

EDC

Education
Development
Center

Youth Entrepreneurship in Ethiopia, Mali, and Rwanda:

UNDERSTANDING THE OPPORTUNITIES



Introduction

EDC is committed to understanding the key ingredients and impediments to successful youth entrepreneurship in different contexts. As part of its learning agenda, EDC launched a study to review its entrepreneurship programming in Ethiopia, Mali, and Rwanda within the last 10 years. EDC intends to use this research to understand what aspects, if any, of EDC programming has contributed to improved outcomes for youth who seek self-employment as a main livelihood strategy.

The economic integration of young people into local, regional, and global markets is critical to economic growth, the alleviation of poverty and inequity, positive youth development, and the overall well-being of households and communities. In Sub-Saharan Africa in particular, entrepreneurship offers young people an important entry point into the labor market, it provides a means of financing their education and supporting their family's livelihoods, and it can help them generate savings that mitigate the impact of economic and other shocks. Among employed youth in Sub-Saharan Africa, almost all [\(95.8%\) are employed in the informal sector](#), and an [estimated two thirds \(74%\) are self-employed](#).

In fact, the global rate of entrepreneurship is highest in Africa, with [22% of working-age people starting a new business](#). Of these, [8.4% of small business ventures fail, and only 20% account](#) for niche-market product or service innovation, which are a reflection of immature markets, inadequate market research, or essential business planning. African women in particular are [two times as likely to engage in entrepreneurial activities](#) than their counterparts elsewhere in the world, with more than 1 out of 4 female adults in the active start-up phase of self-employment. Further, [52% of youth in Sub-Saharan Africa are much more likely to express an intention to start a business, and 28% are more likely to actually get one started compared to youth elsewhere](#).

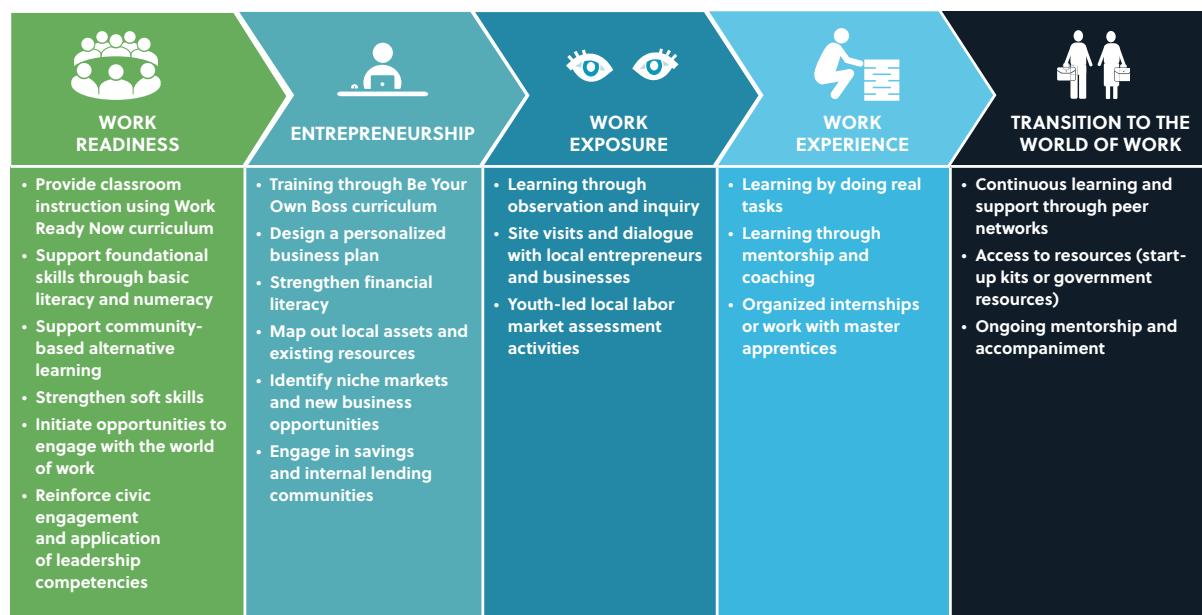
EDC's Approach to Entrepreneurship Development

EDC recognizes the heterogeneity within entrepreneurship. Recent research distinguishes between "necessity" entrepreneurs (self-employed individuals who typically engage in individual or household-based enterprises) and "opportunity" entrepreneurs (those who reject wage-based employment to pursue a business idea that is perceived as more lucrative than other forms of employment). While these two paradigms may be helpful to segment different populations for policy and programming purposes, EDC believes that for most young Africans this line is more often than not blended. Youth who are entering the labor market for the first time often need three critical forms of supports to be successful as entrepreneurs: market-relevant skills upgrading, access to affordable finance, and access to adult- and peer-based networks that offer them accompaniment through their

entrepreneurship journey. EDC’s underlying theory of change is that when youth have access to these entrepreneurship pathways, they are able to earn a livelihood, better integrate into markets, and ultimately increase their earnings over time.

