



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Youth Economic Empowerment



A UNIDO/Department of Agribusiness Services Delivery Overview



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Context



Underdeveloped industrial and manufacturing sectors, in rural areas in particular, constitute a key structural factor compelling young people to migrate to urban areas, contributing to urbanization and migration abroad.

The global youth¹ population is 1.8 billion, 90 per cent of whom live in developing countries. Worldwide, there are 64 million unemployed young people, and the International Labour Organization estimates that 156 million young people in low- and middle-income countries are living in poverty, despite being employed. Youth unemployment is generally three times higher than that of the adult population. Even when young people are employed, their job security is lower, with fewer skills development and advancement opportunities. In times of economic downturn, young people, often the last in, are the first out.

The United Nations 2020 World Youth Report: Youth Social Entrepreneurship and the 2030 Agenda found that young people believed that higher education systems did not adequately prepare them for the labour market, with curricula often too focused on theory. The same report found that youth also identified the creation of small and medium enterprises as a means of overcoming high unemployment, but that the development

of such enterprises presented its own set of challenges. The overall system of support for youth employment is often not sufficiently geared to the needs and aspiration of young people.

The high levels of youth unemployment in many developing countries are leading to social exclusion and increased poverty. What is more, underdeveloped industrial and manufacturing sectors, in rural areas in particular, constitute a key structural factor compelling young people to migrate to urban areas, contributing to urbanization and increasing stress on urban infrastructure. According to the International Organization on Migration, social exclusion and persistent socioeconomic fragility are driving migration abroad in search of employment.

With a further 1.9 billion young people turning 15 between 2015 and 2030 and becoming more connected through technologies than previous generations, youth are more than ever prepared to drive inclusive and sustainable growth.



1.8 billion
global youth population

90%
of youth population live in developing countries

64 million
unemployed young people worldwide

156 million
young people live in poverty in low- and middle-income countries

1.9 billion
young people turned 15 between 2015 and 2030 worldwide

¹ Between 18 and 24 years of age.

Prosperous Youth, Prosperous Economies



Female youth are at a particular disadvantage. With jobs often tied to educational opportunities, women are less likely to find productive employment later. Disparities are not only gender-based: young people's employment opportunities are also affected by other status-related aspects, such as poverty, rural residence, disability and migrant background.



Young women and men can play an important role in generating economic wealth and empowerment. However, too often their voices go unheard by policy makers. Government policies and strategies often fail to incorporate incentives favoring youth employment and entrepreneurship, resulting in an untapped potential that further weakens the country's economic ecosystem. Furthermore, the lack of coordination between public and private sector result in education and training systems that do not adequately prepare youth with the skills – both technical and soft – needed to join the workforce.

Financial and non-financial institutions and service providers – public, private and sector-specific – fall short in the delivery of quality support services to young people, stifling their efforts to pursue employment opportunities in industry, including self-employment. Often the educational and training system fails to provide young people with the skills that they need to get a job in the private sector.

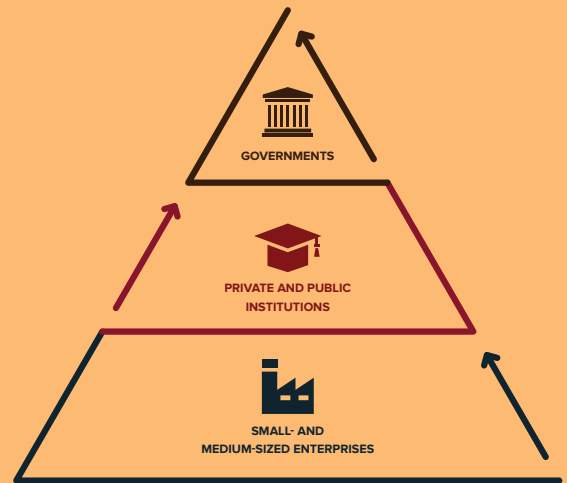
UNIDO and Youth Economic Empowerment



UNIDO provides a cross-cutting approach to support youth employment by mobilizing its international expertise in a diverse array of areas, including private sector development, market-driven vocational training programs, institutional capacity building, and policy recommendations. Drawing on its specialized divisions across the Organization, UNIDO offers a range of tools and methodologies to customize a solution to fit every country's development context.

UNIDO is a neutral broker between the private sector and government that seeks to find common ground and build synergies for mutual benefit. The private sector - from small local businesses to large multinational firms - have an interest in educating and training a young, skilled labour

force. UNIDO brings these actors to the table, along with the public sector, to develop innovative solutions to promote youth employment and youth-led SME development that respond to local needs and market.



