strategies; iv) organizational processes	10 to 15 YEO consortiums <i>trained and individually coached</i> to track youth participation in programmes, quality of the education delivered and linkages other services	YEO consortiums offer <i>appropriate affordable and accessible</i> services for youth
	10 to 15 YEO consortiums <i>trained and</i>	<i>Increased</i> recognition of UNCDF as an expert in the field of youth economic opportunities

¹⁶ For outcome 2, we did not make a separation between the phases because during the inception phase there will not be any kind of capacity building activities, and for the first and second phase, we need to conduct a Learning Needs Assessment that will define the topics of the technical assistance to be provided.

Facilitate quarterly webinars to foster lateral learning	<p><i>individually coached</i> to deliver services to youth in a responsible manner</p> <p>10 to 15 YEO consortiums <i>trained and individually coached</i> to adapt their organizational structures and processes to serve youth</p> <p>At least 3 trainings (trainers guides plus tools) to guide future efforts and adoption by others <i>produced and disseminated</i></p> <p>At least 3 knowledge products on key lessons learned drawn from workshops and TA visits <i>produced and disseminated</i></p> <p>Experiences of consortium partners are actively <i>shared and disseminated</i> to peers</p>	<p><u>Indirect</u></p> <p><i>Increased</i> number of providers targeting youth in a deliberate manner</p>
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Table 3

Results framework: Outcome 3

Short term outcome 3: Policy makers, regulators and other stake holders in 10 to 15 countries will take coordinated actions to develop policies and regulatory frameworks that facilitate an enabling environment for greater economic opportunities for youth.

Activities	Outputs	Outcomes
<p><u>Inception Phase</u></p> <p>Conduct country mapping exercise to determine regulatory parameters and policy environment affecting YEO and identify potential partners</p> <p>Identify opportunities and constraints within the policy and regulatory framework and develop a roadmap with stakeholders to address these issues</p> <p>Conduct multi-stake holder meeting in each country with government officials and other funders to present country mappings and road maps and secure validation for recommendations</p> <p>Facilitate government endorsement</p>	<p><u>Inception Phase</u></p> <p>Map of policies governing the youth economic opportunities environment in each country is <i>completed</i></p> <p>Endorsement or commitment letters from host country governments indicating readiness to implement the roadmaps are <i>obtained</i></p>	<p><u>Long-term outcome</u></p> <p>Policy, legal and regulatory frameworks reformed and implemented to substantially expand economic opportunities for youth</p> <p><i>Increased</i> recognition of UNCDF at the national level as an advisor to governments in the field of youth economic opportunities</p> <p><u>Indirect</u></p> <p>Other governments of countries (where YouthStart is not active) adopt similar policies and regulations.</p>

<p><u>Phase 1</u></p> <p>Convene meeting with government officials and other UN Agencies advocating for more enabling environments for youth-led businesses</p>	<p><u>Phase 1</u></p> <p>Policy Steering committee <i>established</i></p>	<p>Baseline will be established with the help of the Inter Agency Network on youth development and will be based on the Youth SWAP</p>
<p><u>Phase 2</u></p> <p>Create a Youth Ambassadors Club in each country</p> <p>Conduct meetings with key stakeholders on progress and future implementation</p> <p>Provide advice to regulator and other line ministries on policy and regulation changes needed to promote youth economic opportunities</p> <p>Facilitate quarterly webinars to foster lateral learning</p> <p>Document and disseminate policy learnings through a variety of delivery channels according to different audiences (e.g. blogs, conferences, etc.)</p>	<p><u>Phase 2</u></p> <p>Effective mechanisms for youth participation in planning and decision making <i>established</i></p> <p>National multi-stakeholder meeting (in each country) per year <i>convened</i> to discuss changes in regulations and policies that can promote YEO</p> <p>Changes in YEO related policies and regulations <i>approved</i></p> <p>At least 4 knowledge products outlining strategies for developing an enabling environment for YEO <i>produced and disseminated</i></p>	

3.2. YOUTHSTART GLOBAL BUDGET

The expected budget of YouthStart Global is \$26.9 million, with \$12 million (46 percent of the total) for YEO consortium grants and \$4 million (15 percent of the total) to the Technical Service Provider that will support the work of the consortiums in relation to the non-financial services component. Table 4 depicts a detailed budget by year and output:

Description	Y1 (\$)	Y2 (\$)	Y3 (\$)	Y4 (\$)	Y5 (\$)	Total (\$)	%
Outcome 1: Increase access	757 450	3 069 693	3 103 450	3 136 803	3 168 171	13 235 567	49%
Outcome 2: Capacity building	253 400	1 156 147	1 167 708	1 136 113	1 147 474	4 860 842	18%
Outcome 3: Policy,	420 860	456 269	473 044	490 246	521 917	2 362 336	9%

advocacy and coordination							
Outcome 4: Monitoring and evaluation	865 763	729 836	1 058 039	769 647	1 105 201	4 528 486	17%
Subtotal	2 297 473	5 411 945	5 802 241	5 532 809	5 942 763	24 987 231	
Delivery Fee	183 558	432 956	463 934	442 625	475 421	1 998 494	8%
Total	2 481 031	5 844 900	6 266 176	5 975 434	6 418 184	26 985 724	100%

The expected budget of the Inception Phase is US\$1,156,843, with \$603,510 (55 percent of the total) for YEO Technical Service Provider's grants. This will allow UNCDF to produce 15 country diagnostics. Table 4 depicts a detailed quarterly budget and output and Table 5 depicts a detailed quarterly budget by activity:

Table 4:
Inception Phase quarterly budget summary by output

Description	Q2 2015 (\$)	Q3 2015 (\$)	Q4 2015 (\$)	Q1 2016 (\$)	Total (\$)	%
Output 1: Youth Maps	164,000	165,640	359,840	58,727	748,207	65
Output 2: Capacity building	0	0	0	0	0	0
Output 3: Policy Maps	14,000	54,540	59,982	79,508	208,030	18
Output 4: YS Global is internally approved and phase 1 is launched	0	0	15,532	129,012	144,544	12
Subtotal	178,000	220,180	434,354	267,247	1,100,781	
Delivery Fee ¹⁷	8,000	0	0	48,062	56,062	8
Total	186,000	220,180	435,354	315,309	1,156,843	100

Table 5:
Inception Phase detailed quarterly budget by output

Description	Q2 2015 (\$)	Q3 2015 (\$)	Q4 2015 (\$)	2016 (\$)	Total (\$)	%
Output 1: Map of youth employment and entrepreneurship initiatives and supply of youth financial services is completed in 10 to 15 countries						
Travel costs (Scoping missions and to present results and launch RFA)	16,000	16,160	28,562	33,227	93,950	13
Workshops to present results and launch RFA ¹⁸	0	0	19,891	20,090	39,982	5
Grants to conduct YEO Maps in 15 countries	148,000	149,480	306,030	0	603,510	86
Publication of 15 country maps	0	0	5,355	5,409	10,764	1
Subtotal	164,000	165,640	359,840	58,727	748,207	100
Output 2: Map of policies governing the youth economic opportunities environment in each country is completed and government endorsement is obtained						
Employee salaries (Contribution to RTA/CTA)	0	0	0	18,926	18,926	9
Consultant to support policy mapping and advocacy efforts	14,000	14,140	14,281	14,224	56,645	27
Travel costs (for policy	0	40,400	19,126	19,318	78,844	38

¹⁷ Delivery fee is only charged on non-core funds (US\$ 100,000).

¹⁸ 1 day workshop per country with 40 participants at US\$65 per participant

consultant and to attend multi-stake holder meeting)						
Publication printing of 15 country road maps	0	0	5,355	5,409	10,764	5
Multistake holder meetings ¹⁹	0	0	21,218	21,430	42,648	21
Subtotal	14,000	54,540	59,982	79,507	208,029	100
Output 3: YouthStart Global is internally approved and Phase I is launched						
Employee salaries ²⁰	0	0	15,532 ²¹	127,467	142,998	100
Subtotal	0	0	15,532	127,467	142,998	100
Delivery fee	8,000			52,513	60,513	8
Total				315,309	1,156,843	

With the current budget of US\$308,000 UNCDF will be able to conduct up to 5 country diagnosis. Based on the criteria listed on Annex 2, UNCDF will prioritize the following 5 countries: Mozambique, Senegal, Rwanda, Tanzania, and Malawi. As a result of this immediate funding gap, the inception phase in some countries and the first phase in some others may overlap. If all funds available are not spend during the inception phase, they will be allocated to conduct activities that will allow us to achieve milestones related to Phase I. This may imply to have 2 ProDocs (one for the inception phase and another one for the full programme) being implemented simultaneously but in different countries.