EDC’s entrepreneurship model builds off of this premise. Through EDC’s entrepreneurship programs, young people learn business planning, financial management, and customer service, while also gaining important soft skills such as communication, teamwork, leadership, planning and goal-setting, and confidence-building through volunteerism and civic engagement activities. Through hands-on experiential learning, work-based learning opportunities, adult and peer-based coaching and mentorship, as well as market facilitation support, youth start, build, and grow their own businesses to address the needs and gaps of their local markets. Young people also pursue pathways for gaining financial literacy skills, opportunities to form and participate in savings groups, and connections to more formalized forms of financing. EDC’s youth entrepreneurship programs work across an ecosystem, partnering with young people, schools, community-based organizations, training providers, government agencies, and the private sector to create an environment that is more supportive of young men and young women in their education to employment journey.

EDC Entrepreneurship Model



For the purposes of this study, EDC selected a review of entrepreneurship programming and outcomes on three USAID-funded projects: (1) Promoting Opportunities through Training, Education, Transition Investment, and Livelihoods for Youth in Ethiopia; (2) PAJE-Nieta/Out of School Youth project in Mali; and (3) Huguka Dukore Akazi Kanoze project in Rwanda. Our research in these countries focused on four key questions:

1. Has EDC’s entrepreneurship model contributed to better self-employment outcomes for youth, and if so, in what ways and among which youth cohorts?

2. What key interventions or services and supports enabled youth entrepreneurs to realize success and in what ways?
3. What obstacles or challenges did youth face, and which type of entrepreneurial interventions were viewed as ineffective or less effective for starting or growing a business and why?
4. Were there any notable differences in the success of female-led entrepreneurship, and if so, what were these?

Methodology


The proposed study design utilized a mixed-methods approach for qualitative and some quantitative data collection and analysis. The study relied on primary data collection, composed of semi-structured interviews and focus groups discussions (FGD) with youth entrepreneurs. Surveyors were instructed to select a diverse group of respondents, including those from rural, peri-urban, and urban areas; those with successful as well as unsuccessful businesses; and an equitable division of male and female respondents. Data were triangulated through additional in-depth interviews with EDC staff, implementing partners, peers, or mentors, as well as annual and final reports, and project data were captured as part of monitoring, evaluation, and learning plans. Where EDC was the prime, the following project quantitative data was reviewed:

- Enrollment and transition surveys
- Savings and internal lending communities (SILC), including access to formal financial services data collected by partners
- Market linkages and financial linkages data
- Youth entrepreneurship outcomes data collected through progress tracker tools

Data was disaggregated by gender; age banding (ages 18–22 and ages 23–35); and geographic area (district, urban, peri-urban, and rural location). To the extent possible, findings were disaggregated according to new business start-ups vs. growth-oriented businesses, opportunity vs. necessity enterprises, and/or other identified pathways or typologies of self-employed youth.

Limitations

This study was intended to better inform EDC on the needs of and opportunities among young entrepreneurs. It did not attempt to compare the effects among a control group, so it did not determine whether respondents would have experienced comparable outcomes without the program intervention. Further, we selected three projects funded by USAID, which does not capture other possible donor-supported approaches to entrepreneurship.



Moreover, while the research team attempted to capture both qualitative and quantitative data, due to the relatively small sample size and random sampling efforts, the assessment cannot purport to be statistically representative or generalizable to all respondents engaged in these illustrative projects.

