



Investing in Youth: Large Scale Approaches to Youth Employment and Entrepreneurship

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Executive Summary

Over the next decade, the International Labour Organization (ILO) expects more than one billion young people to enter the global labor market. Some labor experts predict, however, that based on current trends only 300 million *new* jobs will likely be created during this same period. This gap between the global youth labor supply and actual labor market demand presents a great challenge for developing countries where nearly 85 percent of these job seekers live, where youth unemployment and under-employment rates are at the highest rates on record, and where young people are more than four times as likely to be unemployed compared with older workers.

ImagineNations Group recognizes that the daunting challenge of youth unemployment requires systemic changes at both global and national levels. The scale and complexity of the challenge requires a coordinated multi-sectoral response. ImagineNations is building an alliance of companies, NGOs, policymakers, social entrepreneurs and private investors to work together to create comprehensive strategies focused on sustainable and scaled investments in youth, with an emphasis on investing in adolescent girls and young women. Through the coordinated work of this alliance, ImagineNations seeks to increase understanding of, and investment in, youth employment and enterprise development and to empower young people to realize their potential.

ImagineNations' global strategy builds on the experience of large-scale youth employment models around the world, including the Umsobomvu Youth Fund (UYF) in South Africa, BRAC in Bangladesh and the All-China Youth Federation (ACYF) in China. ImagineNations has entered into learning partnerships with each of these initiatives to develop the in-depth case studies offered in this document. They provide tangible and inspiring examples of youth livelihood and employment schemes operating at scale. The case studies highlight the potential for investing in youth.

From the case study research, ImagineNations has produced a conceptual framework to explain the conditions, processes, resources and agents necessary for sustained and effectively scaled strategies that increase access to capital, provide essential training and supports, and generate enterprise and employment opportunities for young people in a comprehensive way. The framework is presented in this report to illustrate the ways in which the case study organizations are aligned with ImagineNations' perspective. The framework will be used by ImagineNations and its partners as a template and guide for building comprehensive, sustainable and scaled youth employment and enterprise programs in other nations.

After introducing the ImagineNations' perspective and corresponding framework, this document includes case study summaries of the Umsobomvu Youth Fund and BRAC's Employment and Livelihood for Adolescents program, as well as its Adolescent Development Program, and the All-China Youth Federation.



Part I: ImagineNations' Perspective

The Challenge and Opportunity

Young people are the world's most precious resource. They provide fresh vision, leadership and critical problem-solving perspectives to some of the world's most intractable challenges. Building pathways to a sustainable future for the world's young people requires tapping the vision and skills of young people themselves and the consistent investment of inspired adult partners. It requires the steady commitment of institutions that further youth development, and the engagement of economic and political systems that depend on the labor and leadership of young adults. Collectively, these stakeholders are capable of creating and sustaining a set of opportunities that will enable each young person to develop to his or her fullest potential, and thus contribute to the future growth of healthy, prosperous nations.

For the majority of the world's young people, the ability to make a successful transition to employment represents the single most predictable determinant of their long-term success in achieving personal and economic self-sufficiency. Finding meaningful, decent work provides young people with the opportunity to test and hone their problem-solving skills and develop a robust sense of their capacity to affect the conditions of the world around them. The sad reality today is that increasing numbers of young people are not given access to the tools and support they need to successfully navigate this transition to work.

ImagineNations Group and its partners support the development of comprehensive and scalable youth investment systems and models that address the barriers faced by unemployed young people. Lack of opportunity and marginalization from the economic mainstream can lead to frustration and loss of hope among youth, resulting in a continuing cycle of poverty, along with economic, social and political unrest. ImagineNations believes these challenges will not be met by *status quo* approaches that reach only a few hundred, or even a few thousand, young people. Taking effective approaches to scale in ways that are sustainable is vitally important. Simply doing more of what many good organizations are currently doing will not—by itself—turn the tide or change the odds.

The task at hand requires a fundamental understanding that the problem cannot be solved in isolation. It demands weaving together workable solutions from the wide range of experience and knowledge offered by diverse stakeholders. Most importantly, it requires leaders who do not see young people as problems to be solved, but rather, as *problem-solvers*. Such leaders are imbued with an unshakeable faith in each young person's ability to make essential, lasting and productive contributions to their society.



Promoting Large-Scale, Multi-Sector, Demand-Driven Responses

There are many ways to analyze and frame the youth employment challenge. ImagineNations uses the analogy of a two-sided mountain to describe it. On the front side of the mountain, there exists an abundance of employment programs that assist a wide range of young people in learning life skills, vocational and technical skills, ICT and other training—with the intention of equipping them for employment or entrepreneurship on the other side of the mountain. Literally thousands of employment training programs and organizations exist that target a wide range of youth, including those who left school early before acquiring basic literacy and numeracy skills, secondary school graduates, and even college graduates. The back side of the mountain consists of the economic landscape into which these young people then enter—looking for work, employment and livelihood. This side of the mountain is relatively sparse, providing young people with too little access to jobs, livelihood, capital, apprenticeships, internships and other forms of economic attachment.

ImagineNations believes that the current youth unemployment landscape in many of the world’s developing nations reflects a consistent set of challenges that can only be addressed through a comprehensive approach—one that simultaneously addresses both sides of the mountain—improving the quality and market-orientation of training programs, addressing policy issues, increasing access to various forms of capital and business development services, removing structural barriers and creating new linkages to markets. Across the globe, only a handful of organizations and initiatives approach this set of challenges in a comprehensive way, addressing both sides of the mountain, at scale.

ImagineNations’ global strategy builds on the experience of these large-scale youth employment models from around the world. Examples of initiatives in South Africa (Umsobomvu Youth Fund), Bangladesh (BRAC) and China (All-China Youth Federation) have been identified, vetted and selected by ImagineNations as examples of the kind of comprehensive, systemic, sustainable and scaled approaches it believes are necessary to begin addressing the magnitude of the youth unemployment challenge. ImagineNations has entered into learning partnerships with each of these initiatives to develop in-depth case studies that provide tangible and inspiring examples of livelihood and employment schemes operating at scale and to highlight the potential for investing in youth enterprise.

Given that the initiatives detailed in this report are rather new, performance and outcome data is limited for these programs at this time. ImagineNations will update the case studies when more in-depth and detailed data comes available. Despite the lack of strong scientific data, the cases do detail historic and unprecedented investments in youth within each nation. They also identify emerging themes, effective practices, promising innovations and collective wisdom that point a way toward comprehensive strategies for unleashing the economic potential of the world’s unemployed young people via employment, entrepreneurship training and microfinance. The two case studies presented here can help to advance the urgent global dialogue on youth employment and spur action among governments, private sector investors, multilateral organizations and NGOs.



ImagineNations continues to seek out similar learning partners from around the globe to build an ever-widening network and to leverage greater investment in global youth employment efforts.

Criteria for Selection of the Case Studies

The case study organizations profiled here were chosen as learning partners of ImagineNations, because they represent a common vision for overcoming the challenges of youth unemployment and because they are: 1) **comprehensive** in their responses to the employment needs of young people; 2) operating at **scale** at a national level; 3) working to achieve, or have achieved, financial and programmatic **sustainability**; and 4) achieving high levels of **effectiveness** in meeting their goals.

ImagineNations' position is that **comprehensive** approaches to youth development are essential for maximum effectiveness and long-term impact. When applied to the case studies and ImagineNations' perspective, comprehensiveness is defined in a number of ways. First, it infers that *multi-faceted engagement* (via programs and policies) with young people exists, responding to their social, emotional, academic, physical, training and financial needs, and that there are *multiple entry and exit points* through which young people can become engaged within the comprehensive system. Second, the components of the system are *well articulated*, that is, the ways in which the pieces of the system fit together and can be differently accessed are apparent to users of the system. Finally, the components of the system respond to a comprehensive range of young people within society (e.g., unemployed college educated, unemployed high school students and unemployed minimally schooled or out-of-school youth).

A comprehensive program enables an individual to build competencies that provide a foundation on which to be sustained emotionally, physically, spiritually, financially and socially. ImagineNations argues that the best prepared worker is one who is healthy, emotionally stable, intellectually agile, community-minded, and *diversely* skilled, especially in transferable skills that support individual initiative. This approach can pose potential conflicts for highly specialized employment and training programs with focused skills training that leaves little time or resources for other activities. While employers generally are willing to provide intensive, focused technical training for new employees, they are not able to provide the broad range of activities and services needed to introduce a young person into the labor market. Moreover, in regions with limited formal sector work, traditional, targeted vocational skills training may not be viable. Instead, vocational training must be redefined to include preparation for individual business activity, market analysis, financial management, communication, conflict management, and innovation.

Youth employment programs must also be comprehensive in responding to distinct segments of the population. Unemployed college graduates require significantly different programs and services from unemployed, minimally schooled youth. Economic opportunities may arise from a variety of sectors, so it is essential that the population be segmented for appropriate training and services to respond to various opportunities.



When programs are struggling to sustain themselves, or when they are scaling up, comprehensiveness is at risk. ImagineNations is aware that in a program's evolution there may be times when various program components must be phased in over time. In these circumstances, ImagineNations encourages scaling strategies that clearly articulate a sequencing of program components that builds toward both full scale and comprehensiveness.

ImagineNations defines **scale** as achieving *a proportionally significant impact on a given or stated/selected target population within a specified geographic area*. To begin to make a dent in youth unemployment, ImagineNations is learning from organizations that have already achieved scale, and then using their experience to help build initiatives in other countries that also have the capacity to work at scale.

The problem of global youth unemployment poses unique demands, and the available capacities in some communities may already have been exhausted. For this reason, ImagineNations encourages the continued development of programs that have achieved, or are effectively achieving, scale at a national level. These programs must also have a great capacity to draw on expansive investments that unite the resources, expertise, and existing infrastructure from many sectors. This way, there is a chance of addressing and reversing the potentially catastrophic effects of generations of unemployed youth. In South Africa and Bangladesh, for example, UYF and BRAC are using aggressive expansion strategies by experimenting with small pilots that, when shown to be promising, are rapidly scaled up. These programs and their partners in the public and private sectors are finding success in engaging a significant cross-section of their young people in skills' attainment, enterprise development, responsible lending, income growth, and production.

The case studies make clear that for programs to reach full scale and be sustainable they require either significant ongoing investment (UYF) or extremely low operating costs (BRAC), or a combination thereof.

Sustainability is the third criteria for selecting the programs outlined in the case studies. From ImagineNations' perspective, national youth employment systems must be sustainable in three fundamental ways:

- Individuals must emerge from employment programs with the skills and strategies to become economically sustainable through their own efforts.
- Local Organizations must possess strong leadership and governance, effective practices, key partnerships, measurable impact, and local relevance.
- National Policies and Programs must be well integrated into national priorities, existing resources and infrastructure, and broad-based, public-private partnerships.

For any program to achieve scale in a sustainable way, it should first be **effective** in reaching its program goals. Effective youth entrepreneur support programs generate multiplier effects: young entrepreneurs create their own livelihood and provide jobs, by some estimates, for two or three



of their peers. The activity of these workers then stimulates economic activity for others. Effective employment training programs position young people for market opportunities on the “back side of the mountain.” These programs often achieve success through a continual process of careful program design, implementation, assessment and re-evaluation.

Conceptual Framework to Support Large-Scale Investment in Youth

From the case study research, ImagineNations has produced a conceptual framework (see *Figure 1*) to explain the conditions, processes, resources and agents necessary for sustained and effectively scaled strategies that increase access to capital, provide essential training and supports, and generate enterprise and employment opportunities for young people in a comprehensive way. The framework encompasses six building blocks that build progressively toward positive outcomes for both the participating young people and for society at large:

- Context
- Investment
- Training and supports
- Credit and savings
- Market opportunities
- Impact

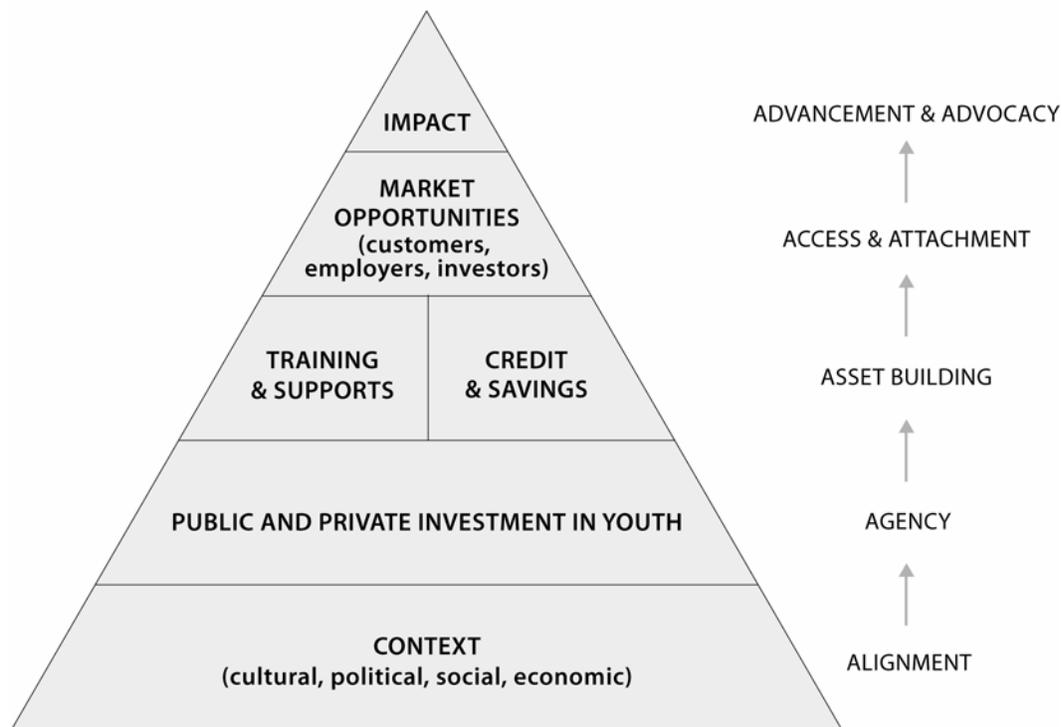
These six components are further defined by corresponding processes that govern activities underpinning each component:

- Alignment
- Agency
- Asset building
- Access
- Attachment
- Advancement
- Advocacy

The processes are the actions required to ensure that youth employment and entrepreneurship programs are geared for success.

Figure 1:

Conceptual Framework for Youth Employment and Entrepreneurship Programs



Context (*Alignment*)

Many societal factors can help or hinder efforts to engage young people in economic activity. Attitudes toward youth and work, gender roles, corruption, perceptions of small business owners, legal, regulatory and administrative frameworks, banking laws, labor market needs, education policy, family structures, poverty, conflict and so on all influence employment opportunities for young people. Therefore, *alignment* with the political, cultural, economic and social context is usually essential for the long-term relevance and success of youth engagement programs in general, especially those seeking to improve the economic standing of young people.

A deep grounding in the context of national and local concerns ensures that youth employment and enterprise development initiatives are well prioritized by governments, investors and development organizations which support them in their efforts to be sustainable and achieve scale. For example, UYF, operating in South Africa's young democracy, is guided by principles of removing historic inequalities, citizenship education, community revitalization and economic



empowerment. BRAC's Employment and Livelihood for Adolescents (ELA) program operates in Bangladesh within a poverty reduction framework that aims fundamentally to empower adolescent girls and young women and to increase the financial security of their families. China's ACYF youth employment campaign is driven by a mandate from the government to better engage young people in the economy.