4. EXPECTED OUTPUTS AND ANNUAL WORKPLAN OF THE INCEPTION PHASE

The 12 month inception phase will secure commitment for the programme both politically and financially, while laying the foundations for effective country specific programme design and implementation. UNCDF will achieve this outcome as a result of the following combination of outputs and activities:

Outputs	Activities	Link to YS Global	2015			2016	Implementing Party	Planned budget (\$)
			Q2	Q3	Q4	Q1		
Map of youth employment and entrepreneurship initiatives and supply of youth financial services is completed in 10 to 15 countries	Activities Result: Ensure country specific programme desing and implementation						748,207	
	Engage technical service provider to conduct youth country maps (PBAs)	Outcome 1					UNCDF	
	Select participating countries based on defined criteria (scoping missions)	Outcome 1					UNCDF	
	Conduct country mapping exercise of youth economic opportunities (YEO) ecosystem for each country	Outcome 1					UNCDF	

¹⁹ 1 day meeting per country with 40 participants at US\$65 per participant

²⁰ The staff of the minimum staff infrastructure of YouthStart Global (1 programme manager and 1 Technical Specialist) are covered with the budget of the regional pilot until Q42015

²¹ Salary of one administrative support

Outputs	Activities	Link to	2015		2016	Implementing	Planned
	Establish baseline for both direct and indirect market development indicators	Outcome 1				UNCDF	
	Conduct workshop in each country with YSOs, FSPs, NGOs, INGOs, UN Agencies, private sector (microfranchisors, MNOs etc) and launch RFP	Outcome 1				UNCDF	
	Publish and disseminate youth maps	Outcome 1				UNCDF	
Map of policies governing the youth economic opportunities environment in each country is <i>completed</i> and government endorsement is <i>obtained</i>	Activities Result: Secure political and financial commitment for the programme						208,029
	Engage consultant to support policy mapping	Outcome 3				UNCDF	
	Conduct country mapping exercise to determine regulatory parameters and policy environment affecting YEO and identify potential partners	Outcome 3				UNCDF	
	Identify opportunities and constraints within the policy and regulatory framework and develop a roadmap with stakeholders to address these issues	Outcome 3				UNCDF	
	Conduct multi-stake holder meeting in each country with government officials and in-country funders to present country mappings and road maps, and secure validation for recommendations and financial support	Outcome 3 and enabling condition				UNCDF	
	Facilitate endorsement or commitment letters from host country governments indicating readiness to implement the roadmaps	Outcome 3					
	Publish and disseminate youth maps	Outcome 3				UNCDF	

Outputs	Activities	Link to	2015			2016	Implementing	Planned
YouthStart Global is internally approved and Phase I is launched	Activities Result: Ensure effective programme country specific design and secure financial support							
	Disseminate concept note of YouthStart Global and other relevant knowledge products produced during the inception phase to different financial partners	Enabling condition					UNCDF	
	Elaborate and internally validate (by Investment Committee and PAC) the Programme Document of YouthStart Global	Enabling condition					UNCDF	
	Launch recruitment of YouthStart Global staff infrastructure (1 Advocacy officer and operations assistant)	Enabling condition					UNCDF	

5. MAINSTREAMING GENDER CONSIDERATIONS

YS Global will be compliant with UNCDF’s gender equality and empowerment of women strategy. YS Global will mainstream gender in the following ways:

- Quarterly and annual reports addressing gender issues and key indicators disaggregated by gender;
- Country diagnostics will assess legal or regulatory issues that inhibit access of young women and identify approaches to address;
- Country maps will be disaggregated by gender. Particular emphasis will be given to gaps in services to young women
- All baseline indicators gathered will be disaggregated by gender
- YS Global will advocate to policymakers and regulators that policy or regulatory impediments be removed that specifically limit young women’s access to financial services or other services or assets;
- All requests for direct technical and financial assistance will require information on how young women clients will be targeted and their specific characteristics and needs taken into consideration in design and delivery of products and services;
- Consortium members that are already providing services in a targeted manner to young women will be prioritized;
- Targets related to end beneficiaries of consortium services and PBAs will include specific targets for young women;
- Consortiums that exceed specific targets for young women will be considered to receive an in-kind or money incentives;