In addition, restrictions due to the COVID-19 pandemic in each country caused delays and some interruptions in data collection. In Ethiopia, COVID-19 restrictions along with conflict in northern Ethiopia limited inter-regional movement and dictated that interviews with respondents were conducted by telephone over a two-week period by one EDC staff member. In Mali, the COVID-19 pandemic and ongoing violence and conflict in several regions caused interruptions to data collection and resulted in hybrid data collection by two EDC staff via telephone and some in-person interviews. These approaches for Ethiopia and Mali resulted in data that were less rich than hoped for and may have been influenced by the experience of the interviewer, which varied both between countries and within a country. Finally, the projects in Ethiopia and Mali had each ended within the previous one to five years, and as such, data collection was based on telephone and in-person interviews, a semi-structured interview protocol, and a smaller sample size than in Rwanda where the project was ongoing at the time of data collection.

In Ethiopia, EDC was not the prime implementing partner and had limited access to project monitoring and evaluation data to triangulate information. In Rwanda, data collection was linked to a more in-depth, project-supported entrepreneurship study, with a small team of researchers and greater resource supports. As such, findings were triangulated with EDC staff and HDAK implementing partners through validation workshops to better understand the implications of and conclusions emerging from the study results. A similar effort was not possible in the Ethiopia and Mali country studies.

Although we note these limitations, an analysis of the three projects produced key findings regarding the relevance, effectiveness, impact, and sustainability of EDC's entrepreneurship model.

Ethiopia

INITIATIVE

Promoting Opportunities through Training, Education, Transition Investment, and Livelihoods for Youth (POTENTIAL), 2015–2019

TOTAL FUNDING

USD 17.5 million, supported by USAID

OVERARCHING GOAL

To assist unemployed and underemployed youth ages 15–29 attain skills, knowledge, and social capital that leads to increased income and economic self-sufficiency, with a particular focus on girls and young women.

LOCAL STAKEHOLDERS AND PROJECT PARTNERS

Save the Children Federation, Inc. (prime), EDC (sub-partner), Facilitator for Change Ethiopia, HUNDEE-Oromo, Grassroots Development Initiative, Professional Alliance for Development in Ethiopia, and Relief Society of Tigray

PROJECT OUTCOMES

- 35,984 youth trained in EDC’s Work Ready Now (WRN) approach. Youth represented 30 districts, 6 regions, and 5 languages.
- 24,360 youth were self-employed or wage-employed in better employment.
- 47% female youth participation rate.
- 11,846 youth received post-training mentoring support.
- 56% of project respondents reported better savings habits.
- 350+ community volunteers recruited and trained on how to be effective mentors for youth entering the workforce.

Context

Ethiopia has one of the [fastest growing economies in the region](#) and recently launched a new 10-year economic growth plan (2020/21–2029/30). As of 2019, more than [112 million people](#) were living in Ethiopia, with [21%](#) of the population situated in urban areas. The current war in Tigray, however, threatens to destabilize the region and undermine Ethiopia’s development gains. In Ethiopia, [16 million people are in need of humanitarian assistance](#), and [2 million people have been displaced](#) since late 2020.

During the period of project implementation, Ethiopians living below the [poverty line went from 30% of the population to 24% of the population, with the poorest 10% seeing no substantial change and thus becoming worse off](#). An estimated [26% of rural households live](#)

[below the poverty line](#).¹ Nearly [70% of Ethiopians traditionally have relied on agriculture](#) for employment, and an estimated [13.2 million people are food insecure](#).

In 2018, it was estimated that [70% of 15–24 years old](#) had never completed primary education in Ethiopia. During that same time, out-of-school children were [25% of the primary school-age population, and 50% of the secondary school-age population \(55% women, 46% men\)](#). The median population is 19.5 years old. Illiteracy rates are estimated to be at [27% for people ages 15 and above](#). Secondary, technical vocational, and tertiary education institutions suffer from low-quality materials and resources to prepare youth for transition to employment.²

Project Overview

The goal of POTENTIAL was to assist unemployed and underemployed youth ages 15–29 to attain skills, knowledge, and social capital that would lead to increased income and economic self-sufficiency, with a particular focus on girls and young women. To reach this goal, Save the Children and its partners, including EDC, sought to increase youths' access to skills-building and employment promotion services through targeted assessments that aligned skills training with market-relevant needs, tailored technical and life skills training to create viable livelihoods prospects, and provided work-based learning opportunities.

The project worked with the following: (1) local business service providers; (2) youth-led and youth-serving community organizations to engage youth in workforce readiness and technical and business skills development; and (3) mentors and coaches for work-based learning opportunities.