Alignment with the operating context is determined fundamentally by the strength and orientation of national policies toward young people, education, employment, banking, and small business development. Integrated policies—those that are guided by a national mandate or a strong ministry and are incorporated into the policies and programs of ministries throughout the government—allow for highly aligned youth employment and entrepreneurship programs that can coordinate with public education, leverage public resources, and garner much greater interest and investment from the private sector. This being said, alignment with existing policies is not always the goal, particularly when those policies are detrimental to positive youth development. For example, while the case study organizations are to some extent aligned with existing national policies, they also see themselves as responsible for driving change in their respective political, policy, program and investment environments when the needs and positive development of young people are not being met.

Public and Private Investment in Youth (*Agency*)

ImagineNations developed the UYF, BRAC and ACYF case studies to provide evidence of the benefits from large scale initiatives that engage a wide range of stakeholders across many sectors. Within the ImagineNations' framework, *agency* is the process of mobilizing and coordinating existing resources, infrastructure and stakeholders in a response to youth development. Societal agents such as governments, investors, donors, industry associations and multi-lateral organizations must all be invited into the strategy. Collectively, they bring the resources, authority, capacity and expertise to affect national level economic systems. Such cross-sectoral partnerships give agency to large scale, sustainable initiatives and lay the groundwork for connecting young workers and entrepreneurs with market opportunities. Public and private investment sets in motion the resources for national youth employment and enterprise development efforts.

Economic issues, security, migration problems, and globalization are focusing attention on the activities, concerns, needs, and potential of young people. Increasingly, public sector, private sector, and civil society are joining together to engage young people. ImagineNations encourages investments in programs that prepare young people for the labor market and in youth enterprises directly. Both investments are essential strategies in generating youth-driven economic activity and creating jobs.

Vocational training systems have a role in these public and private investments, but traditional vocational systems have, too often, either not responded to market demands or have responded so slowly that the skills of its students were obsolete by graduation. ImagineNations therefore



encourages investments in dynamic, efficient vocational education and training that uses comprehensive approaches to youth development, is responsive and relevant to labor market demands, and incorporates strategies that support youth enterprise development.

There still are skeptics about large-scale investment in youth, especially among institutions and sectors that have had limited or negative experiences with young people. Some have found young entrepreneurs to be risky investments. The examples of UYF, BRAC and ACYF, make clear that investments in youth can be protected and show returns. Moreover, the looming consequences of widespread global youth unemployment are raising concerns about the potentially negative impacts of not investing in youth.

Training and Support (*Asset Building*)

Comprehensive, targeted training and other supports are key components of successful youth employment programs. Education, training, counseling, mentoring and other support can promote positive youth development and equip young people with the essential *assets* required for success in work as either an employee or an entrepreneur. The training needs of young people demand a multi-faceted approach that responds to a wide range of developmental needs and includes life skills, basic education and technical skills.

Work experience, or the lack of it, can contribute to, or hinder, the developmental process. Child laborers, for example, who may have missed key developmental milestones due to abuse or over-employment must be retroactively trained and educated to become fully functional in society. Young people who have suffered long-term unemployment and have been idle in prime work years may need training and supports well past age 30 to eventually find decent employment. Youth programs must be designed to provide a full and sustained response to the developmental needs of the young people they are targeting. In addition, investments must be made that target the early development of young children to prevent the propagation of under-developed young people.

In regions and economies with unfilled jobs, one of the most significant barriers to employment is lack of skills, so an emphasis on skills development—both technical and soft skills—is essential. Conversely, in regions with economies which are not creating new jobs, technical training must focus on business development and management. In these regions, supports must include business consultants, youth-oriented loan officers, and most important, mentors.

Mentors or “Coaches” are an essential support in youth employment programs, particularly in enterprise development. Entrepreneurship is best learned from the direct experience of planning, managing and sustaining one’s own business, but such an experience can be less successful for a young person who has not been mentored by a seasoned business professional (as in UYF’s and ACYF’s model) or a practiced same-age peer (as in BRAC’s model) who can offer sustained, practical advice, encouragement and support.



Employment training for today's economy demands a focus on teaching transferable and market-oriented skills (e.g., business planning, budgeting, comprehension of technology, customer service and project management) that enable young workers to respond to emerging opportunities and changing markets. For entrepreneurship programs, technical skills training must focus first on motivating and inspiring young people to understand and pursue business start-up options. Then it should provide training in financial management, business planning, marketing and other business activities.

Credit and Savings (*Asset Building*)

Barriers to credit and savings are a significant obstacle to youth employment, enterprise development and productivity. Education, training, counseling, mentoring and other supports must be accompanied by the building of financial *assets* through credit provision and savings. Moreover, successful economic strategies for youth rest largely on acquiring tangible *assets* that both ensure basic economic stability and allow for investment in education, business or property. A significant lesson learned from the case studies is the importance of developing effective lending products for youth so that young people do not accumulate debt. Both UYF and ACYF offer graduated loan products that match the age, capabilities, education, experience and/or progress of young entrepreneurs. In Bangladesh, BRAC is primarily focused on teaching the value of saving—since savings help to elevate the bargaining power of young females within their families, communities and society.

Young entrepreneurs cite limited access to business financing as their most significant obstacle. And yet, emerging data suggest that youth are not necessarily any more of a risk as borrowers than adults, and some data show youth to be less risk. In ImagineNations' examination of the BRAC program, young people showed a slightly better repayment rate than adults in comparable BRAC programs. Microfinance for youth has become accepted, but it is not nearly as widespread as it needs to be. Additionally, there is the need for increased SME financing opportunities for youth. The ImagineNations learning partners, profiled here, are on the vanguard of youth credit for micro-enterprises, small businesses, and medium-sized ventures.

Market Opportunities (*Access and Attachment*)

A common barrier to the economic viability of young people is their extremely limited *access* to market opportunities. Youth need access to prospective customers, employers, and suppliers. Weak social networks, negative stereotypes, transience, discrimination, lack of skills and limited work experience conspire to prevent many young people from gaining access to economic opportunities. UYF, BRAC and ACYF recognize that an important role of youth programs is to facilitate this access and to build a bridge to market opportunities. Once access is gained, positive *attachments* must be established through relationship-building, positive experiences, mentors, internships, and job shadowing. Such activities increase familiarity, understanding and



trust between youth and the people, organizations and networks that can make opportunities available to them.

Success in *accessing and attaching* to market opportunities is the critical moment in any youth employment program. It is the point at which the program alignment, the investments in youth, the asset building, and the supports all converge as a young person transitions from a program into the marketplace. In effective programs, this transition occurs over time, beginning with career exploration, business planning, internships, job shadowing, networking, and mentors. Typically, during the transition, there is a time when participants spend part of their time in the program and part of their time working. This allows them to continue to get training, support, and other program resources while getting established outside the program.

Market opportunities can look significantly different in different national contexts. In South Africa, economic opportunity can be found in government contracting, especially for “historically-disadvantaged” youth. In Bangladesh, no such opportunities exist, so young people are directed toward micro-enterprise development that can respond to village activity. UYF is bridging youth to formal sector options, whereas BRAC is bridging young people to village-level informal sector opportunities. In both cases the program plays a significant role in identifying and linking to those opportunities, because young people are systematically excluded from these opportunities.

Marginalized youth, in particular, need significant training, long-term support, trusted mentors, and lots of encouragement to engage with market opportunities that may be quite intimidating to them. Young people with long histories of distrusting adults also need robust and sustained support in learning to access and attach to employers or business opportunities. It is not uncommon, unfortunately, for young people to falter at this point in their path.

The marketplace also must be prepared to engage young people, and it is the task of the program to prepare public and private sector partners for this challenging transition. Employers must understand young workers. Investors must trust the viability of young entrepreneurs. Prospective customers must believe in the reliability of youth enterprises. Business advisory groups, investor orientations, employer consultations, mentors, job coaches, and strong marketing can be effective in preparing adults to engage young people in economic activity.

Impact (*Advancement and Advocacy*)

The impact and effectiveness of any youth investment strategy is determined by the extent to which the contextual priorities have been met along with the success of individual young people. Within the ImagineNations conceptual framework, *impact* is the culmination of aligning program initiatives within the operating context, thus mobilizing the agents to invest the necessary resources to support program mechanisms that enable young people to attach to viable economic opportunities. Advancement toward measurable gains for individuals, coupled with advancement toward policy gains, is an important indicator of success. UYF and BRAC have proven to be



successful in meeting their program goals and in improving the lives of young people in South Africa and Bangladesh respectively. Both programs have relied on pilot work to then aggressively scale up their work.

Successful programs incorporate the process of *advocacy* into strategies for high impact. Advocacy for the interests of young people and for the organization and its mission are central elements in the long-term success of the cases profiled here. In some settings, advocacy will also relate to efforts that shape the operating context to make it more supportive of youth-driven economic activity.

An important lesson from all three case study organizations is the challenge of and critical need for a well-developed impact assessment strategy. Monitoring and evaluation and long-term impact studies are missing in much of the youth development sector, especially in developing economies where funding streams are often limited. Even so, both UYF and BRAC have invested significant resources in building their capacity to capture, learn from and mobilize knowledge. At the time of the case study research, all three case study organizations were in the process of developing and/or refining their impact assessment strategies. As such, rigorous, scientific performance data should soon be made available to further bolster the case study findings and ImagineNations' perspective.



PART II: CASE STUDIES

This document includes case study reports of both the Umsobomvu Youth Fund (UYF) and BRAC's Employment and Livelihood for Adolescents (ELA) Program and Adolescent Development Program (ADP), as well as the Youth Entrepreneurship Campaign being conducted by the All-China Youth Federation (ACYF). ImagineNations is currently considering additional organizations and program models to supplement these case studies.

The case study organizations included herein fit many or all aspects of the ImagineNations' perspective. However, the case studies are formatted in a way that best serve the description of the different organizations and are not presented according to the specific outline of the ImagineNations' perspective provided above.

The case studies are followed by brief comments detailing next steps in case study research.



Umsobomvu Youth Fund: A Case Study

Introduction

The term Umsobomvu means “new dawn” in the indigenous Venda language of Southern Africa. The Umsobomvu Youth Fund (UYF), South Africa’s national youth employment system, is offering a new beginning to hundreds of thousands of young people in a society where generations have been stripped of opportunities under apartheid. The UYF represents an unprecedented, historic investment in young people and the future of South Africa.

Faced with the realities of youth unemployment in post-apartheid South Africa, the South African government crafted a national youth strategy out of which UYF developed. The strategy was based on four key principles. First, the sheer number of unemployed youth demanded a program that could be introduced at scale. Second, the diverse needs of young people required a comprehensive, multi-faceted program that could be implemented widely and still address the individual needs of young people. Third, the task of preparing the next generation to support the new democracy called for mainstreaming and integrating youth development into the strategic planning of all sectors. Finally, given the limited capacity of the existing economy to absorb young people, a strategy was needed that focused on supporting youth enterprise and job creation. The government’s youth development agenda has provided a strong policy framework to enable the early success of UYF.

UYF stands out among all other youth scaled employment initiatives around the world for its comprehensive programming and successful implementation of multiple services, supports and delivery channels through which to assist young people.

The UYF was established to create a platform for job creation, skills development and skills transfer for South African youth. To support this goal, the government earmarked one billion Rand (US\$143 million) towards the creation of the UYF, drawn from a special levy on the privatization of two state-owned

insurance companies. UYF represents the single largest investment for youth development by the South African government and one of the largest initiatives for youth development globally. From 2007, it is envisaged that the UYF will receive US\$57 million in funding per annum for the next three years.

The UYF reports directly to the Minister of Labor in the South African government. As such, UYF is consistently engaged as a key partner in shaping national youth policy for youth skills development and economic empowerment. UYF was responsible for reinvigorating the South African Youth Council, an umbrella body representing more than 60 youth organizations in South Africa. From its founding, UYF understood that the challenge of youth unemployment would require the best thinking and energy of multiple sectors and partners, and it has been a leader in building a collaborative approach through the National Youth Commission.



While initially funded through government investment, Umsobomvu was deliberately established to operate independently from government control. The UYF benefits from the support infrastructure of government agencies when and where necessary, but management and key decisions are fully controlled by Umsobomvu leadership. UYF has been able to attract substantial private sector investment and acquire other non-governmental organizations as a result of its independence, enabling it to grow at a rapid pace.

Much of UYF's success springs from its comprehensive response to the needs of youth, its rapid scaling up of programs and services, and its distinct business orientation to youth work. This orientation is evident in everything associated with UYF from its branding, facilities, publications, services, and staff, many of whom have private sector experience. UYF's business strategy is driven and articulated by the UYF's dynamic young CEO, Malose Kekana, himself a former banker who sees young people as "customers," service centers as "retail outlets," and private donors as "investors."

As a result of Kekana's business-driven thinking and approach to development, UYF has built a unique, "customer focused," national marketing and distribution network that gives young people numerous opportunities to gain training and support services, mentoring, business development supports, enterprise financing, and access to markets. At the same time, UYF's enterprise finance programs are providing reliable returns to private sector lenders, leading to increasing investment in UYF programs.

Umsobomvu oversees a broad range of services and programs that respond to the varied needs of South Africa's young people in both urban and rural areas. South African young people can use UYF services through local high schools, local NGO service providers, UYF information kiosks, mobile truck-mounted training classrooms, or a national call center. Even text messaging is used to disseminate information to young people and to alert them to products and services. This marketing and distribution strategy is guided by a segmenting of the youth population that enables the UYF to clearly package its products and services through customized, demand-driven approaches. The segmentation of the client base is most evident in the Enterprise Finance programs, where client enterprises range from small-scale trades in the microfinance program to franchises of nationally-recognized retail establishments. To meet the demands of these diverse entrepreneurs, UYF offers multiple credit products and lending methodologies, and works with diverse partner institutions, from NGOs to commercial banks.

UYF Success Story

Anttonet Kabe Reneilwe, a 15-year-old from rural Limpopo district, enrolled in one of UYF's high school-based entrepreneurial education programs and went on to develop Phelang Fruits and Vegetables, an award-winning enterprise that sells fresh food. As part of her business, she also educates community members about the importance of a healthy diet, which she hopes will lead to increased business at Phelang Fruits and Vegetables, while helping to improve the overall standard of living for her community. While enrolled in the UYF program, Anttonet received business training and savings advice, wrote a business plan with a mentor, took out a small loan and began her business. She is successfully repaying her loan today and her future looks much brighter.



The UYF leadership still considers itself a start-up. Yet in less than eight years, they have been able to achieve great success. The UYF recognizes that the funding they receive, while significant, will not be enough to overcome the challenges of youth unemployment in South Africa. That is, the UYF does not perceive itself as a panacea to all of the problems that relate to youth unemployment. Rather they believe all sectors, particularly the private sector, will have to significantly increase their role in youth employment efforts for significant, long-term changes to be made in the lives of South Africa's youth.

Context of the South Africa (*Alignment*)

With the end of apartheid in 1994, and the subsequent establishment of a democratic government, South Africa has endeavored to bring economic opportunity to historically marginalized groups. From the outset, however, the new government faced daunting challenges carried over from the apartheid era, including an official unemployment rate of more than 25 percent. Approximately 5.4 million youth were unemployed, the majority of whom were black South Africans who had suffered the most under apartheid's legacy of social, financial and educational oppression. Black youth found themselves without the support, skills and training they needed to successfully enter and remain in the workforce.

Although employment trends have improved in the post-apartheid era, currently 50 percent of young people are still unemployed, and 70 percent of all unemployed people in South Africa are under the age of 35.

Since inception, the UYF has focused on connecting the interests and needs of South African young people to the realities of the labor market. As a result of careful and constant consultation and research, the UYF is responding to those needs and interests by providing a comprehensive range of products and services to South African youth, including credit, business development services, skills training and mentoring. The core programs UYF provides are described in more detail below.

Core Programs

The UYF has adopted a customer-focused and opportunity-driven approach to youth development in recognition of the diverse levels of skills and needs of young people, as well as the dynamic nature of the South African economy. The core programs for youth are oriented along four key services (see *Appendix A* for an organizational diagram of the UYF). These services are briefly described below, followed by more detailed program descriptions that deliberately align with the ImagineNations' framework described in *Part I: ImagineNations' Perspective*.