UNIDO'S MULTIPLE-LEVEL APPROACH TO FOSTER YOUTH ECONOMIC EMPOWERMENT

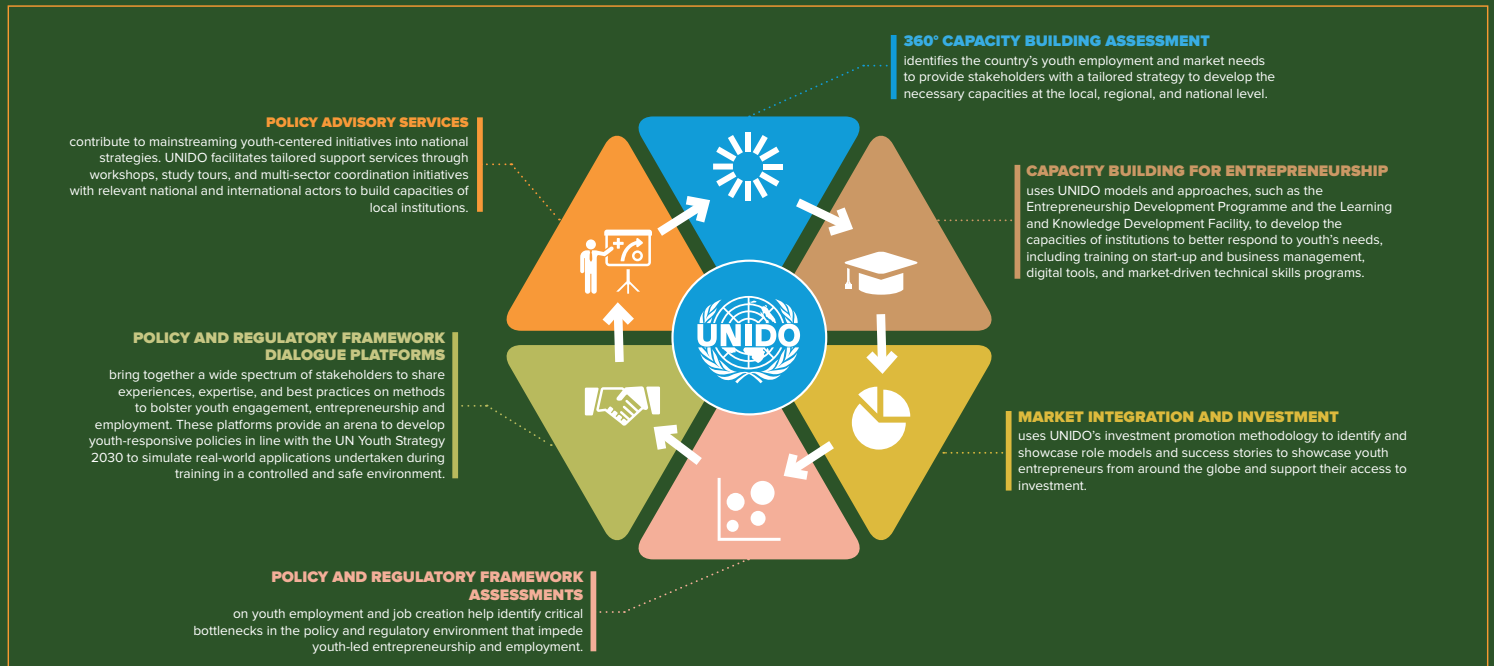
UNIDO solutions use a holistic approach that aims to engage stakeholders at multiple levels simultaneously. For youth economic empowerment, UNIDO works directly with entrepreneurs, associations, and small- and medium-sized enterprises to build capacity. The Organization also collaborates with private and public institutions that provide financial and non-financial services to entrepreneurs and small- and medium-sized enterprises, to build their capacity for services provision. UNIDO also engages with governments to develop a policy and regulatory environment that addresses bottlenecks hindering youth employment.



UNIDO's Tailored Approach



With the importance of youth economic empowerment in support of the achievement of inclusive and sustainable industrial development, UNIDO delivers modular and comprehensive solutions to support more sustainable and inclusive youth employment and job creation. This highly-adaptable model is structured in the form of individual and customizable building-blocks in order to respond to the particular challenges and requirements of each situation.



UNIDO, Youth and the Sustainable Development Goals



UNIDO interventions are designed for scaling up. While individual projects have tangible impacts at the local level, by widening interventions it is possible to achieve a larger development impact at the country level, contributing to national and international development objectives, such as the United Nations Sustainable Development Goals, through at-scale partnerships with the private sector, international financial institutions and other development partners. UNIDO interventions for youth economic empowerment contribute directly to the following Goals:



Project Spotlight: Ethiopia



AT A GLANCE

Title: Productive work for youth and women through SMEs promotion
Partner: Ministry of Education and Sports
Donor: Italian Agency for Development Cooperation; the Austrian Development Agency; and Global Affairs Canada
Budget: €900,542
Country: Ethiopia
Duration: 2015 - 2019
Objective: To assist the Government of Ethiopia (GoE) in its effort to create employment for women and youth through the promotion of entrepreneurship and SMEs in the productive sectors of the economy.