POTENTIAL targeted 30 districts, with a focus on vulnerable youth—particularly women—and those transitioning out of pastoralism. Respondents in the project tended to have varying levels of education status but a basic level of literacy.³ The project maintained an estimated 44%–47% female youth participation rate throughout the life of the project; of these, there was a relatively equal balance between those women who were married and those women who were single or divorced.⁴ Respondent youth received literacy, numeracy, and life skills training alongside vocational and entrepreneurship development activities through partnerships with technical training, small business, and micro-finance institutions. In so doing, EDC helped local partners address the full spectrum of economic development, from supporting unemployed and underemployed youth to improving the quality and relevance of local workforce development trainings.

Youth respondents were encouraged to pursue one of the three pathways: self-employment, wage employment, or further technical skills training at a technical vocational education and training (TVET) center. This flexibility allowed youth to choose the training offerings, job linkages, self-employment networks, and work opportunities that best fit their own needs. EDC's *Work Ready Now* (WRN) curriculum provided youth with basic employability skills, knowledge, and behaviors needed to prepare them for the world of work or self-employment. In addition, EDC provided work-based learning supports wherein youth were placed with an

employer on average of five days for job-shadowing and experiential learning. Youth who completed the WRN training course were supported by coaches who helped each respondent manage a career pathway or job placement across several months.⁵

Local labor market assessments and private sector engagement were conducted predominantly with rural and peri-urban employers, given the target districts supported by the project. From a macro level labor market assessment, four market sectors were identified as critical to project outcomes: (1) agriculture, (2) agricultural trading, (3) consumer goods trading, and (4) service provision in rural and peri-urban areas. Agricultural production, or agribusiness, and agriculture-related marketing were economic activities in which youth ultimately found self-employment (53.3%) or wage employment (31.5%).⁶

Those youth who preferred to pursue self-employment received EDC's Be Your Own Boss (BYOB) training to equip them with key business planning and development skills. Mentoring activities bridged the BYOB training and further development of start-up business plans. On average, youth met with mentors about 4.9 times across their engagement with project training and follow-on support activities.⁷ BYOB training provided youth with the skills to do the following:

- Identify a promising business idea
- Develop leadership competencies
- Conduct market research
- Understand competitors and a wider market landscape
- Design business plans
- Find start-up capital
- Perform financial and stock record keeping
- Conduct legal business registration processes
- Identify peer or technical mentors for further support and advice (ideally)

In addition, EDC developed the *Start-Up Business Ideas Catalogue*, which featured demand-driven niche opportunities for growing a business and identified accompanying inputs and resources, such as equipment and tools, as well as options for how to find or rent these. In addition, the catalogue outlined general human resource and technology needs, operational and environmental risk potential, and target market and customer concerns by sector or general business category.

The project did not provide youth with start-up capital. Instead, participating youth were coached to find other ways of securing start-up support, such as borrowing from family and

friends, working within local structures of credit or loan support, or building on an existing income generation activity. The government offered land grants to young people starting a business, which helped them to secure office or market space in both urban and rural areas.

Findings

In December 2020, EDC interviewed 12 youth respondents who had participated in WRN and BYOB training as part of POTENTIAL activities. These 12 key respondents were evenly split between men and women and ranged in age from 20 to 35 years old at the time of the interview. They came from all regions within Ethiopia where project interventions had occurred: Afar, Amhara, Oromia, Somalia, and the South.⁸ EDC interviewed two respondents from each region except for Oromia, for which four respondents were interviewed.

The types of entrepreneurship ventures that the respondents represented included hospitality (5), agriculture (1), personal care services (2), and manufacturing (1). One entrepreneur launched a bookstore, and another conducted a value chain analysis and tied his business start-up to a popular beverage value chain. One business venture, self-defined as a partnership but implemented as a network of partners, included 25 members who operated individual coffee shops, participated in livestock fattening, and were looking to expand to other business areas. Each of the 12 respondents reported that conducting a local labor market assessment as part of WRN and BYOB training allowed them to better understand the local needs, gaps, competition, and demand and provided information on where they would be able to find resources to make their businesses operational.