Training: One enduring impact of the apartheid system is the chronic skills mismatch between young people in the labor market and the demands of employers. The UYF provides a range of training programs that focus on developing vocational, life and entrepreneurial skills. These



include a school-to-work program designed to transfer high level technical skills to graduates with the aim of securing employment in strategic sectors of the economy.

Identification of opportunities: The UYF identifies employment or procurement opportunities in the public and private sector through various support services. The Business Opportunity Support Service (BOSS), for example, identifies business opportunities for young entrepreneurs. This and other market identification services are designed to connect young people to existing job and business growth opportunities in the public and private sector.

Links to employment and entrepreneurship support: For many South African youth, job opportunities in the existing public and private sector will continue to be insufficient to meet their demand for employment. While the Fund has created job preparation services, as well as services that link youth to the job market, Umsobomvu believes that self-employment is a critical vehicle for the social and economic development of young men and women. Through a variety of programs, including entrepreneurship education, business development support services and mentorship, the UYF aims to enhance the capacity of youth to participate in all aspects of social and economic life. Through its engagement with all levels of government, UYF also ensures that self-employed youth are recognized as a key target group and a resource in raising productivity and economic growth.

Access to finance: Through the UYF, young entrepreneurs are able to access funding to start, sustain, or expand their businesses/cooperatives.

In addition, UYF engages in support activities such as research, evaluation and capacity building, to ensure the quality and market relevance of its programs and support the development of peer organizations.

Training and Supports (*Asset Building*)

The UYF provides its youth clients with access to a comprehensive range of training and supports. The comprehensiveness in programming and the increasingly high levels of program integration enable the UYF to reach a diverse population of young people (e.g., out-of-school and more educated youth, rural and urban youth, etc.); maximize the likelihood that their diverse needs and interests are met; and, minimize the likelihood that young people that access the training and supports fall through the cracks.

The UYF's training and support programs are managed under two divisions: 1) Skills Development and Transfer and 2) Business Development Services.

Skills Development and Transfer: This division manages the various programs that provide technical skills, work experience, entrepreneurship and life skills to young people.



National Youth Service Program (NYS): The NYS, a unit of the Office of the President and housed within Umsobomvu, was developed to provide opportunity for skills development and employment to reintegrate youth into the social and economic mainstream. The program primarily targets three groups of young people:

- Students in high school and Further Education and Training institutions (FETs). These students participate in compulsory community service activities as part of their formal education;
- Unemployed youth, who receive technical training, life skills, and participate in community service activities;
- Youth in conflict with the law, who participate in the NYS as part of the restorative justice process.

Classroom training uses curricula accredited under the South African National Qualifications Framework (NQF). Completion of the course helps young people obtain formal credentials to enhance employability. It further allows young people to contribute to nation-building, improving their citizenship awareness and participation.

Between 2003 and 2005, 7,000 youth participated in NYS, in 2005-2006, 8,000 young people served, and in 2006-2007, 15,139 youth served. At this time, most NYS graduates are being absorbed into government projects within eighteen departments, not private sector opportunities.

School-to-Work: The School-to-Work program is a skills development initiative designed to transfer high-level technical skills and to facilitate work experience for unemployed matric and tertiary graduates. The program aims to prepare black youth for employment in strategic sectors of the economy. The program currently focuses on the following industries:

- Information Technology
- Engineering
- Sports and Entertainment
- Agriculture
- Accounting

In 2006-2007, 2,558 young people accessed the School-to-Work program.

Graduate Development Program (GDP): In 2002, in response to the high number of unemployed high school graduates, the UYF launched the Graduate Development Program (GDP). The program focuses on increasing basic skills, primarily for young people from Level B schools, the historically weak apartheid-era schools. In developing the program, the UYF consulted with a consortium of employers, to ensure that participants were trained in skills that were relevant to the existing job market. Under GDP, fifteen companies, including JP Morgan, Vodacom and BMW, have started in-house graduate training programs, and between 2003 and 2006, 400 employers



participated. In 2006-2007, 1,250 young people accessed the GDP, and employers have offered over 4,000 openings to GDP participants.

Entrepreneurship Education (EE): The EE program targets both in-school and out-of-school youth. Combining theory, practice, and links to market opportunities, the EE program is delivered by NGOs, schools and colleges. The program was originally managed by the UYF's Business Development Services division but reoriented toward an emphasis on skills development under the Skills Development and Transfer (SDT) division. In 2006-2007, the school-based program was delivered to more than 29,000 learners by 780 teachers trained within the scope of the South African Department of Education entrepreneurship education curriculum. This training is aligned with the Sector Education and Training Authority (SETA) that requires 21 industry sectors to pay a 1 percent levy to support skills training and entrepreneurship education. The entrepreneurship education skills program is further developing training programs specifically aimed at young people in cooperatives, or those who want to form cooperatives.

Business Development Services (BDS): The BDS program connects young entrepreneurs with business development support services through the Business Development Support Voucher Program (BDSVP) and the Business Opportunities Support Service (BOSS). The BDS division also maintains the JOBS data bank to connect jobs seekers with employers.

Business Development Services Voucher Program (BDSVP): The BDSVP provides vouchers to qualifying young entrepreneurs to subsidize the cost of acquiring quality business support services, including business planning assistance, marketing, business registration, legal and other services. Through a competitive application process, the UYF identified service providers to serve as implementing partners for the program. Qualifying young people, vetted by business development officers, pay R200 (approximately US\$30) towards the cost of a voucher to obtain services from the network of UYF service providers. The voucher acts as money towards the purchasing of business support services, such as business planning, financial management, tender advice, marketing support, and other professional consulting.

Each client is allowed to access up to four vouchers. In 2006-2007, 9,470 young people accessed vouchers (a 41 percent increase in the percentage from the previous year). From these vouchers, 2,318 enterprises were supported, and 8,410 jobs were created. A total of US\$4.9 million worth of loans and US\$5.2 million worth of tenders were accessed by voucher recipients.

Business Opportunities Service Support (BOSS): BOSS is a linkage service to connect young people to procurement and contracting opportunities within the public and private sectors. The UYF identifies and sources business opportunities on behalf of young entrepreneurs. The organization maintains a database of opportunities, including procurement, franchising and others, and connects young entrepreneurs to those



opportunities through technical assistance, mentorship and funding. Since BOSS was developed in 2005, more than 2,600 retail and vending opportunities have been sourced for young people, securing R183.7 million (\$US2.72 million) in business opportunities for young entrepreneurs.

Job Opportunities and Seekers Database (JOBS): JOBS is aimed at linking job seekers to formal employment opportunities in both the private and public sectors. Through the UYF's YouthPortal, employers can be linked to young people from the database at no cost. The JOBS service provides full recruitment and placement services to prospective employers (e.g., matching, screening, and linking functions). Since its inception in 2005, JOBS has placed more than 800 youth in jobs, learnerships, and internships. In 2006-2007, more than 117,000 CVs of young people were posted on the JOBS database, and close to 6,000 of them had been submitted to employers.

A Multi-Channelled Delivery System

Young people that access the various training and support services of the UYF can do so through a multi-channelled delivery system that has been designed to meet the diverse needs of the UYF's youth clients. Currently, delivery channels being accessed include retail outlets, a web portal, youth card and call center. In addition, the UYF sends out an average of 100,000 text messages a year to its beneficiaries and stakeholders providing them with information, notifications, and updates on Umsobomvu products and services.

Youth Advisory Centres (YACs), Retail Outlets and Mobile Units: Youth Advisory Centres (YACs) provide information and support about employment and enterprise development to thousands of young people around the country each year. They are staffed by "infomediaries", front-line customer service staff, who guide young people toward the appropriate programs and services to fit their needs.

There are currently 121 YACs in service across South Africa (eight are full-service centers and the remainder are YAC Points, walk-in centers where young people can access various aspects of UYF services) that offer young people information, support, training and referral services. An additional seven full-service YACs and 40 YAC Centre Points will be added in 2007-2008.

The YAC Retail Outlets are the UYF's version of a one-stop-shop for young people. These outlets offer the full range of UYF services and provide personalized case management of clients across all programs. The outlets offer five products—computer/internet access, vouchers, loan finance, market linkages, and training. To date, more than 1.1 million young people have accessed services through the YACs, with over 428,000 reached in 2006-2007 alone.

In rural areas where UYF does not have a retail presence, it reaches youth through a network of Mobile Units, which are brightly colored vans staffed by two to three infomediaries. Each van has eight to ten computers connected to the internet and set up for group trainings. The



infomediaries provide basic life skills training, computer training, information about internships and jobs, assistance developing and uploading CVs to the UYF JOBS bank, and other services. The staff conducts a quick analysis of the youth in the particular region and customizes the programs to respond to clients' needs. In the future, the units will also become one-stop Retail Outlets offering a more comprehensive range of services. In 2006-2007, more than 138,000 young people were serviced by Mobile Units.

Web Portal (see www.youthportal.org.za): An Internet portal allows young people to access the UYF's programs and services online. Access to the portal is also available to young people at the YACs and Retail Outlets. The portal has a comprehensive database covering skill training providers, entrepreneurship programs, potential employers, career guidance, and other issues relevant to youth. It contains more than 18,000 pages of content, including the Job and Opportunities Seekers Database (JOBS). Since its launch in 2004, the portal has seen well over 11 million hits. The portal registered 4.1 million hits in 2006-2007.

South African Youth Card (SAY Card): The SAY Card was launched in December of 2004. This pocket card offers discounts on products and services to all participating youth between the ages of 14 and 28 years. It also disseminates, through an accompanying bi-monthly magazine, information on education, training, employment, entrepreneurship, citizenship, health and well-being. The SAY Card currently has more than 160,000 members on its database, and 95 business discounters are currently supporting the Card. 2006-2007 saw a 58 percent increase in the number of young people accessing the SAY Card compared to the year before.

Call Centre: YouthConnect, the UYF's telephone call center, offers an array of services to young people who make inquiries on the activities of the UYF. Information and advice is available in eleven of South Africa's predominant languages to ensure a broad reach across the youth population. The Call Centre has fielded over 260,000 calls, with about 59,000 being processed during 2006-2007 alone.

The UYF has recently created a new monitoring and evaluation system which will enable Umsobomvu staff to track each individual client as they move through the various channels of the UYF program. This way, staff members can determine what services a young person has accessed and if additional services might benefit their continued development.

Market Opportunities (*Access and Attachment*)

Core to the Umsobomvu strategy is the importance of connecting its training, support and access to credit to real opportunities in the market. As such, the training and support activities are designed in consultation with employers to ensure relevance to the labor market. The BOSS and JOBS programs focus on connecting individuals and enterprises to existing employment and business growth opportunities. The Enterprise Finance program, which is described under the *Enterprise Finance* section below, provides young people with access to capital or business



development services. These services support the success of young entrepreneurs in the labor market.

Credit and Savings (*Asset Building*)

Many young entrepreneurs assert that their main problem is lack of access to finance. The UYF has found that this lack of access is driven by both inadequate supply of financial services for young people and inadequate business training, planning or limited networks of young entrepreneurs—inadequacies on both sides of the mountain. UYF’s youth enterprise development strategy recognizes the different influences and interventions that can shape a young person’s ability to own, manage and/or expand a business. Its provision of both financial services and non-financial services is designed to maximize the potential of young people to become successful entrepreneurs and connect those high potential youth to the resources they need to establish or expand their businesses.

Enterprise Finance

Following the UYF’s overall organizational strategy of customer targeting, the Enterprise Finance Division offers products to meet the diverse funding needs of young entrepreneurs. The UYF provides microfinance loans ranging from R1,000 (US\$143) to R100,000 (US\$14,285). These loans are provided both in-house and through partner organizations. For young entrepreneurs with larger capital requirements, the UYF provides funding through its self-managed General Fund, or through intermediary funds established in partnership with Business Partners and First National Bank. The UYF’s partnerships with First National Bank (South Africa’s oldest and one of its largest banks) and with Business Partners (South Africa’s leading specialized investment company for small and medium enterprises) have led to the creation of the FNB-UYF Progress Fund and the UYF-Business Partners Franchise Fund.

- **General Fund:** The UYF General Fund provides loans ranging from R100,000 (US\$14,285) to R5,000,000 (US\$714,286) for all types of businesses, except franchising, to youth.
- **Business Partners Franchise Fund:** The Franchise Fund was established by Business Partners Limited and the UYF to facilitate access to the mainstream economy for youth through the franchising industry. Loan sizes range from R150,000 (US\$21,428) to R3,000,000 (US\$42,857). The UYF’s initial investment allocation is R125 million (US\$18.5 million), includes R100 million (US\$14.8 million) contributed by Umsobomvu and R25 million (US\$3.7 million) from Business Partners. The UYF provides debt and equity capital to youth with some experience in business.
- **Progress Fund:** The Progress Fund is a R320 million (US\$47.3 million) public-private partnership fund with First National Bank, one of the largest banks in South Africa. The



Progress Fund provides between R100,000 (US\$14,285) to R8,000,000 (US\$1.2 million) for all types of businesses involving youth and women.

The majority of loan applications are reviewed by a loan application committee. The majority of the clients have completed grade level 23. The majority of clients access loans up to R1000 (US\$143) and have no credit history. In urban areas, most clients engage in street vending operations. Those that access loans between R10,000 (US\$1,428) and R100,000 (US\$14,285) tend to be male clients that have finished matric and might even have a diploma, but have not been able to find a job. Clients that access loans over R50,000 (US\$7,142) tend to already have some collateral. All clients are visited by a loan officer. For applications over R50,000 (US\$7,142), the loan application gets sent to the UYF headquarters for approval by the management committee. If the committee believes the applicant needs some business training, he or she will be referred to BDS training services.

The UYF began its retail microfinance programs working with several key partners. The Small Enterprise Fund (SEF) and Marang, which use a group lending methodology, along with The Nations Trust and NICRO Enterprise Finance, which use individual lending, as its main microfinance partners. In 2006, the UYF acquired the operations of NICRO Enterprise Finance and The Nations Trust to combine the experiences of the three organizations in microfinance lending. The UYF's newest strategy for microfinance focuses on significantly scaling up operations with the aim of becoming a leader in South Africa in terms of client approach, quality of services and assets. The goal of the microfinance program is to directly impact 100,000 South African youth and women by 2010.

The UYF estimates that for every job it helps to create, four to five additional jobs are created, and for every SME established, as many as 15 new jobs are created. In 2006-2007, 21,383 finance loans were issued at a value of US\$24.4 million, leading to the creation of 5,796 enterprises and 8,103 jobs. This was a 224 percent increase in the number of finance loans issued from the previous year.

Currently, the microfinance program has cost the UYF R1 (US\$0.15) for each rand it makes in return. In addition, it costs R20 (US\$2.97) for each job it creates. Given that scale is a direct function of how much funding they have to put into microfinance and job creation products and services, the UYF is focusing on how to reduce costs, increase revenue generation strategies and engage increased funding support from the private sector. It is also going to focus more on microfinance in the future, because this area of work contributes significantly to poverty reduction, which is a high priority of the South African government.



Public and Private Investment in Youth (*Agency*)

The UYF benefits from both public and private investment in its programs and services. As stated previously, Umsobomvu was originally created with a \$143 million investment drawn from a special levy on the privatization of two state-owned life insurance companies. To understand the full scale of this public investment, consider that a proportional appropriation by the U.S. government would be \$31 billion a year. In 2007, the organization was allocated US\$57 million from the government budget and is expecting to be allocated a total of US\$171.5 million by the year 2010. The UYF currently has 270 employees and consultants. This number is projected to double in the coming years as the UYF scales up to its vision of blanketing the countryside with UYF services every 100 kilometers.