- YS Global will work with consortiums to ensure implementation of strategies to attract young women to services (e.g., targeted marketing, hiring women as youth mobilizers). New strategies and best practices will be disseminated during quarterly webinars to other consortium members.
- YS Global will ensure standard indicators on gender are tracked by consortiums for both financial and non-financial services;
- All partners who receive technical assistance on product design will be required to include specific activities or plans to enrol young women;
- All market, customer and impact research will be disaggregated by gender;
- Workshops sponsored or co-sponsored by YS Global will make an effort to ensure attendance of women; and,
- Midterm evaluation terms of reference will include evaluation of YS Global's performance under the strategy.

6. MANAGEMENT ARRANGEMENTS

The inception phase of YS Global will leverage on the staff infrastructure in place of the regional pilot: the YouthStart Programme Manager and the Technical Specialist both based in Dakar; and a knowledge manager shared with other Global Thematic Initiatives based in Brussels. For advocacy and policy, the team will be supported by FIPA's Policy advisor, UNCDF country and regional teams and an expert consultant. For programme design and resource mobilisation, the team will be supported by the FIPA director and deputy director. The country maps will be conducted by an experienced consulting firm or International NGO. As mentioned in before, because these country diagnosis will be public goods, available with all stakeholders, UNCDF will engage this partner through a grant RfA process that will result in a PBA.

ANNEX 1: STRATEGIES OF YOUTHSTART GLOBAL

STRATEGY # 1: IMPROVE COORDINATED ACTION OF YSOs, NGOs WORKING WITH AND FOR YOUTH, AND FSPs TO DESIGN AND DELIVER PRODUCTS AND SERVICES FOR YOUTH

Lessons learned from the regional pilot urge YS Global to enhance coordination between organizations providing relevant skills to youth and FSPs providing financial services to youth. To do so, YS Global will start by conducting country-specific analysis to identify key stakeholders and synergies with existing programmes working with and/or for youth (funded or supported by other likeminded organizations).

The country assessment will be followed by a thorough selection process of partners (further explained in the section 2.4, Programme implementation), which will result in multi-year grants to consortiums of FSPs, YSOs, youth NGOs, etc. Through the signature of performance-based agreements (PBAs), UNCDF will make sure consortiums tailor their products and services to facilitate youth transition from school to work and economic independence.

UNCDF will leverage the training tools that were developed during the regional pilot (e.g., market research for youth, pilot testing, client protection, monitoring outcomes) and will complement them with new trainings—in particular in the areas of ensuring human-centred design and monitoring quantity and quality of services provided to youth—and specific trainings to ensure consortium members become stronger and more sustainable institutions. To develop new content around these areas, UNCDF will partner with others within and outside the UN system. For example, it may partner with CGAP, ideas42 or IDEO to deliver trainings on applying behavioural economics to product design. It may partner with IFAD, ILO, UN Industrial Development Organization (UNIDO) or UNDP to design a workshop appropriate for strengthening the capacity of organizations delivering services to youth or developing non-financial products for youth.

STRATEGY # 2: PROMOTE A BUNDLE OF SERVICES THAT WILL IMPACT YOUTH IN A DIRECT AND INDIRECT MANNER

UNCDF will only fund proposals that include a bundle of holistic services designed to facilitate youth transitions from school to work and economic independence, and that will impact current and future youth economic opportunities in a direct or indirect manner:

Continue learning and start working at the right time:

As poverty may force youth to never attend school or to leave school and begin working too early, YS Global will support FSPs to develop, test and scale up financial services that directly or indirectly help young people to stay at school as long as possible. Financial services to ease the effects of an income shock may have a positive effect on school completion rates, as parents will not be forced to take their kids out from school. Some of this products, like health insurance, may not be offered directly to youth, but when offered to families, will have large effects on youth's lives. The health insurance can be structured in a way that the client will only get reimbursed for medical expenses as long as they provide