All but two respondents were still operating their start-up business ventures at least one if not two years after the end of the project. These businesses were first launched within several weeks to 6 months of ending WRN and BYOB trainings. One additional entrepreneur was currently in flux and planning how to relaunch a seasonal entrepreneurship model to be more sustainable as a year-round source of income. Of the 12 entrepreneurs interviewed, 6 of the business models were individual ventures, with 5 businesses established with one or more partners, and 1 self-identified cooperative that had stopped functioning. Only one business was operational prior to the WRN and BYOB trainings; it was a coffee shop started by five women partnering together in the South region, which remains in business to date. After training, this coffee shop partnership business expanded to a restaurant that offered a more diverse food menu, and it invested in a motor bike to source different ingredients from other markets outside of the local area. In an outcomes survey conducted during the life of the project, only 23% of respondents representing a cross-section of project respondents had been employed prior to the project intervention.⁹

Effectiveness of the EDC Entrepreneurship Model

The USAID POTENTIAL project trained 35,984 youth in transferrable life and technical skills training through WRN and BYOB training over the five-year project period.¹⁰ Of these youth, an estimated 11,846 received mentorship, while a broader number of youth across different

project interventions received some form of career coaching in deciding which pathway to pursue: wage employment, self-employment, or enrollment in a TVET program in a specific vocation.¹¹ At the end of the project, 24,360 youth were engaged in new or improved employment. Sixty-eight percent of these young people were in self-employment, and 16% had found new or better wage employment. And, 618 youth went on to pursue further technical education and training at one of 30 TVET centers in the project-supported regions.¹²

As part of a mid-term review,¹³ the POTENTIAL project noted self-reported improvements in knowledge, skills, attitudes, and behaviors that led to increased rates of self-, wage, and better employment, as well as increased incomes and new productive assets. As part of the endline data collection, gender-related findings were promising in that women demonstrated changes along most dimensions very similar to those experienced by men, but the women had greater gains in self- and wage employment versus the men.¹⁴ One important exception was related to income, which was evaluated at an increase of 103% for young men versus an 80% increase for young women across self- and wage employment.¹⁵ On average, a gender baseline analysis conducted in Year 1 of project implementation found that two thirds of young women in rural areas were involved in agricultural production, such as livestock fattening or honey production,¹⁶ where wages traditionally were lower than in other sectors. This suggests that more work needs to focus on gender parity or expanding female employment into nontraditional sectors, even in rural and peri-urban areas, where earnings may be higher than in female-oriented sectors. Or, additional support should be provided to make traditionally female-oriented career options more profitable and fulfilling. That said, overall, POTENTIAL project data show that youth found ways to either expand employment opportunities in the agricultural sector or to build a business that depended on the agricultural sector. These data were true for both men and women equally.¹⁷

At least one year after the POTENTIAL project closed, and in some cases up to three years after a youth graduated from skills training, 10 of the 12 key respondent interviews attributed the sustainability of their businesses to the following modules and focus areas of the WRN and BYOB training, the lessons of which they report they still utilize in their work:

The most noted modules or areas included the following:

- Process for setting and achieving business goals through planning
- Community mapping and market research
- Customer care
- Financial record keeping

Others areas included the following:

- Problem-solving and decision-making
- Team work
- Time management
- Marketing

Finally, the POTENTIAL project attempted to leverage existing resources and efficiencies. As such, the project worked through existing youth service centers as appropriate for implementing trainings, strengthening the involvement of youth economic and social councils and other youth groups to support greater economic participation of youth, and increasing youth access to finance. Leveraging these networks to help youth develop savings and loans groups strengthened individual savings during youths' participation in the project.¹⁸ That said, only one of the key respondents mentioned any of these support services as being integral to their success, and only as a general matter of fact. This respondent mentioned that youth networks and peer support were sometimes more helpful than government services beyond land grants.

Relevance of External Resource Supports

For those youth who chose self-employment as a pathway, many were linked with **microfinance institutions (MFIs)** to obtain financial loans at minimal interest rates or with **government-supported land grants** to start their businesses. Over the course of supporting youth entrepreneurship across the five-year program, more than USD 3.6 million was invested in youth as start-up capital. In addition to this, additional access to finance was found through MFI loans (40% of youth respondents), family support (32% of youth respondents), collaborative partnership support (15% of youth respondents), and individual youth savings or loans from youth economic and social groups (13% of youth respondents).¹⁹

Eight out of the 12 respondents validated that access to MFIs and **government support to access land** on which to start a business were two critical factors in ensuring business sustainability. Four respondents, two from Oromia and two from Somali, stated that they had not received any government support. Of these four, the two businesses in Oromia have folded: the first, a hair salon, was a seasonal entrepreneurship model, and the second, a restaurant, lost its customer base when a construction site it depended on closed. All except one youth enterprise had the **support of family, friends, and personal savings** on which to start their business, and for those businesses established as a partnership or a cooperative venture, each partner also had to contribute personal and family resources to support start-up. The POTENTIAL project found that fostering savings habits among youth, and youth using these initial savings, along with the financial support of their family and friends, was a high predictor of new or better employment. **Young men, however, had twice as much in savings than young women**, according to project data collection.²⁰

Further, according to project report findings, **private sector engagement** resulted in 157 different business partnerships with small, medium, and large enterprises that were operating in the communities supported by the project.²¹ That said, only one entrepreneurship venture found a connection to a value chain from an existing private sector enterprise with national level networks.