Key to the organization's nationwide presence is its partnership strategy. The small business support infrastructure in South Africa, including government programs and policies, private Service Providers and NGOs, contributes toward a robust ecosystem of partner institutions upon which the UYF has been able to build. These resources provide advisory and business support services, financial services, and other support to young people. Through its Enterprise Finance Division, the UYF partners with South African financial institutions to provide access to finance for youth-owned enterprises. For example, First National Bank initially contributed 20 million Rand (approximately US\$3 million) to the FNB-UYF Progress Fund for youth- and women-owned enterprises, and based on the initial success of zero defaults in the first 15 months of operation, the Bank raised its commitment to 240 million Rand (US\$34 million). In addition, the UYF's Franchise Fund, established with Business Partners Limited, currently reports 100 million Rand (US\$14 million) for youth entering into the franchising industry.

Currently, the UYF receives approximately 10 percent of its funding support from the private sector. UYF leadership aims to increase significantly that percentage in the coming years to reach its goals related to scale and sustainability, and to support the overall mission of mainstreaming youth into the formal economy.

A Learning Organization Focused on Impact (*Advancement and Advocacy*)

The early success of Umsobomvu is in large part due to the thoughtful, measured approach the UYF takes to program design and implementation. During the first two years of the UYF, management commissioned and conducted substantial research on youth needs, skills and preferences. In addition, the leadership team engaged in extensive review of the existing local supply of youth service providers. This involved hundreds of consultations with key advisors, both within South Africa and around the world. The UYF remains committed to learning and improvement through all levels of the organization. The overall responsibility lies within the Process Cycle Management Division and the Capacity Building and Research Division of UYF.



Process Cycle Management: The UYF is committed to high quality, internationally-recognized business practices. The Process Cycle Management (PCM) division is an internal support division that was created to design and implement a management platform for the UYF and its partnering service providers. This platform includes a standardized reporting system for all divisions, management support for all grants, performance management and review, quality assurance and corporate legal support services. To bolster the organization's growth, the UYF has also prioritized the strengthening of back office support functions, such as funding approval processes, customer response and compliance monitoring.

The PCM division also conducts internal audits and performs surveys of staff, service providers, and clients to ensure high quality and consistency throughout the organization. These activities are designed to promote a continual process of learning and improvement. In 2006, the PCM division successfully led the UYF to qualify for ISO 9000 accreditation, establishing the UYF as an organization with internationally recognized business practices. The application process required Umsobomvu to ensure that all of its business processes and policies were standardized and codified throughout the organization.

Capacity Building and Research (CBR): The CBR division provides the strategic program development and implementation support that guides the UYF's youth development agenda. It supports the organization's role as a catalyst and advocate of best practices in the South African youth development sector. The division's main function is to conduct research and disseminate information on the socio-economic needs, circumstances and opportunities of youth. These activities enable the UYF to provide interventions with demonstrated impact that are relevant to the needs of young people and the labor market. The CBR division oversees lobbying and advocacy work on behalf of the UYF, it and provides training and development of staff and service provider organizations that work with Umsobomvu.

The activities of the CBR division are guided by the Umsobomvu Standards of Effective Practice (USEP), developed when UYF was originally established and outlined in *Appendix B*.

Training Support Program (TSP): The UYF is not only committed to ensuring and enhancing the learning of its staff and SPs but also to serving as a resource of information and knowledge for youth practitioners and policymakers throughout South Africa. Through the TSP, a program under CBR, the UYF is able to formally build and increase the skills of youth development practitioners throughout South Africa, empowering them with the capacity to design, develop, implement and advocate for effective youth development programs. The TSP supports the UYF in its efforts to mainstream effective youth development work throughout the youth service sector.

The TSP provides on-site technical assistance to other service providers, conducts staff training for UYF and partner organizations, and convenes forums to facilitate cross learning. TSP's training content includes basic and advanced courses on youth development, entrepreneurship education, life skills, financial management, monitoring and evaluation, mentorship and coaching. The TSP supports the UYF's efforts to



mainstream effective youth development work throughout the youth service sector. The material development unit under the TSP develops training materials to assist internal and partner organizations' staff development efforts.

Knowledge Management (KM): The Knowledge Management program supports the organization's learning and improvement objectives by capturing and documenting lessons learned and providing consultancy services. Findings from evaluations are integrated into UYF services.

The information provided by KM captures contemporary trends in youth development research, as well as international best practices in youth development. By serving as a generator and warehouse of knowledge, the KM assures that the products and services provided by the UYF are developmentally appropriate and effective. KM represents the management's ongoing commitment to organizational learning.

Research: The youth affairs research program provides up-to-date information on the status of young people in South Africa, especially as it is necessary for program, product and service design.

Monitoring and Evaluation (M&E): All of the UYF's projects are regularly monitored and evaluated throughout the funding cycle, followed by after-care and support for the youth. The M&E program is responsible for collecting and managing impact data for the different programs within the UYF, in addition to training staff and service providers in data collection and management.

By developing and disseminating findings on program quality and impact, these various support divisions of the UYF assure that its products and services are developmentally appropriate, linked to the market and results-oriented. Management has admittedly faced challenges in codifying processes to reliably track information and capture the impact of the UYF's programs. Implementing these systems across UYF's partner network has also been a challenge, as many programs and services are delivered through external partners. Umsobomvu is currently addressing these issues by developing a state-of-the-art management information system to standardize data collection and reporting, and to serve as a customer relationship management tool for tracking client progress. The system will also standardize the design of M&E plans across all of the UYF's divisions. Case officers and program managers will be able to manage, view, update, track and share beneficiary information. The UYF has also invested increased effort in training its own and partners' staff in data collection, management and analysis.

Conclusion

The UYF's impact within South Africa, and increasingly abroad, is significant. Millions of young people are benefiting from the UYF's wide array of programs, services, and products. In ImagineNations' view, such a fully comprehensive range of services for youth employment and



enterprise development are available nowhere else in the world at such scale. Internationally, the UYF is gaining attention as an innovative and unprecedented investment in youth employment. Several other nations, including those in which ImagineNations is working to build large scale youth initiatives, already are contemplating similar national funds and programs.

While the UYF serves as an example of comprehensiveness in training and support, as well as access to market opportunities, what remain lacking are a sufficient monitoring and evaluation system and, most notably, a reliable way to ensure that each young person who accesses UYF products and services receives comprehensive and integrated support. That is, the UYF has had no system in place to track if, and how, an individual accessed the full range of products or services that would most benefit his or her development, and therefore, if there might have been additional products or services that would have been beneficial. The current case and data management system the UYF is developing should provide it with these tracking capabilities. As such, each individual that enters the UYF's programming will be assisted in accessing a comprehensive range of products and services in a more integrated way. This more comprehensive programming should then have a significant positive impact on the effectiveness and scale of the UYF's work and its goals for improving the lives of South African youth and mainstreaming them into the formal economy.

Another challenge to comprehensiveness of programming, according to UYF staff, was the “pillar-to-post” phenomenon—or a lack of integration across the various program services. For example, young people previously had to access vouchers at one site, travel to another site for access to credit, and perhaps even another site for additional services. This proved difficult for many youth who were often unable to travel to these multiple sites. As a result, too commonly, interested young people were not be able to access the comprehensive range of available products and services. The UYF is appropriately responding to the pillar-to-post reality by creating more “one-stop-shops” or Retail Outlets, where young people can access all of the products and services at one site. The positive impact this will have on levels of youth engagement will likely support its future goals for scale.

Learning is a critical asset and part of the core philosophy for Umsobomvu. As such, the UYF seeks to achieve scale by creating accredited courses, as well as learning and teaching products (e.g., curricula) so that people and organizations from around the world will benefit from their materials and/or attend its workshops. It is also investing in creating an e-learning platform that will help to further scale and mainstream UYF work.

The UYF is also focusing on ways in which it can expand its international work and thereby more intentionally introduce the UYF brand and its comprehensive approach to a global audience. Its sound business practices, products and services make the UYF a model youth employment and enterprise development program that other nations and organizations should look to as they work to provide young people with sustainable opportunities for employment, entrepreneurship, and livelihood. As a comprehensive program that has achieved scale and sustainability in increasingly effective ways, the UYF serves as a key consultant and partner in the work of the ImagineNations Group.



Key to the success of Umsobomvu (and any national-level youth-focused organization) in achieving scale and sustainability, while providing a comprehensive range of services to its young clients, is its alignment with, and/or response to, national priorities and policies.

As the UYF looks to the future and its plans to scale at a rapid pace (both nationally and internationally) in a sustainable way, it will be important to not only have its new data management system in place, but to also commit to plans to standardize data collection, data entry and management practices throughout the UYF organization and within its service provider organizations, and to train users of the system accordingly.



BRAC'S ADOLESCENT DEVELOPMENT PROGRAM (ADP) AND THE EMPLOYMENT AND LIVELIHOODS (ELA) PROGRAM: A CASE STUDY

Introduction

BRAC, formerly known as the Bangladesh Rural Advancement Committee, was established in 1972 as a relief and rehabilitation organization after the Bangladesh Liberation War. Over time, BRAC has evolved into a multifaceted development organization focused on alleviating poverty and empowering the poor, with a particular commitment to the empowerment of females and the education of children and adolescents. BRAC maintains a reputation for effectiveness on a large scale, implementing efficient, reliable, and sustainable delivery systems and a well-organized management structure. Where a weak government and the private sector have failed, BRAC has played a significant role in alleviating poverty and supporting healthy human development throughout Bangladesh. BRAC aims to promote the goals of sustainable development and empowerment of the poor through its microfinance, health, social development, education, training and research programs.

BRAC is a pioneer in responding to the multiple dimensions of poverty and its realization of the diverse needs of the poor. BRAC's response is notable in two ways. First, BRAC follows a "credit plus" approach, providing loans to the poor in combination with various forms of skills training, education for children of BRAC members, health services and social development services. Second, BRAC applies different approaches to reaching diverse groups of poor clients. For example, programs are designed to differentially target the rural versus the urban poor. Poverty is also segmented into five economic groups: better off, vulnerable non-poor, moderate poor, extreme poor and destitute.

The village organization model is BRAC's response to providing its microfinance clients with services on a large scale and on a sustainable basis. Village organizations are associations of 35-50 poor, landless women. They serve as forums where the poor can collectively receive credit, open savings accounts, and build their social networks. In 2007, BRAC worked with over 5.6 million microfinance borrowers, with a repayment rate of more than 98%. There are currently 1,675 branch offices in all 64 districts across the country. BRAC employees go directly to the customers, meeting with members of village organizations once a week to discuss and facilitate credit operations.

BRAC's microfinance program primarily targets female borrowers; 85% of borrowers were female in 2007. BRAC believes, and its research confirms, that investing in the healthy development and empowerment of women has a significant positive effect on household decisions about health care, nutrition, and family planning. BRAC's research also finds that women are more reliable savers and borrowers than men. As important, BRAC targets women in order to respond to the traditional social and economic exclusion of women in Bangladesh. BRAC believes that by empowering women with financial skills and opportunities, they will be



better able to assert control over their lives and contribute to the healthy development of their respective families and communities.

In response to the expressed interests of female adolescents, BRAC extended its microfinance programming to include adolescent girls in 2003. BRAC's approach towards microfinance for adolescents follows the same "credit plus" method of its general microfinance program, where loans are disseminated to groups of borrowers in combination with health care services and various forms of skills training. The main goal of the adolescent programming is to provide young women with the financial and social development training and supports they need to elevate their bargaining power within their respective families and communities, and more broadly, within Bangladeshi society. No other youth employment program studied by ImagineNations focuses so intently on this goal.

BRAC understands that altering long-held beliefs about gender roles requires engaging the support of family and community members. Through its 35 years of delivering a broad range of services to communities, BRAC has built a strong brand name throughout Bangladesh. BRAC is able to leverage its brand value to inform family and community members about the importance of girls' education and economic participation.

Context of Bangladesh (*Alignment*)

BRAC is a national private organization started by Fazle Hasan Abed in 1972 as a small-scale relief and rehabilitation project. Almost entirely donor-funded at its founding, BRAC originally focused on resettling refugees returning from India. Today, BRAC is an independent, virtually self-supporting NGO (see *Appendix C* for detailed financial information on BRAC). It has recently begun to expand beyond Bangladesh, bringing its work to Afghanistan, Sri Lanka, Uganda, Tanzania, and Southern Sudan. BRAC currently reaches an estimated 110 million people in Bangladesh and employs more than 100,000.

More than a quarter of the total population of Bangladesh is comprised of adolescents, defined by the WHO as between 11 and 19 years of age.

An increasing emphasis on primary and basic education by the government and NGOs, as well as a stipend program for girls at the secondary school level, have created a more educated youth cohort than has been seen in years.

However, in 2005, nearly half of girls in Bangladesh dropped out of school in order to tackle household responsibilities such as marriage, child-bearing and housework. Approximately 33 percent of 15-35 year olds in Bangladesh are not working for paid wages. The majority (88 percent) of these youth are female, who spend most of their time in housework and idle time. Employed youth usually have to settle for the more insignificant jobs for which they receive very meager wages.

In 2006, approximately 24 percent of the total Bangladeshi population was living in extreme income poverty (on less than \$1 per day) and approximately 83 percent were living on less than \$2 per day.



Among adolescents in Bangladesh, there is very little awareness about key social issues, such as child marriage, rape, gender-based violence, reproductive health, sexually transmitted infections and drug abuse. Adolescents are not only unaware about the prevalence of these issues, but they are also rarely informed of their own legal rights in combating these problems. Adolescent girls in Bangladesh are in a transitional stage between childhood and adulthood, and often have to meet the expectations and face the challenges from both worlds. Adolescent girls must bear adult responsibilities, such as housework and child-bearing, and yet are expected to accept the demands of parents and other family members without question and have little judgmental power of their own. These expectations place a more significant strain and limitation on the healthy development of girls and on their ability to participate in income generation activities.

BRAC's adolescent programming was created to address the needs and interests of Bangladeshi adolescents, specifically to elevate the bargaining power of female adolescents in society.

Core Adolescent Programs

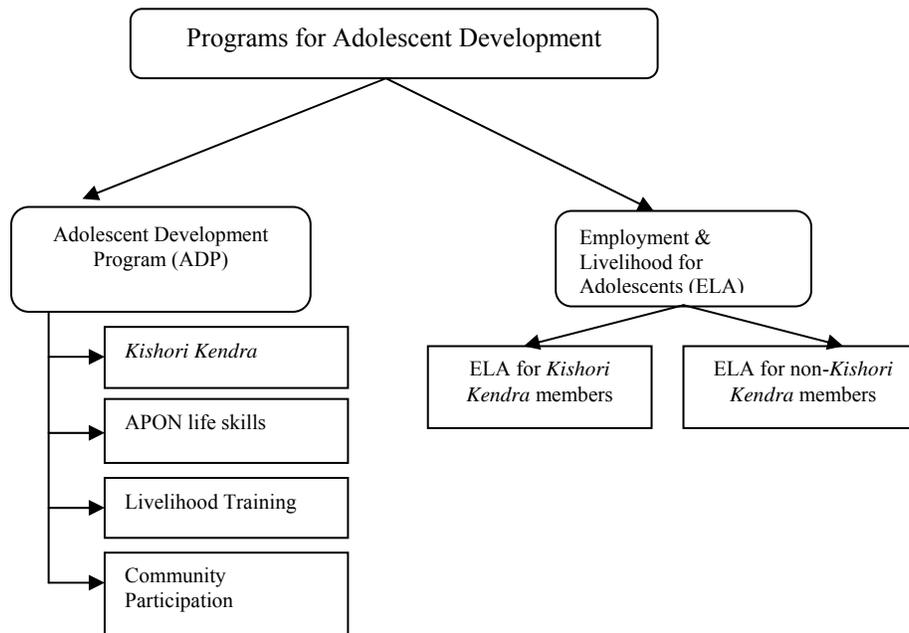
BRAC's adolescent income generation programs began in 1993, and are grouped under two broad umbrellas (see *Figure 2* below): the Adolescent Development Program (ADP) and the Employment and Livelihoods for Adolescents (ELA) program.