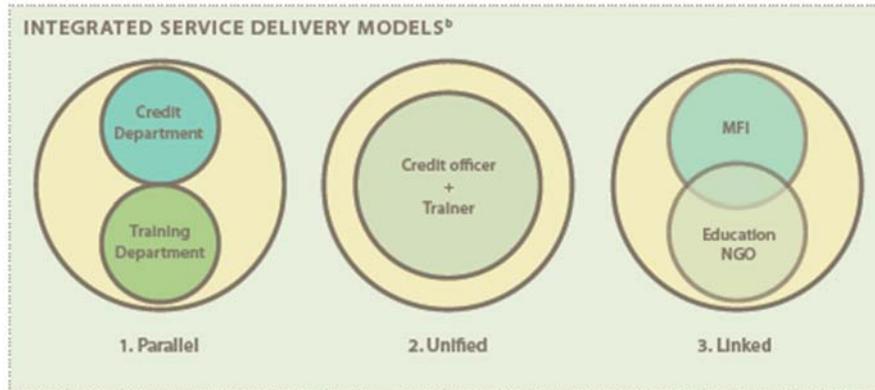
proof that their children are still enrolled and attending school. As health insurance is a complex product and will not be able to be developed in every context, FSPs may develop a commitment health savings accounts targeting adults. As with the health insurance, in case of a health shock, the adult will be able to withdraw his/her savings to pay for the medical expenses as long as his/her children are still enrol for school.

Some other financial services, like commitment savings accounts, can be targeted directly to youth. This commitment savings accounts could be either to support youth to continue with their education or start up their own business, for example. Since distance may be a barrier to savings, in particular for young women, FSPs will be encouraged to use technology (eg. mobile banking, POS devices etc) to increase uptake and usage of savings accounts. FSPs will also be encouraged to formed savings groups of youth.

These services will be offered in tandem with non-financial services that support the school to work transition to youth. To build the financial capability of youth, programmes will focus financial literacy on savings. Since one of the barriers that young women face to stay at school is early marriage and child bearing, special focus will be given to reproductive health education of this cohort of youth. To increase sustainability of these services, programmes will be encourage to use the “critical minimum” approach used in the regional pilot.

Even though FSPs will be asked to looked at their own in-house capacity, and decide which type of integrated service delivery model they would use to deliver financial education (see Figure 1 below), based on lessons learned from the pilot, UNCDF will likely to encourage the use of a unified model.

Figure 1: Integrated Service Delivery Models²²



For example, a number of grantees during the regional pilot experienced unexpected obstacles in their search for mutually beneficial partnerships with YSOs. In two separate cases, the FSPs found that their YSO partners were delivering the financial education far away from FSP partner branches, and sometimes to the wrong target group. There was a lack of communication on both sides, which jeopardized the ability of either to work

²² The figure was borrowed from FINCA and based on work by Freedom from Hunger. See the following source specifically: Christopher Dunford, 'Building Better Lives: Sustainable Integration of Microfinance in Health, Family Planning, and HIV Prevention for the Poorest Entrepreneurs' (Washington, DC: Microcredit Summit Campaign, 2001)

together to meet YouthStart objectives. As a result, participants in the FE sessions would not necessary convert into savers at the FSP.

Other FSP partners had difficulties in simply finding a YSO to partner with. Several received expensive and complicated partnership proposals in response to their calls for partnership; one proposal reviewed by the technical assistants totaled over 100,000 USD for a one-year partnership, while another requested the FSP to buy them a new van. All of these experiences led to the understanding that: i) the request for proposals issued by the FSP must be extremely clear; ii) the MOU must clearly outline actionable objectives and responsibilities of each party; and iii) the FSP must monitor progress closely (at least in the beginning) in order to ensure that their objectives, not just the partner's, are being met.

Secure work or start/expand a business

Since the youth population, particularly in Africa, will grow faster than the wage sector, we assume that the majority of young people will become entrepreneurs by necessity. As such, they need financial resources to start up and expand their own business. FSPs will be encouraged to develop innovative savings mechanisms and loans that target investments by youth in sectors where economic opportunities for youth exist. Innovative lending mechanisms are those that use youth-adapted collateral that allow for FSPs to mitigate risks. For example Micro-leasing to acquire equipment to process food, group lending or individual loans backed up by a job offer in a large business to buy start up kits to work for them (eg. microfranchising or construction kits).

However, FSPs can also help stimulate the labour market by developing financial services that will support business that are likely to employ large numbers of young people. This will off course depend from country to country. In sub-saharan Africa, for example, the World Bank predicts that in 10 years most youth will end up working in family farms and house hold enterprises²³. Therefore, financial services that aim to increase productivity of those businesses will have a disproportionate impact on youth.