Impact and Sustainability


The work readiness and entrepreneurship training provided by the POTENTIAL project lasted 15 days for WRN and 5 days for BYOB. Project interventions did not include refresher trainings, start-up kits, or capital for launching a business. The POTENTIAL project did offer career guidance, coaching, and mentorship to youth as part of training and work-based learning opportunities.

Examples of comments from the 12 respondents regarding the project interventions follow:

- Two respondents stated that they could think of nothing different that they would have needed to launch their business.
- One respondent wished that the project had followed up a year after to see which businesses were thriving and if there were any additional needs.
- Six respondents reported that initial start-up capital or start-up kits would have helped them not have to borrow so much money at the beginning, which either stalled the launch of the business or required initial sacrifices to pay back a loan before earning a profit.
- Almost half of the respondents stated that an apprenticeship or mentorship with a professional in their business prior to them launching their particular start-up would have helped them gain key skills and to learn quicker how to provide a particular service.
- Some respondents articulated a similar point: greater investment in post-training coaching and mentoring would have helped them leverage lessons learned from others who had started entrepreneurial ventures before them.

The Save the Children *Study on POTENTIAL's Youth Business Mentoring Program* found that over 95% of mentees believed that their engagement in business mentorship helped them start their own business and more than 86% claimed that the mentoring aspect of the program improved their income levels.²²

From EDC's study, one respondent found a work-around for what she perceived as a lack of specific technical training or technical guidance to accompany her business plan. She identified members of her community who had specific skills and asked if she could observe them cooking and baking so as to learn new recipes and develop a quality menu for her coffee shop, which she was then able to expand into a restaurant business. Another stated



that the specific technical skills she needed she learned from YouTube prior to opening her beauty salon.

Of the 12 respondents interviewed, 2 stated that their businesses displayed negative growth. Of the two businesses that closed shop, one did so because of negative growth, and the other because she could not manage the business after she had her first child. That said, when the latter shut down her coffee shop, she did so at a moment when she was earning three times the profit she was making in the first six months of operations. The second business showing negative growth was owned by a woman who reported the venture was in flux and that she needed to establish a better year-round business model for her hair salon. One of the businesses, a Coca Cola soft drink distribution center, connected at start-up to a Coca Cola value chain and is earning 19 times the profits made in the first six months of start-up. **On average** however, for the other eight entrepreneurship models, **each has grown its revenue by anywhere between 2.2 and 6 times the initial returns in the first six months of operation. Female-owned businesses fared at least in the middle to the higher end of increased revenues and steady growth** when averaged across all entrepreneurial ventures associated to respondents as part of this study.

From this case study, of the nine businesses operating at a profit, **four of these have created 10 additional jobs for other young people in the area.** Only one business lost an employee; it was a partnership that disbanded, with one partner continuing the business.

Mali

INITIATIVE

Out-of-School Youth Project/PAJE-Nieta (2010–2015)

TOTAL FUNDING

USD 15.2 million, supported by USAID

OVERARCHING GOAL

Enable rural, out-of-school youth between the ages of 14 and 25 to access basic education, increase their civic engagement, and gain skills to be economically productive for the good of themselves, their families, and communities

LOCAL STAKEHOLDERS AND PROJECT PARTNERS

Ministry of Employment, Professional Training, Youth and Citizenship; Catholic Relief Services; Swisscontact; Association Jeunesse Action; Association Malienne pour la Survie au Sahel; and Peace Corps

PROJECT OUTCOMES

- 14,853 rural, out-of-school youth, ages 14–25, participated in entrepreneurship skills training in the Kayes, Kolikoro, and Timbuktu regions;²³ 10,951 youth completed their training cycle.
- 82% or 8,077 youth respondents reported self-employment.
- 57% female youth participation rate.
- 70% of youth respondents are operating small businesses 1 to 2 years after the training cycle.
- 68% of female youth are operating small businesses 1 or 2 years after the program cycle.
- 84% of youth businesses increased profits after 1 to 2 years of operation.
- 64% of youth (60% of these women) participated in SILC or had other access to finance groups.