The Adolescent Development Program grew out of BRAC's Education Programs. The idea for a program targeting adolescents evolved when BRAC research found that many of the graduates of the BRAC Adolescent Primary Schools could not, for various reasons, continue their formal studies in higher grades. Such graduates were relapsing into illiteracy. In 1993, BRAC established reading centers equipped with materials to encourage adolescent girls to retain their literacy. Over time, the program grew to include life skills training for adolescents, using a peer training methodology. Selected adolescents were trained to lead peer groups and provide training to other girls. In 2003, BRAC started offering income generation skills training and microfinance to the adolescents through the establishment of the ELA program.

The primary goal of both programs is to increase the *bargaining power* of youth, particularly female youth, within their family, community, and, from a generational standpoint, within society in general. ADP and ELA collectively support this goal by providing youth with the livelihood training, support, credit, savings, and basic income generation they need to elevate their human capital.

Although ADP and ELA are not mutually exclusive, BRAC directly reaches about 3.2 percent of the female adolescent youth population in Bangladesh through their combined microfinance and livelihood training programs. If one were to include the 1 million or so female youth that are members of the general Economic Development Programme, one can estimate that BRAC's reach is close to 9 percent of the female youth population in Bangladesh.

Figure 2: BRAC’s Adolescent Development Programs



Adolescent Development Program (ADP) Training and Support

ADP offers training in income generating activities, life skills and confidence-building to adolescent girls. Additionally, ADP educates adult community members, through community participation meetings, to build acceptance of the idea of peer networks, education and income generation for young women. BRAC believes this work with adults is an essential element in building a support base for youth within their families and communities. There are currently 299,000 girls that are members of the ADP (see *Appendix D* for detailed information on ADP).

APON Life Skills Based Education: The Adolescent Peer Organized Network (APON) forms the cornerstone of BRAC’s work with adolescents. Similar to the village organizations of its general microfinance program, APON aims to bring about changes in the lives of adolescents through the formation of peer support groups. The APON program uses a peer training methodology to give adolescents the voice and capacity needed to take on responsibilities. The APON program is offered through reading centers known as “Kishori Kendras” and is based on a life skills training course targeted at adolescent girls. The Kishori Kendras provide a platform of interaction for adolescents and a supportive social space for learning and play. These centers also work as training venues for the various skill development sessions. Girls in the APON program include those in primary and secondary schools, as well as those who are out of school or working. The content is framed around



social issues, such as child marriage, dowry, sexual abuse and violence, reproductive health, general health and hygiene (see *Appendix E* for a full list of the issues discussed in APON courses). The APON course prepares adolescents to be conscientious and responsible citizens. It informs them about their rights and builds awareness about critical issues, such as reproductive health and gender-based violence.

BRAC expanded APON to include adolescent boys, at the request of the girls in the program. BRAC felt that expanding the program would not only raise its ability to engender the healthy development of adolescents, but would also enhance efforts to empower women by promoting the awareness of men.

Kishori Kendras: In 2007, the Adolescent Development Program operated 8,660 Kishori Kendras, or reading centers across Bangladesh, providing young girls with a space to read, play games, sing and dance, exchange views or simply socialize. These centers provide an important opportunity for girls to express their creativity, learn about their rights, and provide support to their peers. The activities also help to develop the leadership and social skills of girls, as well as build social networks for peer support. In 2007, the Kishori Kendras had a total membership of more than 225,160 girls and 25,000 boys.

Two adolescents from each Kishori Kendra are selected and trained to be leaders responsible for managing all the activities of the center and facilitating the training courses. In 2007, 3,400 girls and 1,600 boys received leadership training to perform the role of Kishori Netri (adolescent leader) and Kishori Neta (peer educator) respectively. Each Netri receives six days of basic training and six additional days on the topics relevant to APON courses. They are responsible for operating the center's activities and leading the APON courses. Peer-to-peer teaching is an essential element of BRAC's strategy. Not only does it help develop leadership skills, but it also gives the adolescent leaders a small honorarium to enhance their recognition and contribute to their educational and family expenses. Findings from a mid-line survey on girls who attended the centers indicate that relatively longer periods of time spent at Kishori Kendras are associated with increased age of marriage and a decrease in the drop-out rate from secondary schools.

Livelihood Training: In order to equip adolescent girls with the skills necessary to take part in income-generating activities, BRAC offers employment and micro-enterprise training to reduce girls' financial dependence on their families, husbands and in-laws. The course emphasizes basic business management skills and provides sector-specific training in selected industries. These industries include poultry and livestock rearing, embroidering and tailoring, photography, computer skills and journalism. BRAC program staff continually assesses if and how the program is appropriately training girls to meet the needs of the labor market.

Community Participation: BRAC recognizes the important role that families and communities play in girls' lives. Parents and the local community may willingly or unwillingly contribute to the discrimination against girls and the violation of child rights.



Parents and other adult community members often have had little or no formal education themselves. BRAC leaders felt it was essential that adult stakeholders be targeted to help bring about changes in girls' lives. In order to build an environment that supports the personal, social, and economic empowerment of girls, BRAC introduced the Community Participation program under ADP. The program imparts knowledge to family members of adolescents, community leaders, religious leaders and other stakeholders on the benefits of girls' education, as well as their social and economic empowerment. This effort to engage adults in the community works to open pathways to economic opportunities for girls.

A recent study comparing members of BRAC's ADP with non-ADP adolescents in Bangladesh finds impressive gains made by the program members. The study found that 66 percent of non-ADP adolescent boys and 42 percent of non-ADP adolescent girls in Bangladesh would like to study up to university level, while the corresponding figures are 89 percent for ADP adolescent boys and 68 percent for ADP adolescent girls. The study also found that while only 12 percent of non-ADP adolescent girls reported to be involved in income-generating economic activities, 26 percent of BRAC's ADP adolescent girls report the same involvement.

Employment and Livelihood for Adolescents (ELA)

ELA was created under BRAC's Economic Development Program in January of 2003, after a three-year planning period (see *Appendix F* for more detailed information on the ELA program). ELA village organizations consist of 20-30 members on average. The girls meet once a week to turn in their loan repayments and contribute to their savings. There are no selection criteria for a young girl to enter ELA. Once a girl reaches age 25, she can graduate to attending the regular village organization meetings with older Economic Development Program members. The members operate credit facilities, either with the help of family members or on their own. Currently, there are more than 266,000 girls in the ELA program. They come from over 13,300 village organization groups and are overseen by 1,100 different BRAC branch offices. As with its ADP program, BRAC uses community meetings and other tools to target and engage local politicians, religious leaders, teachers and parents in supporting female adolescents in their involvement in ELA.

Members of ELA village organizations receive three days of training and are then led in their weekly meetings by female adolescent leaders who receive an additional three-day training course and monthly one-day refresher courses in microfinance and business development (see *Appendix G* for a brief personal history of an ELA member). The leaders also receive three days of training in different social issues, such as early marriage and HIV/AIDS. While a comprehensive range of training and support services and opportunities do exist, not all of the same services and opportunities are provided to both ELA and ADP members. For example, the livelihood and social development training offered in ELA is not at this point as comprehensive as that offered in ADP. ELA provides its members with access to credit and savings, as well as limited peer-to-peer training and support on social issues, such as reproductive health and legal



rights. ADP members do not usually receive access to credit (exceptions are made when necessary) and savings, but they do receive a comprehensive Livelihoods Training course.

As the ELA program grows, BRAC has considered the need for providing safe places for members to socialize and support each other (much like the Kishori Kendras for ADP members). In 2005, BRAC started setting up ELA Centers for some of the ELA microfinance group members. These centers offer a combination of the financial education and support of ELA with the non-financial programs of the ADP. During this pilot phase, 1,725 ELA Centers were set up in 144 branch offices for 1,725 ELA microfinance groups.

In August of 2007, BRAC's Research and Evaluation Division presented the result of a study that looked at the differences in engagement in income-generating activities, microfinance, and social development indicators between girls that are members of ELA Centers (which include Kishori Kendras), those that are members of the basic ELA village organization (which do not include Kishori Kendras), and non-participants in the ELA program. The additional support and training members of ELA Centers received (compared to non-participants) were found to be positively correlated with positive social development, as well as engagement in income-generation activities and micro-finance. The study found that the income-generation training received by girls attending the ELA Centers enhanced entrepreneurship among the girls, as they were more likely to take loans. They are also earning substantially higher amounts than ELA adolescents not engaged in an ELA Center or non-participants. ELA Center participants were more likely to remain in the ELA program after two years than basic ELA village organization members.

The study also looked at differences that might exist between adolescents attending ELA Centers who also have access to APON training, ELA Center adolescents without APON training, ELA village organization adolescents, and non-participants. Adolescent girls who attended ELA Centers and have access to APON courses expressed a strong ambition of not marrying before the age of eighteen and an overwhelming desire to continue their education. In fact, members of the ELA Center and members who received APON intervention admitted that they had attained so much confidence through the ELA Center program that they became empowered to stand together and protest actively against early marriage and dowry. ELA Center members and ELA members who had received APON training had gained more knowledge than the basic ELA village organization members and non-participants on health and sanitation issues and were better able to apply this new knowledge to improve and adjust lifestyle practices.

In addition, most of the adolescents who attended ELA Centers (with or without APON training) believed that they have significant control over their loans and how they should be used. In comparison, members of the basic ELA village organization group showed little initiative for future plans. Loans were given straight to their families to support a family business (i.e., not her own business). ELA Center members and ELA members who had received APON training reported becoming the agents of economic change for their families, through loan intakes and their involvement in income-generating activities.



Based on BRAC's findings, the ELA program design will likely be modified in the next phase of development to ensure more effective service delivery to ELA members and scale the number of girls who are able to access and attend ELA Centers. This may involve the merging of the ADP and ELA programs.

Credit and Savings (*Asset Building*)

In 2007, loans of BDT1.2 million were disbursed to ELA members with no collateral required. The average loan size for ELA members is BDT5,900 or US\$87.99 (almost half the loan size of their same-aged peers in the general EDP microfinance program). Each girl in ELA is expected to save BDT10 a week. Similar to the general microfinance program, the interest rate for ELA loans is 15 percent, to be repaid in weekly installments over the period of 46 weeks. The interest rate for savings is 6 percent. ELA strongly encourages members to save a portion of their earnings so that they can be financially solvent and develop a lifelong habit of saving. Since the programs inception until September of 2007, ELA members had savings totaling more than BDT223 million (US\$3.3 million).

Data available from ongoing monitoring of the ELA program reveals that the repayment rate of ELA members is higher than that of members of the general BRAC microfinance programming (99.9 percent compared with 98.31 percent in the general microfinance program). In addition, ELA membership has increased significantly in the four years since the program started (from 136,449 members in 2004 to more than 318,000 members in 2007). The amount of savings has also increased from BDT57,651,106 in 2004 to BDT223,194,641 in 2007 (equivalent to US\$3.3 million).

ELA loans are invested primarily in tailoring, poultry, livestock, and vegetable cultivation. While some of the loans are used to support and scale a family business, many girls use the loan to start and run their own business. ELA members are strongly encouraged to spend what they earn or save on themselves rather than giving it up to their family members. In this way, BRAC hopes to make girls more self-sufficient and assertive. However, any profit for an ELA member that is made after paying the weekly loan installment (BDT125) and savings typically goes to supporting the basic needs of the member's family.

Market Opportunities (*Access and Attachment*)

BRAC's ADP and ELA programs provide youth with a bridge between training in income-generation opportunities and access to the capital needed to pursue those opportunities. Market opportunities for BRAC's adolescent members lie primarily within the villages of ELA and ADP membership in industries such as poultry or livestock rearing, and other locally relevant activities.



The Adolescent Development Program is currently engaged in pilot testing with JOBS Australia. JOBS Australia is providing technical training in rug-weaving and embroidery and links the girls to jobs in handicraft factories. The initial training is done by JOBS Australia, while regular refresher courses are provided by BRAC. BRAC also provides training on other issues such as factory management. The pilot has helped approximately 265 girls find a job. By the end of 2007, it is expected that around 1000 girls will be given new job opportunities through this partnership.

Impact and Conclusions

BRAC's documented impact within Bangladesh, and increasingly abroad, has made the organization one of the largest and most respected NGOs in the world. BRAC's youth microfinance and livelihood development program is the largest of its kind. The de-centralized nature of BRAC, as well as the peer-to-peer training and teaching structure which define the village organization model, make BRAC adolescent programming incredibly cost effective—a key aspect of ensuring continued sustainability. Given the high levels of poverty in Bangladesh, along with the barriers to healthy development that females face within Bangladeshi society, BRAC is making important and significant contributions to improving the lives of millions of young people.

BRAC serves as a model to the world, not only for its highly successful microfinance program, but also for the comprehensiveness of its approach towards poverty alleviation and empowerment of the poor. Its method of providing microfinance to young people represents a scalable, peer-led variation of the “credit-plus” model.

Although BRAC is currently expanding its microfinance work to other countries, this work does not yet include the ADP or ELA programs. BRAC's international expansion strategy is to first implement the Economic Development Program for adults, since it has substantial experience with the model and evidence of the model's success. It plans to roll out adolescent-focused programming once the EDP has reached scale and proven successful in the new countries. The impact data available on ADP and ELA provides important evidence of the effectiveness of the program in successfully reaching its goals, its ability to scale, and the relevance and importance of providing adolescents in rural, poor nations with access to the credit and training for successful income generation.

As BRAC looks to the future and its plans to scale its adolescent programming in a sustainable way, both nationally and internationally, it will be important for the organization to maximize learning from past and future studies conducted on ELA and ADP. The findings of the ELA Center impact assessment report provides evidence of the positive social and economic impact of ELA and ADP on adolescent members and the benefit of merging the two programs.



ALL-CHINA YOUTH FEDERATION, YOUTH EMPLOYMENT CAMPAIGN: A CASE STUDY

Introduction

The All-China Youth Federation (ACYF) was established in 1949. Created by Chinese young people and youth organizations, its goal is to represent and guide national youth organizations, youth groups and youth leaders in promoting nation-building and peace, representing and protecting the rights and interests of China's young people, and promoting youth participation and positive development. The ACYF works with multiple ministries within the government to mobilize and integrate government resources on behalf of youth. Through its 52 member organizations and 1651 individual national members, the ACYF reaches over 300 million young people across China. The ACYF also conducts international exchanges with over 250 organizations in 130 countries. As a result of its significant contributions to Chinese youth and society, the ACYF was awarded the *World Youth Award* by the United Nations, the *Human Resources Development Award* by UNESCAP and the *Champion of the Earth Award* by the UNEP (see *Appendix I* for an ACYF organogram and more detailed description of how the Federation operates).

In 2002, ACYF and the Ministry of Labor and Social Security launched the Youth Entrepreneurship Campaign (YEC). The Campaign's strategy is to promote youth entrepreneurship primarily by raising awareness, entrepreneurship education and business start-up support. Supplementary activities of the Campaign include skills training, job matching and employment assistance. The key program areas of the YEC include cultivating the entrepreneurial spirit of youth; launching entrepreneurship training programs; providing entrepreneurship support to all young people; and, developing business plan competitions for university students. The specific program activities vary significantly within and across provinces as local offices have discretion over program implementation. The national office of the ACYF leads the promotion of the campaign. The specific design and local implementation of the campaign are the responsibility of provincial, city and township-level offices. The main role of the national office is to identify and prioritize key trends that can contribute to positive youth development and respond by setting forth a national mandate. The local offices of the ACYF are then obligated to adapt the particular mandate into their programs for youth.