For this cohort of youth, programmes will be encouraged to deliver financial literacy on credit and debt management. To achieve economies of scale, FSPs will be encourage to use the unified model for the delivery of these services. YSOs and business participating in the voucher system will provide training in technical skills, basic management and marketing, and will connect youth to mentoring opportunities.

Table 1 illustrate the bundle of services that partners of YouthStart Global will be likely to offer to youth:

Table 1

Sample of services promoted by YouthStart Global

		Continue Learning and start working at the	Secure work or start/expand a business
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²³ [Reports to Results: Dealing With Youth Unemployment in Africa](#) (Changemakers, 2014).

		right time	
Services that will target youth specifically	Financial	Commitment savings accounts (FSP) Savings groups	Savings accounts (FSP) Group lending (FSP) Micro-leasing (FSP) Individual loans for start-up kits (FSPs) Conditional Health Insurance and conditional health savings accounts -particular relevant for young mothers -(FSP) Loans/leasing for computers
	Non-financial	Financial literacy on savings (FSP or YSO) Reproductive Health education (FSP or YSO)	Financial literacy on savings, credit and debt management (FSP or YSO) Reproductive Health education (FSP or YSO) Training and technical skills (YSOs or business owners) Basic management and marketing (YSOs or business owners) Individual assistance to solve problems or improve products, processes and equipment (YSOs or business owners)
Services that are not youth specific	Financial	Conditional Health Insurance for families (FSPs) Conditional health savings accounts (FSPs) Loans for parents to pay for school fees Savings accounts for parents to pay for school fees SME financing to build schools	Larger loans to increase productivity of businesses that employ large numbers of young people
	Non-financial	Financial literacy and reproductive health to parents of youth	Technical services to greater business with the potential to create jobs for youth Technical assistance to participants in voucher system to increase productivity of their business and transfer know how to youth

STRATEGY #3: PROMOTE A BUNDLE OF SERVICES THAT MOTIVATE YOUTH TO SEIZE ECONOMIC OPPORTUNITIES IN SECTORS WITH THE GREATEST POTENTIAL

In addition to ensuring that proposals respond to facilitate youth transitions from school to work and economic independence, we will also ensure they respond to promoting sectors with the greatest potential to provide the most economic opportunities for youth. While these sectors will depend from country to country, we can anticipate that the programmes supported by YouthStart Global will have an emphasis on:

Agriculture sector

As Africa’s largest employer, the agricultural sector currently offers the most potential to provide and catalyze employment for young people. Income growth, population growth and urbanization in Africa are increasing the demand for food faster than the supply of

domestically produced goods, which represents an important opportunity for employment of African youth. Yet, youth farmers can only capture thriving domestic and regional markets if they become more competitive.²⁴

Reducing the costs of production and the costs of marketing by enhancing youth farmers' access to know-how and technologies will enable increased productivity. As such, YouthStart Global will carefully select partner consortiums that integrate approaches that promote interventions to increase productivity in agriculture and could render agricultural activities more attractive to young women and men.²⁵ For instance, consortiums that promote investments in land cultivation, agricultural value chains, leasing of agricultural equipment, human resources development and technology transfer.

Non-farm household enterprises

The informal sector comprised of non-farm HEs and larger micro-enterprises is an important sector due to its enormous size. It accounts for half of the national output, more than 80 percent of total employment and 90 percent of new jobs in African low-income countries. HEs typically employ one to two people and are much smaller than micro-enterprises. They sell services and internationally and locally produced consumer goods. The HE sector accounts for 22 percent of jobs in sub-Saharan Africa.

This sector provides an excellent opportunity for youth with merely a primary or secondary education to make a living. Most HEs provide earnings that are higher than youth could attain in the agricultural sector. Rural households experience higher hourly income from HEs than agricultural work, while some urban HE owners make more money than they could in the wage sector. The World Bank claims that households with an HE are less likely to be poor and that, controlling for education and skills, consumption of African rural and urban households with an HE is no different from that of households in wage employment. They also report being happier.

Digital jobs

Given the promise that the ITC sector holds to create jobs for youth, the programme will also promote ways to prepare youth to take advantage of the digital economy. Examples of job opportunities in the digital economy are those related to business offshore processing, computer repair, computer programming, games and application development etc. Within this context, YouthStart Global will encourage consortiums that offer computer literacy coupled with access to financial services (savings or leasing) that allow youth to buy a computer (for example) becomes the gateway to a wider field of employment and entrepreneurship opportunities.