Context

Mali continues to experience instability and conflict with the occupation of large swaths of northern regions of the country by armed groups and/or jihadists, as well as the presence of a UN Multidimensional Integrated Stabilization Mission (MINUSMA) dating from 2014. As such, economic recovery and poverty reduction country-wide remains fragile ([World Bank, 2020](#)). The Government of Mali's Transitional Sector Recovery Program (PRODEC 2, 2019–2028) persists in its focus on strategies to address education and vocational training needs, including finding solutions to social development and economic growth. In Mali, out-of-school children outside major urban areas reflect [73% of the school-age population](#). Youth

unemployment is estimated at [14.7%](#). The median population age is [16 years old](#). Additionally, Mali faces some of the highest adult illiteracy rates in the world, at [65%](#) for people ages 15 and above. Youth unemployment and illiteracy exacerbate ongoing threats to political and social stability, including increased risk for recruitment by violent extremist groups.

Project Overview

The PAJE-Nieta project, EDC's youth development model in Mali, included the following components:

- Basic literacy and numeracy instruction
- Training in rudimentary microenterprise management concepts, tools, and skills with self-paced follow-on lessons provided through mobile phone technology
- Technical training in 1 of 14 income-generating activities (IGAs) identified by the project as viable
- Distribution of starter kits with the basic equipment or materials needed to launch a microenterprise
- Access to savings and internal lending communities (SILC): Community-managed groups that provide members with access to savings and lending schemes to support individual financial management, business investment, and growth

The model relied on a cadre of project-trained youth volunteers and local technical trainers to provide youth with training and support to launch their own business. Village youth associations were engaged and supported by the project as a means to strengthen youth engagement in community service and civics.

This approach used a series of training modules that were either created for or adapted to the program context. The basic education literacy and numeracy curriculum developed by the project was validated by the Ministry of National Education, and EDC's entrepreneurship curriculum²⁴ was adapted to meet the context. Training modules were validated by the Ministry of Employment, Professional Training, Youth and Citizenship as part of a larger systems-strengthening approach. The project also developed technical training modules for each of the IGA sector areas that were identified in an initial labor market analysis from which youth could select opportunities based on realistic market demands. For each sector, the project identified local professionals to serve as trainers. For those who were not locally available, the project paid for them to travel to sites so that technical skills training could be provided at the village level, ranging in time from a period of 8 days to 3 months. This community-based approach was expanded to support internships that provided youth with additional support post-training through ongoing mentorship and accompaniment. At the end of the professional training, youth received start-up kits of materials and equipment to support the launch of their businesses. Details are listed in Table 1.

Table 1. Number of youth who completed technical training and received start-up kits

Income-Generating Activity	Cohort 1	Cohort 2	Cohort 3
Agriculture		402	2,077
Grain cultivation	236		
Market gardening	440		
Plant production	4		
Bakery	4	1	106
Food processing	33	14	185
Livestock fattening	428	162	992
Poultry raising	339	200	1,021
Repair and production of agricultural equipment	225	30	323
Setting up a small restaurant	48	55	386
Soapmaking	302	121	985
Carpentry			129
Cell phone repair			26
Hairdressing			136
Masonry			53
Photography			11
Sewing			347
Total	2,059	985	6,777

Modular entrepreneurship courses were introduced and focused on the set of basic skills youth would need beyond literacy and numeracy instruction: work readiness and leadership qualities; basic essential tools such as developing a process for invoices, receipts, profit and

loss sheets; and, marketing and business plans. Cell phones were distributed to enable youth to access the nationwide platform Senekela to check on market prices and to communicate with clients or potential clients, peers, and producers. However, since the platform number was not toll free, this service was not used by youth in the project.