The ACYF has a strong convening power within the government, enabling the organization to impact policy and broker strategic partnerships between the government, private sector and financial institutions (see *Appendix J* for a list of such strategic partnerships). These key partnerships have allowed the ACYF to scale the YEC quickly across China. Between 1998 and 2005, YEC programs helped 86,000 young people start their own businesses and created 1,100,000 employment opportunities. In 2006, ACYF set a goal to help 500,000 additional young people learn business start-up skills before the end of 2008, and assist 200,000 young people in starting businesses.



Context of China (*Alignment*)

With the recent and ongoing “opening up” of China and the growing socialist market economy, China is at a period of radical economic reconstructing with a clear political will toward managed growth. Unlike previous generations in China, the current generation of young people is growing up in a new market economy where there has been a 9.13 percent annual increase in the GDP in the past 10 years and a GDP per capita of US\$1,900 in 2006. However, while the economy has opened up, the challenges young people face for employment are increasing. For example, there has been an increase in the number of new entrants into the labor market (10 million annually), among which 4.95 million were college graduates in 2007, an increase of 0.8 million from 2006 and 1.8 million from 2005. In addition, of the registered unemployed in cities (representing a 4.6 percent unemployment rate), 70 percent of them are under 35 years old (5.6 million young people in 2004). The majority (70 percent) of migrant workers is between the ages of 16-35, and the majority of the abundant rural labor force (totaling 150 million) is youth. In response to these changes and challenges, improved employment and market opportunities are increasingly being made available to young people through the YEC and the supportive programming of the ACYF’s network.

The ACYF occupies a unique administrative position as a quasi-government agency. There is no Ministry of Youth Affairs in China, so the ACYF is authorized by the Chinese Government to manage youth affairs. The ACYF is governed by different statutory mechanisms within the central government, and also owns seats in the Congress. While the ACYF is an independent organization – legally registered as a “people’s organization” – it is also considered a government-organized NGO (GONGO). Civil society organizations in China operate within an underdeveloped legal and registration framework, and the lack of clear regulations has hindered the development of the NGO sector. As a GONGO, however, the ACYF is able to leverage the authority and resources of government ministries to serve the needs of young people. It is also able to implement programs and provide services directly to young people through its local offices, member organizations and extensive partner network.

The ACYF has to raise funds for its own activities and projects.

Public and Private Investment in Youth (*Agency*)

The YEC benefits from both public and private investment in its programs and services. Key to the Federation’s nationwide presence is its partnership strategy with the private sector. The small business support infrastructure in China contributes toward a robust ecosystem of partner institutions upon which the ACYF has been able to build. These resources provide mentorship and business support services, financial services, sponsors and speakers in awareness-raising activities, internship opportunities, special employment assistance for disadvantaged groups, and business opportunities. The affiliation with Youth Business International (described in the insert below) models the ways in which public and private investments in young people are made through the YEC. In addition, companies such as Nokia and HP, as well as domestic enterprises



like Minsheng Bank, Hopsen Corporation, China Central Television, and Shanghai S&T Vocational College, support the YEC.

In terms of public sector support, some core administrative costs and the salaries of the ACYF's head office are financed by the government. The Federation also benefits from having access to multiple ministries within the government and to an increasingly supportive youth policy environment. The access the ACYF has to government ministries provides it with the support it needs to achieve scale at a national level and engage Chinese society in achieving the goals of its core programs.

Insert 1: Youth Business China

Youth Business China (YBC) began under the auspices of the ACYF in 2003, following two years of discussions with Youth Business International (YBI). Through ACYF management, YBC is now implementing the well-known YBI model. The model helps young people become entrepreneurs by bringing together the public and private sector to provide them with access to finance, business mentoring and support during the start-up and early development of their businesses.

YBC provides support to 18-35 year olds who:

- are unemployed, under-employed or seeking a job;
- have a viable business idea;
- have little resources; and/or,
- have no access to seed money.

To help young people overcome financial difficulties, YBC raises money from the private sector for a special Youth Business Fund. The fund provides young people with a “development bond”, which has the following characteristics:

- provides seed money to start a business;
- requires no collateral or guarantee;
- repayment of the Development Bond is obligatory; and,
- the bond is typically no more than 50,000 RMB Yuan (approximately US\$ 7,047).

YBC currently has 6 local offices, has trained 800 business mentors and helped 300 young people start their own businesses. The YBC mentor program draws heavily on support from the local and international private sector. YBC's main source of mentors is senior managers of corporations, many of whom are also institutional supporters.

YBC's private sector supporters include Nokia (China) Investment Co Ltd, Hewlett-Packard (China) Development Company, China Telecom Corporation Ltd and Yili Corp of Inner Mongolia. Public sector partners include the ACYF, China's Ministry of Education, Ministry of Science and Technology, the All-China Women's Federation, and CCTV, who provide important press coverage.



Reference: *Youth Business International Network Review 2006/7*

Across the provinces, the YEC has set up 483 youth employment service/job centers and 770 youth re-employment markets. Together, they have organized 6800 workshops, provided employment consultancy for 4.72 million youth and helped over 1.2 million youth become employed. The China Youth Entrepreneurship Website and its 15 online job markets sponsored by the YEC have provided 834,000 job opportunities in over 100 cities. In addition, 2.8 million laid-off or unemployed youth have received job training, and 650,000 university students have received employment consultancy and employability training. Approximately 28 million migrant youth workers have received training in close to 7000 job training centers, and 1.54 million rural youth have improved their employability as a result of training provided by the YEC.

One of the most successful and effective YEC implementations at the provincial level is the YEC in Shandong Province, described in more detail in the following section.

Implementation of the Youth Entrepreneurship Campaign in Shandong Province

The Shandong Youth Federation (SYF) is the ACYF affiliate in Shandong Province, and it is considered by ACYF leadership to be one of the most effective and successful examples of implementing the YEC at the provincial level. The SYF has developed a clear strategy for implementing the YEC and stimulating entrepreneurship throughout the province.

By the end of 2002, the Shandong Provincial Youth Federation determined that the advantages of the Youth Federation should be brought to all youth throughout the province. With the support of the Labor and Social Security Department, and in accordance with the overall plan for the national YEC, Shandong Province launched its provincial YEC. Twelve youth entrepreneurship centers at the provincial level and another 60 at county levels promote and implement the campaign. To standardize program implementation, the SYF stipulates regulations for each center.

During the early stages of the campaign, the SYF recognized the importance of understanding the conditions and challenges young people face in getting sustainable employment and business development opportunities. The SYF conducted extensive research to identify both the difficulties and favorable conditions that young people face. The research highlighted key trends impacting young people's employment prospects, including:

- Relevant government departments have created a favorable external environment for youth employment;
- Due to rapid urbanization, the economy is developing very quickly and the community's ability to absorb the current and future labor force is growing;
- Businesses and individuals are increasingly more committed to helping youth employment and entrepreneurship.



The challenges the study identified include:

- Lack of sound policies – Young people do not know how to start their own businesses and are unable to understand or implement the employment policies that are in place;
- Lack of access to capital – The government’s budget is limited and not meeting the needs of young people; corporate social responsibility and private donations to youth-related causes are not common trends; and the banking system places challenges on young people who cannot get a loan without a mortgage;
- Lack of training – There is a lack of well-educated youth throughout the province; most young people receive only junior or senior high school educations, and the average educational level is relatively low; the vast majority of young job-seekers have no professional training and lack entrepreneurial experience; there is very little access to vocational training and limited job opportunities; young people with higher education backgrounds do not know about entrepreneurship opportunities;
- Lack of service providers – The ability of the government and NGOs is limited in terms of providing young people with services, training and information that introduces them to an entrepreneurial mindset.

Based on these findings, and with the support and social credibility of the Youth Federation, the second session of the SYF combined all of its previous youth employment and enterprise development projects under the one umbrella of the YEC.

Between 2002 and 2006, the SYF helped 19,000 young people start businesses, and it created 215,000 jobs. In addition, 302,000 rural youth were trained in enterprise development, and 22,000 university graduates were provided with internship opportunities. Close to 46 percent of the jobs and businesses created were led by females.

Core Programming

The Shandong Youth Federation’s implementation of the Youth Entrepreneurship Campaign includes three main projects focused on 1) entrepreneurship, 2) employment, and 3) post-bachelor stations that provide support and services to unemployed college graduates.

Youth Entrepreneurship Project

The Youth Entrepreneurship Project provides what the SYF has identified as the “four wheel carriage” service to youth. The four wheels represent policy, training, services, and capital. The expansion plans of existing enterprises as well as the expansion plans of the government’s investment in entrepreneurship represent the horse that pulls the cart and the development of young people.

Policy: The first wheel represents the importance of creating a favorable policy environment. The SYF knew it would be necessary to collect social security, and provide



tax relief, employment assistance and other policy measures from all levels of government. They compiled summaries of these policies into a booklet and distributed the booklet for free to young people around the province. Entrepreneurship meetings were held where entrepreneurship policies were explained to young people, who were then guided in how to navigate and benefit from the policies. A number of cities within the province also established new, and supported existing, youth entrepreneurship centers (some are funded by the government, and some are privately owned), which provide education and support services around youth employment and entrepreneurship policies.

Capital: The *capital* wheel represents the need to reduce financing barriers to youth enterprise, while elevating levels of social contributions and funding support. In response to the mandate from ACYF headquarters, the SYF established RMB 60 million (US\$8.5 million) for youth entrepreneurship. In September 2005, they coordinated "special loans for youth entrepreneurship projects" of RMB 1 billion (US\$141 million) per year through the National Development Bank in Shandong. In addition, the provincial government set aside RMB 2 million (US\$280,000) per year for three consecutive years for providing special discounts for small loans to youth entrepreneurs. The SYF has actively explored enterprise interest discounts on secured loans, tried unsecured credit loans, and relieved joining fees, bonds and other financing methods to reduce the initial funding pressures for youth entrepreneurs. For example, by reducing or relieving the joining fee and bond relief, it has helped to reduce the economic burden on young entrepreneurs by a total of RMB 80 million (US\$11.28 million). Over 3,000 young people have now bought into more than 400 franchises due to these reduced costs. The SYF is working to scale the program by providing lower cost loans to more young people throughout the province. Those that take out a loan are expected to repay a portion every three months. Presently, there is no intention of providing second and third loans.

Insert 2: Supporting the Expansion of Existing Enterprises

The SYF selects successful enterprises that meet the following qualifications:

- the enterprise has a positive reputation (with no bad record) for three years, and the entrepreneur is actively involved in society;
- the enterprise is involved in the agricultural sector and is environmentally friendly; and,
- the franchise owner can provide favorable policies and services to young people without additional charges to the young person.

Next, the young person submits an application to be part of the expansion plans of an existing enterprise to Shandong Development Bank. Shandong Development Bank considers the expansion plan (if the enterprise has the capacity to provide the guarantee), and studies the industry involved to make sure the proposal involves successful industries. If the application is accepted, the enterprise owner has to pay the guarantee. With the loan, the enterprise owner puts in 70 percent of the cost required to include the young person in the expansion plans. The young person pays



the additional 30 percent to buy into the enterprise. The enterprise owner then involves the young person in the business. The young person is then able to repay the loan and make his or her own capital. The enterprise owner is responsible for managing the loan. He or she collects all the repayments and submits them to the bank.

The SYF office works to support the young entrepreneur to ensure he/she receives favorable policies and services and that each entrepreneur has access to a mentor.

A lack of access to capital serves as a particular bottleneck to rural youth. To meet the needs of rural youth, the SYF partners with the Rural Commercial Bank. Such partnerships, and the different lending products the banks have provided, serve as good examples for other provinces. Brief descriptions of the SYF's bank partnerships are provided in the following insert.

Insert 3: Bank Partnerships

Shandong Development Bank (SDB): Shandong Province has a partnership with SDB, which has committed a line of credit worth RMB 1 billion (US\$141 million) per year to youth lending. Since 2006, SDB has provided RMB 40 million (US\$ 5.64 million) in loans to 400 young people. The interest rate is the same as the standard rate for the country (i.e., 6.93 percent for 3-5 year loans and 7.12 percent for five years or more) but lower than those offered by commercial banks. SDB does not provide loans with less than a three-year repayment schedule. During the first year of repayment, entrepreneurs can have a flexible repayment schedule, and borrowers are just repaying the interest. First year repayment rates are currently 100 percent. Forty-six percent of youth that take out loans are females, and the average loan size is RMB 150,000 (US\$21,000). Each year, SDB provides the SYF with a RMB 100 million (US\$14 million) credit line. If the SYF runs out, SDB provides an additional 700 million (US\$98 million). Currently, the SDB only provides loans to existing enterprises that are looking to engage youth by expanding. It is considering providing loans directly to young people in the future.

Rural Commercial Bank (RCB): At the county and township level, RCBs provide loans directly. RCBs in Shandong are well-managed and the highest ranked in the country for financial management. The RCB does smaller loans for youth, and the interest rate is between 10 percent and 14 percent. RCBs require guarantees due to competition in the rural financial market. Each county in the province has its own RCB, and each can set its own interest rate. RCB formed a partnership with the SYF to create the Youth Business Project for Rural Young People, which provides three types of loans:

- Loans for rural youth with at least a junior high school education – Average loan size is RMB 50,000 (US\$7,000) with a one-year loan repayment schedule.



- Youth who already have a business but want to expand – Average loan size is RMB 300,000 (US\$42,000) with a three-year repayment schedule. Youth manage the loans themselves.
- Loans for enterprises and individual farmers – Average loan size is RMB 500,000 (US\$70,000) with a three-year repayment limit. In this case, the enterprise provides the guarantee to RCB for the loan, but the loan goes directly to the farmer who has agreed to produce for the enterprise.

The Youth Federation plays a large role in the RCB partnership. Individual farmers send applications to the Youth Federation branch at the township level. The Youth Federation then assesses if the proposal is a good one and then recommends the applicant to the RCB at the township level. If the loan application is requesting more than RMB 500,000 (US\$70,000), the application gets sent to the RCB at the county level. An estimated 70-80 percent of loan applications are approved. Thus far, since the program's launch in May of 2006, the RCB has provided 1,117 young people with loans worth RMB 436 million (US\$61.4 million).

Insert 4 (below) briefly describes the ways in which the SYF's YEC provides young people with access to capital by engaging them in the expansion of existing youth enterprises.

Training: The third wheel represents the training that enhances young entrepreneurs' business capabilities. The SYF holds entrepreneurship seminars and classes to guide young people in enhancing their entrepreneurship awareness and to provide entrepreneurial skill training to those with entrepreneurial intentions but a lack of entrepreneurial experience.

Across China, the ACYF introduced the ILO's *Know About Business* (KAB) and *Start and Improve Your Business* (SIYB) training programs. Close to 400 *Start Your Business* (SYB) training programs have been conducted in over 80 cities, training close to 30,000 young people. Approximately 65 percent of program participants have started their own businesses. The ILO's KAB program has been introduced into almost 200 universities, and the ACYF plans to provide the program in 2000 universities by 2010.

The SYF uses the ILO's SYB curriculum, which has thus far been offered to 3,000 young people through a partnership between National Development Bank Shandong Branch and the Department of Labor and Social Security. *Improve Your Business* (IYB) training is provided to those young entrepreneurs that have already started a business. Some cities have the SIYB test training sites, and SYB training was introduced to universities in Jinan and Qingdao. The SYF also has provided youth entrepreneurs with instructors for "one-on-one" business counseling.

Currently, the province has openly recruited 1,400 volunteer mentors. The SYF also provides guidance for how trainings should be implemented by youth federation offices



at the provincial level. In 2006, National Development Bank Shandong Branch also organized training in financial skills for youth who were already employed. The young people were selected by the SYF. Twenty of them eventually became managers of Youth Entrepreneurship Centers throughout the province. In addition, the SYF conducted 1,700 training courses for rural youth.