CONTEXT

Small and medium-sized enterprise (SME) development is a key mechanism to the Government of Ethiopia efforts to increase the economic empowerment of women and youth, and as such the development of small-scale income generating activities, particularly for women and youth was the specific aim of the 5-year plan of the Government of Ethiopia – the Second Growth and Transformation Plan 2015/16-2020 (GTP II). The strategic directions to be pursued during GTP II encompass the empowerment of women and youth through education and training so as to enable them to fully engage in and benefit from the country's economic and social development, as well as in the political process.

APPROACH

In order to align with GTP II priorities and on-going programmes, the project focused its capacity building interventions in reinforcing FSMMDA and those institutions such as TVETs, public universities, associations and sectorial development institutes - as identified by the Programme for Country Partnership in Ethiopia. By assisting selected financial and non-financial service providers, particularly those that serve youth and women, UNIDO also supported the institutional capacity to successfully support the operations of youth and women-led SMEs, hence, creating opportunities for women and youth to set-up or expand their businesses.

RESULTS

- ✓ National Entrepreneurship Strategy and annexed implementation plan endorsed;
- ✓ A comprehensive mapping of entrepreneurship related activities in Ethiopia was created by gathering information through meetings, interviews and workshops; and a terms of reference for the establishment of the coordination platform was validated;
- ✓ A pedagogical training package for intermediary institutions, named 'Start and Grow Toolkit', was developed;
- ✓ A total of **5** trainings were given to 61 trainees selected from 18 different meso-level organizations: 3 national-based banks, 4 micro-finance institutions, 4 regional trade and industry bureaus, 4 federal organizations, and 3 Centers of Excellence;
- ✓ The above listed entities, in turn, provided training to **165** young people and women in micro, small and medium enterprises;
- ✓ **20** were trained on COMFAR Lite;
- ✓ A database of more than **1,200** SMEs was created;
- ✓ **6** women-lead enterprises were then selected by UNIDO's Investment and Trade Promotion Office in Rome to participate to the Agro-Industry Investment forum's B2B meetings.

Project Spotlight: Tunisia



AT A GLANCE

Title:	Facilitating youth employment through entrepreneurship and enterprise development in fourteen disadvantaged regions of Tunisia
Partners:	Ministry of Industry and Trade, Ministry of Vocational Training and Employment, Ministry of Development, Investment and International Cooperation, Ministry of Higher Education and Scientific Research
Donors:	US Agency for International Development (USAID), Italian Development Cooperation, HP Inc. and HP Foundation.
Budget:	\$ 14 million
Country:	Tunisia
Duration:	October 2016 - September 2021
Objective:	To create more than 6,000 jobs for young men and women in the private sector.

CONTEXT

Unemployment, particularly among Tunisia's educated youth, remains a major challenge. Currently, in the governorates of Centre, Southern and Northern Tunisia, around 40 per cent of young graduates are unable to find work. This situation is attributed to a range of factors, including the public sector's limited capacity to employ more young men and women, a lack of diversity in the private sector, and a mismatch of skills required by the private sector and those offered by graduates.

APPROACH

In October 2016, UNIDO, the U.S. Agency for International Development (USAID), the Italian Development Cooperation and the HP Foundation launched the second phase of the project Mashrou3i (Arabic for 'My Project'), signaling the continuation of a successful public-private partnership. Mashrou3i is implemented in fourteen priority governorates in Tunisia and provides direct support to aspiring and existing entrepreneurs through training courses, business coaching and technical assistance. It also enhances the knowledge and capacity of local business support institutions and higher education institutions, fostering an entrepreneurial culture and enriching curricula. The project combines UNIDO's on the ground experience supporting beneficiaries in the creation and growth of small businesses, its working relationships with Tunisian partner organizations and leverages the HP Foundation's Learning Initiative for Entrepreneurs (HP LIFE) programme, which provides free, online courses in business, IT and entrepreneurship skills.

RESULTS

- ✓ By October 2019, more than **3,100** jobs were created, mainly for young women and men in Tunisia's interior regions.
- ✓ **255** start-ups were launched (40% women-led start-ups)
- ✓ **56** enterprises were supported to grow.
- ✓ trained **7,500** aspiring entrepreneurs to improve their management and IT skills (60% of whom were women).

About UNIDO

Further information

Further information about this project and its activities is available on the UNIDO website: www.unido.org

This publication may be downloaded free of charge from the website.

UNIDO in brief

UNIDO is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability.

As of 1 April 2019, 170 States are Members of UNIDO. They regularly discuss and decide UNIDO's guiding principles and policies in the sessions of the Policy Making Organs. The mission of UNIDO, as described in the Lima Declaration adopted at the fifteenth session of the UNIDO General Conference in 2013, is to promote and accelerate inclusive and sustainable industrial development (ISID) in Member States.

UNIDO maintains a field network comprising of 48 regional and country offices around the world.



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