STRATEGY #4: PARTNER WITH OTHERS TO IMPROVE POLICIES AND REGULATIONS TO FACILITATE YOUTH TRANSITION TO ECONOMIC INDEPENDENCE

²⁴ Youth Employment in Sub-Saharan Africa (Washington DC: Agence Française de Développement and World Bank, 2014).

²⁵ [Food, Agriculture & Decent Work: Youth Employment](#) (FAO and ILO).

A country assessment of relevant policies and regulations underpinning the YEO ecosystem will be conducted at the very beginning of the programme in conjunction with the country-specific analysis mentioned in Strategy #1. The country assessment will provide details on policies that are youth-specific (eg. age requirements to open a savings account, policies to make training systems work for youth etc.) and some others are not, but are likely to have a disproportionate impact on youth (eg. use of digital financial services, policies to improve business enabling environment and to increase productivity in the sectors where youth economic opportunities are more likely to exist etc). The assessment will also become a road map for the government and other key stakeholders involved in the YEO ecosystem of policies and regulations to improve.

To achieve that objective, YS Global will partner with other like-minded organizations, in particular UNDP, UNIDO, ILO and UNESCO, to provide assistance to countries where YS is active in developing coherent and complementary interventions on youth employment. YS Global will put in place a multi-stakeholder group to ensure representation, enable greater ownership of the different policies by all parties and facilitate consensus-building throughout the process. For all of these activities, ensuring participation of youth representatives and achieving gender balance are crucial in terms of inclusiveness as well as for quality of the final product.

UNCDF will use its institutional clout to address policy issues related to this programme. It will use its close connections with LDC governments and donors to clarify obstacles to youth economic opportunities and identify potential solutions for overcoming them. Through these partnerships, YS Global will give youth a voice in the programme and advocate for governments to do the following:

1. Provide information (i.e., to better match youth to training options and occupational choices) to training programs that connect youth, especially the most vulnerable (e.g., rural, adolescent girls) to specific economic opportunities
2. Increase access and ensure availability of better-quality training options for youth.
3. Connect youth to formalized government structures (e.g., registering small businesses, Chamber of Commerce, Chamber of Agriculture) to provide post-programme support.

It will also play an integral role coordinating and training key actors at the regulatory/policy level to promote youth employment, financial inclusion and national financial literacy strategies.

Table 2 represents YS Global’s strategic vision to improve policies and regulations of the YEO environment:

Table 2

Strategic vision to improve policies and regulations improve policies and regulations

CORE ACTIVITIES...	ENGAGING...	PRIORITIZING...	DELIVERING...
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<p>Conduct country-specific situation analysis</p> <p>Convene multi-stakeholder meetings to raise awareness of the importance of an enabling regulatory environment to solve the challenge of youth employment</p> <p>Train regulators and other key stakeholders to design and implement policies to improve the YEO ecosystem</p> <p>Establish Youth Ambassadors Club to connect youth to formalized government structures (e.g., register of small businesses, Chamber of Commerce, Chamber of Agriculture) to provide post-programme support</p>	<p>Diverse youth (at least 50% female) to 'find their voice' in policy exchanges</p> <p>Government (Ministry of Employment, Ministry of Finance, Ministry of Youth, central bank)</p> <p>Chamber of Commerce, Chamber of agriculture</p> <p>UN agencies, in particular those active in the employment and entrepreneurship sub group of the Inter Agency Network on Youth Development (UNIDO, ILO, UNDP and UNESCO)</p> <p>Other UNCDF global thematic initiatives, in particular MM4P, Better than Cash Alliance and MAP</p> <p>YSOs, NGOs, INGOs</p> <p>Savings Groups</p> <p>FSPs, microfinance associations</p>	<p>Policies that intentionally target youth:</p> <ul style="list-style-type: none"> • Increase access to finance: Age to open and manage a savings accounts, development of national financial literacy strategies • Aligning educational content with the skills young people need • Financial incentives to continue at school (eg. conditional cash transfers, vouchers) • Vocational training combined with life skills training • Traditional apprenticeship programmes with access to new technologies <p>Policies that unintentionally have a disproportionately large effect on youth economic empowerment:</p> <ul style="list-style-type: none"> • Increase access to finance: enabling use of technology to deliver financial services, insurance and leasing • Policies to improve business-enabling environment • Policies to increase productivity in sectors likely to employ large numbers of youth 	<p>Map of policies governing the YEO environment identifying key opportunities to improve the enabling environment; critical constraints to address; and a draft roadmap for the Government and local stakeholders to adopt</p> <p>Policies, laws and regulations that favour youth employment, financial literacy and financial inclusion</p> <p>Effective mechanisms for youth participation in planning and decision-making</p> <p>Lessons to guide future efforts and best practices for promotion to others</p>
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ANNEX 2: POTENTIAL COUNTRIES FOR EXPANSION