Currently, there is no training available for rural youth at the township level, but they can access training at the county level and through government agencies that provide training in agricultural development and the use of agricultural technologies. In addition, rural youth in Shandong Province do not currently have access to mentors. This is common for rural youth throughout the country.

Insert 4: Training and Support for Rural Youth Provided by the YEC

Although there is no mechanism in rural areas to deliver entrepreneurship services to rural youth, the ACYF has organized a series of activities to promote youth employment and entrepreneurship in rural areas, such as:

1. Peer-to-peer Transfer of New Agricultural Technology (also known as Spark Program) – Local youth organizations invite experts and master trainers to go to villages to train local youth in new technologies. Young people from rural areas may also attend study tours in towns and cities for the same purpose. After mastering the technology, these students then become trainers or leaders, who transfer the new technology to their peer farmers by applying it to local agricultural projects.
2. Skill Training Scheme for Rural Youth – Young farmers are encouraged to find jobs in cities and develop themselves during the country's urbanization process. Before they enter the labor market, they are trained with basic vocational skills to meet the requirements of the urban labor market.
3. Young Rural Entrepreneurs Training Project – The program is designed to facilitate rural young people to start their own business by providing business information, business start-up skills training, and technical and financial assistance for their business administration.
4. China Rural Young Entrepreneurs Association – Established in 1988, the China Rural Young Entrepreneurs Association provides a channel for young rural entrepreneurs to contribute to the local employment and economy. The Association has 300 individual members and 33 member organizations.

Service: The fourth wheel represents the services needed to improve the success rate of youth entrepreneurship. The SYF takes advantage of the larger ACYF network to release



information about youth employment and entrepreneurship. They have established a project management system that involves more than 3,000 staff members as project managers of youth entrepreneurs. They are tasked with tracking youth entrepreneurship projects and providing specific guidance. A "youth entrepreneurship supermarket" has also been established, which integrates projects, information, policy, and funding, and provides bundled services. A legal aid clearinghouse has also been established, involving 25 legal services groups that employ more than 400 lawyers. The clearinghouse provides youth entrepreneurs with legal consulting and rights protection services. They have also established meetings led by the SYF, with participation from the Department of Labor and Social Security and others, on youth employment and re-employment to solve the practical difficulties regularly encountered by young entrepreneurs.

Support/Horse: During the entrepreneurial implementation process, the SYF actively sought corporate and government support to stimulate and promote youth entrepreneurship. The horse that pulls the four-wheeled carriage described herein represents this support and, more specifically, the efforts that are made by government, financial institutions, and NGOs to help create a more effective and sustainable path for young entrepreneurs. For example, many companies have launched expansion plans, hoping to take on new youth businesses. In addition, the government has made public development plans and programs and provided many employment and entrepreneurial opportunities for youth.

Youth Employment Project

The second core SYF project is the Youth Employment Project, which actively promotes youth employment throughout the province. The SYF established a partnership with the Department of Labor and Social Security which releases job opportunity listings to youth federation offices. Those offices then post that information in sites highly accessible to young people. In some instances, staff members take field trips to rural areas and cities where unemployment is high to share information about available jobs. As a result, close to one million rural youth have established contact with the SYF and visited other cities seeking opportunities. Over 3,000 of these youth have gained employment from these visits. While on these visits, many rural young people learn about what different types of jobs and enterprises are possible and then return to their villages to start similar businesses. Through their new enterprise, they then provide additional job opportunities for other youth in the village.

Employment skill training is particularly vital for rural youth. The SYF has carried out more than 1,700 youth employment training sessions in rural areas, training over 122,000 people. Through various rural youth employment transfer programs, 60,000 rural young people have received transfer employment throughout the province. Meanwhile, 4 million rural young people have found local jobs, and more than 3,000 have started youth entrepreneurship projects.



Post-Bachelor Substation Project

The third core program of the SYF is building Post-Bachelor mobile stations to engage businesses and institutions in providing one-year paid internships or work opportunities for new graduates or graduates without jobs within two years after graduation. Such opportunities buffer employment pressures while helping graduates accumulate work experience. The stations are very popular with university students and with businesses that are able to take on graduates as interns, at no cost to the business. The stations are responsible for management of the interns. There are currently 201 post-bachelor stations focused on eight different job markets. Since 2003, the stations have provided internships for 7,900 graduates and job opportunities for 3,600. A total of 520 enterprises have been established in Shandong through the stations, and 21,000 students have benefited from training.

Conclusion

The ACYF's Youth Entrepreneurship Campaign is achieving scale throughout China largely as a result of its convening power within the government and the campaign's close alignment with national priorities. As China continues to move from a more closed society to a more open, market-based economy, the ACYF is positioned to continue to have a significant positive impact on China's young people. The ACYF's relationship with, and role within, the government has provided the YEC with access to a wide resource network (including a broad range of public and private sector partners) and clear delivery channels with which to implement programs.

The attention given to marketing the YEC through awareness-raising activities and awards ceremonies has also helped efforts to scale the campaign. Each province markets the campaign according to their respective interests and strategies. A more comprehensive and well-integrated marketing strategy might help the campaign scale even further within and across provinces.

A key challenge in scaling the YEC is the ability to create and implement comprehensive programming that effectively meets the needs of such a diverse population of young people. The ACYF also has a weak infrastructure for staff training and monitoring and evaluation of program results. For example, there is currently no standardized reporting system or data management system in place within or across provinces to measure the impact of the YEC. Most notably, it will be difficult for provinces to be able to track progress or learn about what is working and what is not. This information and the standardization of data will make it easier to understand the full impact of the YEC on China's young people.

While the YEC is unevenly represented and implemented across China's provinces, there are a handful of provinces, most notably Shandong, that are providing good early examples of how to implement the YEC in effective and sustainable ways. Shandong's Four Wheel Carriage Model is a well-developed conceptual framework and partnership strategy for stimulating and supporting youth entrepreneurship. The ACYF leadership is rightfully promoting the Shandong campaign as a model for other provinces to look to and replicate.



Part III: Next Steps

ImagineNations will conduct up to three more case study investigations to support and supplement the findings in this report and provide further evidence of the ImagineNations' perspective and framework. Before doing so, the case study team will review the criteria for selecting case study organizations outlined in this document and assess if and how well they allow for a broad enough scan of youth employment and enterprise development organizations. Once the criteria are reviewed and, if necessary, refined by the team and ImagineNations leadership, the team will recommend a number of potential organizations for future case study reports.

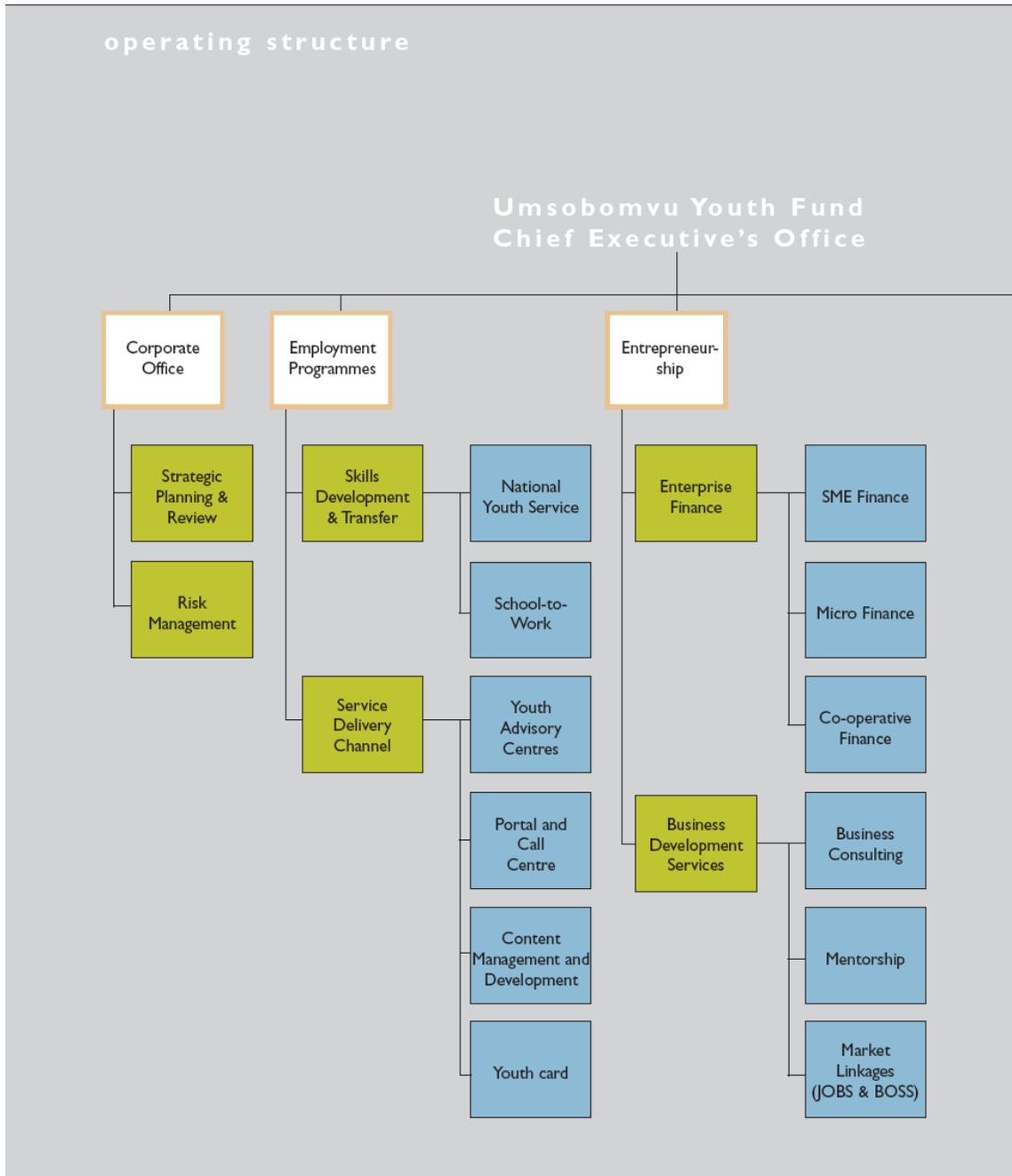
A particularly relevant and potentially informative initiative is the Kenyan Youth Enterprise Development Fund (YEDF), which started offering programming in February of 2007. The YEDF was established by the Government of Kenya under the newly created Ministry of Youth Affairs. It was capitalized at \$15.6 million (one billion Kenyan Shillings). The World Bank has already expressed interest in contributing to the fund and it has received good private sector support.

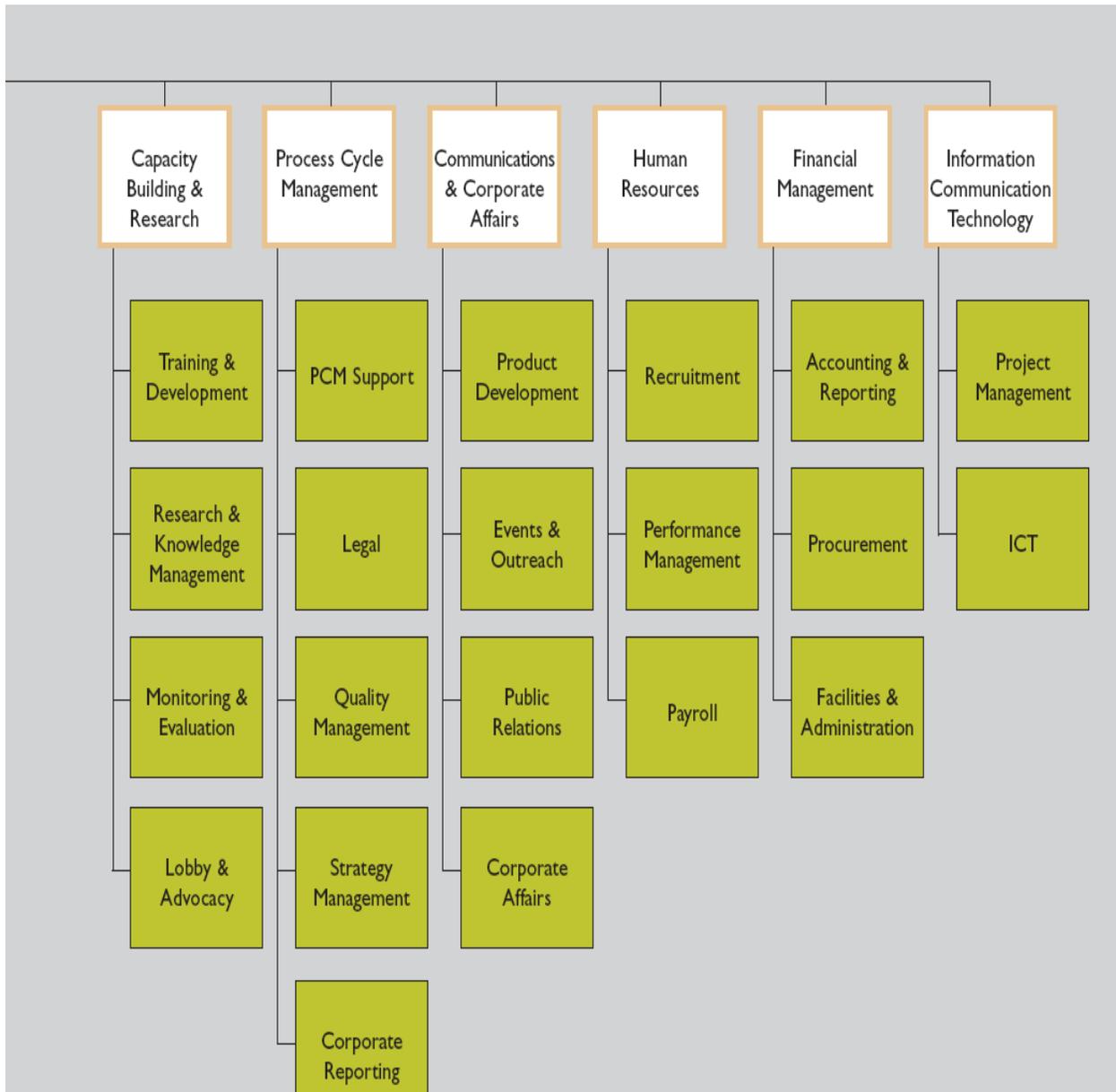
There are also smaller scale, comprehensive youth employment and entrepreneurship organizations that have well-developed and respected data management strategies in place that can provide rigorous, scientific data on relevant performance indicators and further evidence of the impact of investing in young people. There are certainly also organizations that provide programming models not captured by the three current case study organizations (e.g., the Give a Man A Fish, school-in-a-box model) that will be considered. In addition to identifying the next round of case study organizations, the case study team will continue to work closely with UYF, BRAC, and the ACYF to finalize and update the respective case studies once relevant new data is available.

The case studies in this report provide evidence for the ImagineNations' perspective the work ImagineNations and its partners are doing in nations around the world. This document can be used to inform ImagineNations' Training and Consulting System and will be available on the ImagineNations' website for those interested in learning more about what is possible when high level investments are made in the world's young people.

Appendix A

Umsobomvu Youth Fund Organizational Structure





(Umsobomvu Youth Fund, 2007 Annual Report)



Appendix B

Umsobomvu Standards of Effective Practice

Standard 1: Clear and Measurable Goals

Definition: The planned outcomes for the project are consistent with the organization's mission, goals, scope, objectives and experience. For example, if disabled youth are the primary target group, the organization must have experience of working with young people with disabilities, and the facilities must ensure full participation in all aspects of the program.

Standard 2: Effective Management

Definition: An effectively managed organization encompasses the following key elements: strong management structure, including board and staff leadership, which involves young people in decision-making; staff development; stable diverse funding; and the ability to form partnerships with other organizations.

Standard 3: Preparation for Livelihoods

Definition: Preparation for livelihoods projects should provide support and learning programs that are comprehensive and enable young people to access economic opportunities through occupational and learning choices. A comprehensive youth employment project will include some of the following services: Intake and Assessment, Case Management, Education, Training and Personal Development, Practical Experience, Job Creation, Development and/or Placement; and Long-term Follow-up Services

Standard 4: Youth Transformation

Definition: Programs should offer the opportunity for young people to play a leadership role, to develop relationships with adults that can guide and support them, gain access to different services and open new opportunities to assist with life choices.

Standard 5: Measurable Impact

Definition: The project has the capability and systems to collect and analyze information about participants and each aspect of the organization's management processes, as well as program design and implementation. The information must be sufficient to monitor the progress made in the implementation of the program, including assessment as to how systems are being used, as well as enable an evaluation of the impact of the services.

(Umsobomvu Youth Fund, Standards of Effective Practice, 20007)



Appendix C

BRAC Financial Information

In 2007, BRAC had a budget of US\$330 million, 70 percent of which was self-financed. While BRAC receives no direct funding from the government, it has entered into partnerships with the Government of Bangladesh. For example, in 1990, the government adopted BRAC's livestock development model for widespread implementation, and BRAC partners with the government in its TB vaccination program. Together, they have successfully vaccinated more than 50 percent of the entire population of Bangladesh.

Since its founding, BRAC has become increasingly less reliant on outside funding support. This is mostly due to the various enterprises BRAC has created (e.g., Aarong shops, hatcheries, salt and tea production, etc.) that bring in significant revenue each year. In 2006, the total revenue brought in through these enterprises was approximately US\$35.9 million. This revenue is "unrestricted" and is directed back to BRAC programming. In 2005, BRAC's return on assets was 5.92 percent.

Historically, BRAC has received a large amount of donor funding, mostly from the Donor Consortium (consisting of DFID, RNE, Royal Norway, CIDA and Oxfam NOVIB), and UNICEF. Beyond donor funding, there is no private sector engagement in BRAC's adolescent income-generation programming. In 1980, BRAC was 100 percent donor-funded with an annual expenditure of US\$.78 million. In 1995, it was 54 percent donor-funded with an annual expenditure of US\$63.73 million, and by 2007, it was only 30 percent donor-funded, and its annual expenditure had increased to US\$330 million.

The ELA budget is currently part of the general BRAC MFI budget. It received approximately US\$604,000 from CAF-America in 2005, and another \$600,000 from Nike Foundation. The ELA program is currently self-sustaining and does not rely on donor support. BRAC's microfinance programming brought in approximately US\$25.4 million in revenue in 2006.

BRAC has been recognized by both leading industry associations and the capital markets for its strong operational and financial performance. In 2005, BRAC received *The CGAP Award for Financial Transparency*, demonstrating a high level of MIS reporting systems, audit and controls, and data available in various segments that facilitate analysis and decision-making. In 2006, BRAC completed the first ever AAA-rated local currency microcredit securitization, enabling it to access the capital markets for the benefit of its low income clientele. The securitization established a longer term funding source for BRAC's programs, at a lower cost of capital. The certificates, 150 percent collateralized by microloans averaging approximately US\$165, achieved an AAA rating. In addition to the high collateralization, the AAA rating reflects the strength of BRAC's portfolio management and operating processes.



Appendix D

ADP Program at a Glance (2006)

<u>Activities</u>	<u>Number of Batches</u>	<u>Members</u>
Number of <i>Kishori Kendras</i> (KKs)	8,660	≈299,000
Number of <i>upazillas</i> ¹ covered	330	-
Number of unions covered	1,919	-
Number of districts covered	60	-
Number of girls having completed APON course	4,506	90,120
Number of girls currently doing APON course	1,015	20,300
Number of boys having completed APON course	960	24,750
Number of boys currently doing APON course	450	-
Number of out-of-school boys having completed APON course	97	2,925
Number of secondary school girls having completed APON course	120	3,000
Number of girls in Ayesha Abed Foundation ² having completed APON course	40	1,000
Photography training provided to adolescent girls	-	750
Computer training provided to the adolescent girls	-	1,500
Other livelihood training (tailor, embroidery, poultry & livestock etc.)	-	≈ 9,000

[Source: BRAC Education Program (BEP), December 2006]

¹ An *upazilla* is a sub-district and is the second lowest unit of government, an union being the lowest

² The Ayesha Abed Foundation is a group for women who are involved in the handicrafts domain of BRAC's employment generation activities



Appendix E

Issues Discussed at the APON Life Skills Based course

Sexual and Reproductive Health	Puberty – physical and emotional changes; coping with emotions
	Reproduction and reproductive health
	Family planning and birth spacing
	STIs and HIV/AIDS
	Pre-natal care and miscarriages
	Post-natal care
	Girls/women’s health, including breast cancer
	Sexual abuse of children
	Introduction to local healthcare facilities
Social, family and community issues	Positive role of adolescent in societies
	Child rights including birth registration
	Gender equity and discrimination, including sex determination of babies
	Early marriage
	Dowry
	Polygamy
	Marriage registration
	Divorce rights
	Legal rights and inheritance
	Child abuse – emotional and physical cruelty
	Child trafficking
	Violence – resolving conflict peacefully
	Gender based violence – teasing, acid attack and rape
	Addiction – smoking, alcohol, drugs



Appendix F

ELA Program at a Glance (2006)

Number of ELA Village Organizations (VOs)	9,125
Total number of ELA VO members in 2007	266,000
Total number of loanees	236,551
Total amount of loans disbursed (Tk)	1,170,438,620
Total outstanding loans (Tk)	411,823,633
Total savings (Tk)	189,820,025
Total loans overdue (Tk)	1,151,967
ELA Kks operating	1,654
ELA KK members	43,160
Total number of ELA <i>Kendra</i> members who have completed IGA Training	20,859

[Source: BRAC Development Program (BDP), December 2006]



Appendix G

Personal History of an ELA Member

Madhabi, a resident of Chatura village in Shailkupa union, is the fourth among five siblings. Her father, Mohammad Makbul Hossain, is a poor farmer. Makbul and his wife had to struggle to make ends meet in the seven member family, a fact that barely escaped Madhabi's notice and troubled her greatly.

Madhabi was different from her other siblings from a very early age. She had been trying to come up with a way to ameliorate her family's condition. Fed up with the conventional teaching methods of government primary schools, she got enrolled into a BRAC school for adolescents. She successfully completed this and went on to study till class eight, after which she could no longer continue due to financial constraints. Then she heard of an ELA Organization being established in Chatura initiated by the BRAC office in Shailkupa.

Madhabi became a member of the ELA Centre and the ELA Village Organization established afterwards and received training in embroidery and tailoring from the ELA Centre. She then went on to take a Tk.3,000 (US\$44.42) loan which she used, together with a Tk.1,000 (US\$14.80) loan from her father, to buy a sewing machine. From there, she began her journey into tailoring. She traveled from village to village in search of customers and in a number of days she put together a small group of customers. The women were especially pleased to be able to get their clothes made right at home. Madhabi mostly received orders for petticoats, blouses, salwar-kameez suits and baby clothes. At the end of the first month, she found that after deducting costs she had made a profit of about Tk.1,200 (US\$17.78). This was a big boost to her enthusiasm. Madhabi used her profits to purchase notebooks, pens, pencils, books and other stationery for her siblings, as well as clothes for the entire family. Even after buying some necessary items for herself, Madhabi had enough left over to be able to pay regular installments of the loan she took out.

A year later, Madhabi is much more self-confident. She even feels that her parents now take better care of her and her neighbors and friends have more regard for what she says. It has been a year since she started her tailoring business and her income has already gone up. She has also been able to save Tk.1,150 (US\$17.03). She had earlier used some of her earnings to buy a goat, which is expected to give birth soon.

Madhabi aspires to make it big in life and wishes to resume her education in January 2008. She feels that financially independent girls are more respected in society. One day Madhabi hopes to establish her own embroidery training center alongside a tailoring factory where poor girls can become self-sufficient. Madhabi stresses that she is eternally grateful to the ELA Center that made this journey possible for her.



Appendix H

Basic strategies undertaken to operate ELA Kendras

Year 1	<p><u>Opening Stage</u></p> <ul style="list-style-type: none"> • Selection of centers that serve as local ELA Kendras in rural settings • Organize and conduct discussion sessions with parents and community members aiming to sensitize communities • Ensure logistics and supplies to start and smooth functioning of ELA Kendras
	<p><u>Capacity Development</u></p> <ul style="list-style-type: none"> • Select and train ELA Supervisors and Leaders on 6-day Basic Training to activate ELA Kendras
	<p><u>Operational Stage</u></p> <ul style="list-style-type: none"> • Organize and conduct parents’ meetings • Start socializing / networking process through ELA-Kendras • Start need assessment for physical activities to design the play component in secondary schools • Organize and conduct community meetings to sensitize communities towards girls participation in physical activities • Ensure logistics and supplies to start physical activities • Organize regular monitoring and supervision to find out gaps and to take necessary steps for the further improvement of the intervention <p><u>Selection and training</u></p> <ul style="list-style-type: none"> • Girls to be developed as ELA Leaders to run APON sessions • Girls to be developed as ELA leaders to guide physical activities

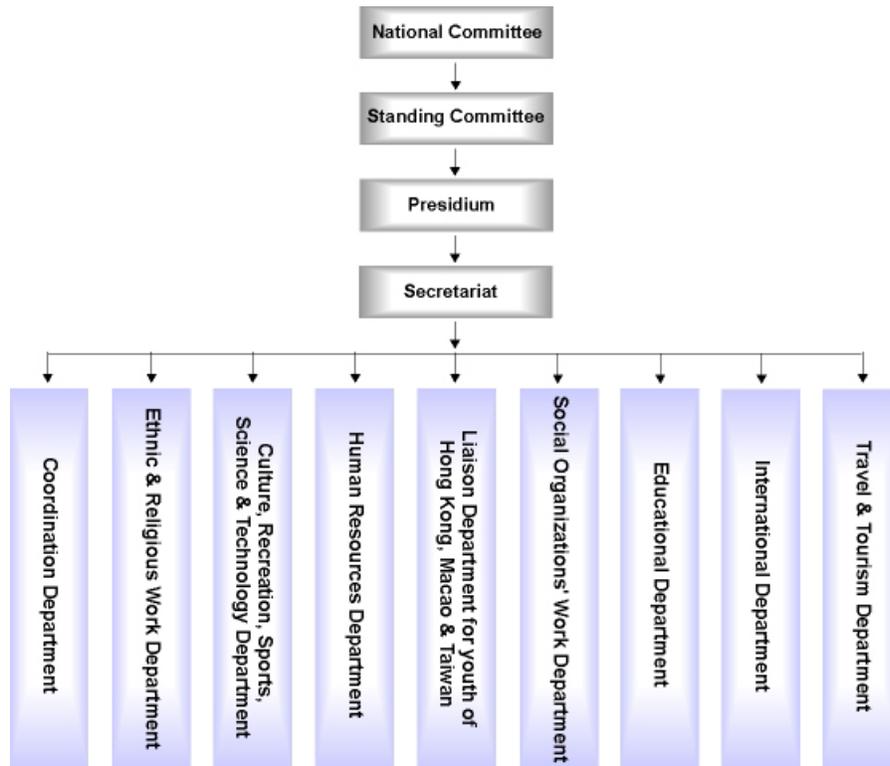


Year 2	<ul style="list-style-type: none">● Start physical activities to develop girls capability to play● Start APON session to raise awareness on issues related to reproductive health, social and legal aids● Organize and conduct ‘experience-sharing’ workshop for ELA leaders to share both positive and negative experiences in handling peer group sessions and to adopt strategies that work better in implementing peer group learning● Organize and conduct refreshers for ELA Leaders two times in the course to improve their capacity to implement peer group learning with efficiency● Organize and conduct parents/community leaders’ forum to make them aware on the importance of learning issues and to ensure a favorable environment for girls to participate● Organize monthly meeting to create interaction among staff at all levels to improve the quality of the intervention● Organize regular monitoring and supervision to find out the gaps and to take necessary steps for further improvement of the intervention● Organize ‘Certificate Giving Ceremony’ to provide girls with certificate for completion of APON session
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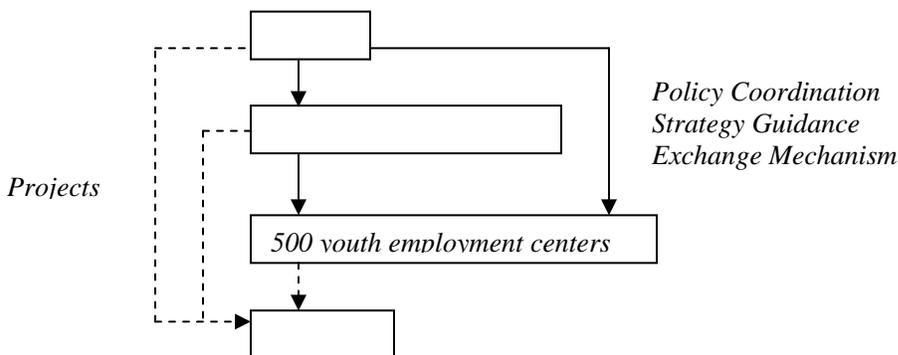


Appendix I

ACYF Organizational Structure



Operating Structure of the YEC



Within the ACYF national office, there is a leading panel in charge of overseeing the YEC that consists of the President of the ACYF and directors of different ACYF departments (including the Department for Urban Young Workers) that play a key role. Members of the leading panel mobilize the resources of their respective organizations for the YEC. With twelve departments



within the ACYF, there is internal competition for priorities, which can be a burden for local offices. For different program components, the ACYF provides different forms of support. Training, for example, coordinates with the Ministry of Labor and Social Security, since it includes the ILO's SIYB program. The ACYF can veto local elected leaders of the different Youth Federations (as a way of enforcing, tacitly, compliance with the ACYF's twelve broad program priorities). The ACYF central office also collects information and impact data from provincial offices.



Appendix J

Member Organizations:

- Communist Youth League of China
- All-China Students Union
- Young Men’s Christian Association (YMCA)
- Young Women’s Christian 600 Association (YWCA)
- China Young Entrepreneurs Association
- China Rural Young Entrepreneurs Association
- Chinese Young Volunteers Association
- China Association of Young Scientists and Technicians
- China Society for Youth Studies
- China Association for Youth Work Institutes
- China Council for Promotion of Youth Business
- Capital Young Editors and Journalists Association
- China Youth and Children Communication Association
- China Society for Juvenile Delinquency Studies
- China National Association for Youth and Children Palaces
- China Youth Press Association

Other Affiliated Organizations:

- China Youth University for Political Sciences
- China Youth & Children Research Center
- China Profile News & Magazine
- China Youth Streaming Media Center
- China Juvenile Delinquency Research Society
- China Youth Development Foundation
- China Guanghua Science and Technology Foundation
- China Youth and Children Foundation for Social Education
- China Service Center for Youth & Children Development
- China Youth Center for International Exchange
- China Youth Council for Promotion of Youth Business
- China Youth Travel Service
- China Youth Enterprise Development Corporation
- China Youth International (Hong Kong) Corporation

A partnership has also been established between the ACYF and the United Nation’s Youth Employment Network (YEN) in pursuit of the common goal agreed to at the Millennium Summit to “develop and implement strategies that give young people everywhere a real chance to find decent and productive work.” This partnership serves as a model for cooperation and exchange on issues related to youth employment and enterprise among China’s youth organizations and related constituencies, as well as YEN and its global partners. Through its outreach network, the

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ACYF serves as a catalyst to promote the dissemination and implementation of YEN's strategies and guidelines in China.



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