Country	Population aged 0–14 years, 2010 (%)*	Population aged 15–24 years, 2010 (%)*	Number of deposit-taking FSPs with >4 diamonds from MIX	Presence of other GTIs and/or joint UNDP/UNCDF country programmes
Asia				
Nepal	35.9	20.8	21	
Lao	34.8	21.3		
Myanmar	26.4	18.3		
Timor-Leste	44.7	20.5	3*	
Total prospective applicants in Asia			48	
Africa				
Madagascar	42.5	20.1	3	
Mali	44.1	20.9	4	
Mozambique	43.9	19.7	4	
Tanzania	44.7	19.8	4	
Zambia	46.2	20.2	3 [†]	
Total prospective applicants in Africa			31	
Other				
Haiti	35.9	21.1	1	
Total prospective applicants in other regions			1	
Total prospective applicants worldwide			80	

*CIA World Fact Book



ANNEX 3: RISK ANALYSIS

Risks	Mitigation	Status
Application for TSP grants are poor quality	<ul style="list-style-type: none"> • Engage with others in the YEO industry • Start working as soon as possible with potential applicants to ensure good quality of proposals • Conduct webinars throughout the RFA process to support all applications 	<ul style="list-style-type: none"> • UNCDF has already started to look for potential partners. All the partners have worked closely with other donors in similar projects (eg. The MasterCard Foundation or Canada)
Road maps are not validated by the different stake holders	<ul style="list-style-type: none"> • Make sure consultant to support policy outcomes start engaging with donors and government officials as early as possible in the programme • Create a shared working space in D-groups where the different stake holders can be constantly informed of new information gathered by the team, etc • Work closely with other UN agencies members of the Inter Agency Network on youth development 	<ul style="list-style-type: none"> • YouthStart already started using D-groups and will be easy to set up a knowledge sharing platform with different stakeholders
Activities to conduct country maps require longer time to conduct	<ul style="list-style-type: none"> • Plan accordingly • Prepare RFA for the youth maps in advance • Ensure TSP has comprehensive templates to present the information and streamline processes in each country 	<ul style="list-style-type: none"> • Detailed terms of reference for the youth maps ready • Template to present information of youth maps is ready
Cumbersome procurement procedures slow activities	<ul style="list-style-type: none"> • Plan accordingly • Utilize roster of experts for quicker contracting • Utilize long-term agreement to expedite contracting 	<ul style="list-style-type: none"> • YouthStart already have in place LTAs with those consultants that will be copy editing and designing the publications

Risks	Mitigation	Status
Lack of funds to conduct the remaining country maps and/or to proceed to Phase 1 in initial countries	<ul style="list-style-type: none"> • Carefully select countries where youth employment issues are a priority for both the government and local donors • Participate in MAP process, adding youth-related information and recommendations to actions • Use results of regional pilot to raise local funds at the country level • Use country youth maps to raise local funds • Partner with other UN youth employment programmes that have a component of access to financial services • Select countries where the youth SWAP is being implemented to increase chances of partnering with UN Agencies and access funds • Reach out to partner with funders to implement activities in countries • Work at country level to raise funds from country donors and One UN funds 	<p>In progress:</p> <p>UNCDF started to share the programme document with potential funders</p>
Country maps identify key stake holders that are not interested in serving youth as they consider them very risky	<ul style="list-style-type: none"> • Disseminate the profitability study conducted by UNCDF and MasterCard during the inception phase • Work together with other UNCDF so they can disseminate these learnings in the countries/regions where they work 	<p>In progress:</p> <p>UNCDF is in the midst of providing feedback to Frankfurt School on the profitability study</p>