Between 2010 and 2015, 10,951 rural youth from three separate cohorts completed their training cycle. Cohorts 2 and 3 refined their program approaches by integrating lessons learned from the previous cohort. For example, for Cohort 2, the project team decided to introduce entrepreneurship training at the start of the cycle in parallel with basic education skills to maintain youth interest, which was demonstrably focused on entrepreneurship. Specifically, it was noted that the high drop-out rates estimated at 45%²⁵ of respondents within Cohort 1 were due to poor youth perceptions linking the utility of learning to read, write, and do basic math with the more pressing or ultimate goal of earning money for themselves and their families. Beginning with Cohort 2, the project thus placed greater emphasis on entrepreneurship as a goal from the very beginning. Thus, the basic education curriculum was revised to more explicitly integrate entrepreneurship and work readiness skills and content throughout the literacy and numeracy teaching and learning. As a result, the dropout rate for Cohort 2 was reduced to 20.6% and then to 13.4% for Cohort 3. **Female participation was high as arrangements were made to provide childcare for those with small children.** The majority of women in all three cohorts were married and had two to three children. **Engaging youth associations to work with youth and their caregivers to encourage attendance in training also improved attendance.**

Further, start-up kits distributed by the project were fairly modest with an average value of \$130. Only 60% of youth in Cohort 1 who completed technical training and received a start-up kit actually launched their IGA as the kit had been delayed until the end of the training. **To address this in successive cohorts, the project ensured that the distribution of kits happened earlier as part of the training, and as such, 94% of 985 youth launched IGAs for Cohort 2 and 95% of 6,777 youth for Cohort 3.**

Findings

In January 2021, EDC interviewed a total of 13 respondents in Mali, of which 7 respondents (4 men and 3 women) were interviewed in Sikasso. Respondents ranged in age from 27 to 35 years old, and they received their training in 2013 as part of PAJE-Nieta's Cohort 2. Six respondents (5 men and 1 woman) were interviewed in Timbuktu. Their ages ranged from 21 to 28 years old, and they received training in 2015 as part of PAJE-Nieta's Cohort 3.

The IGA sectors in Sikasso, in the southern part of Mali, were linked mainly to agriculture, with the exception of soapmaking and soldering. Among the small sample size used in this analysis, soapmaking was a largely unsuccessful venture due to the availability of cheaper imports on the local market. In Timbuktu, situated north of Sikasso, agricultural investments were less of a viable option, and IGAs included carpentry, masonry, mechanics, tailoring, and restoration. That said, training in service industries was only introduced with Cohort 3,

making it difficult to ascertain whether youth in the south would have continued to pursue agribusiness options if they had been presented with other skilled trade opportunities.

Effectiveness of EDC Entrepreneurship Model

EDC's entrepreneurship model contributed to better self-employment outcomes for participating Malian youth. This was especially apparent when **project youth pursued economic pathways in which they were already engaged prior to the skills training opportunities provided by the project.** For example, one respondent, a 29-year-old man from Sikasso, reported that he chose to pursue iron work since it was a family business, and he had been working in it since a young age. That said, the training offered him the opportunity to learn new techniques and improve traditional practices. As a result, his revenue had increased by 37.5% over the last several years. A 30-year-old man from the same region reported that PAJE-Nieta's technical skills training in poultry farming helped him transform a daily activity that brought home no revenue to one that began generating \$65 per month over the past several years.

Relevance of External Resource Supports

Twelve of the 13 respondents cited access to **equipment and materials as the most important resource to start their business.** Of the 12 respondents who mentioned materials as a key resource, only one did not mention the start-up kit received from the project. Two respondents mentioned additional equipment provided to them by their mentors; one of these two also took out a small loan of \$140 to supplement the start of his business. Another respondent accessed a small loan from her SILC group when she needed to diversify her IGA due to poor revenue from her first soapmaking business venture. For 2 of the 13 respondents, project materials supplemented existing materials possessed by the youth. These data align with final report project findings that the greatest barriers to starting a business were youth access to finance, materials support, and general good health and well-being.²⁶

All youth respondents indicated the **importance of social supports in establishing and building their business.** In Sikasso, many respondents noted that their family provided support that was critical to the launch and maintenance of their business. In Timbuktu, respondents were more apt to note the **importance of building their customer base through a variety of means, including networking, client management, association with larger business entities, and marketing a reputation for quality or innovation.** The **role of the mentor or master apprentice** also seemed to play a significant role in the success of businesspeople in Timbuktu. These master apprentices not only provided additional training before the youth launched their own businesses, but they also provided material and networking supports. In one case, a 21-year old tailor built a business relationship with his mentor to take on specific elements of embroidery work that required machinery lacking in his nascent workshop.

Access to loans was cited as a critical support for youth businesses. A total of 9,534 youth, including 5,802 women, across all three cohorts participated in SILC groups that the project helped support. For Cohort 3, **21%** of youth who launched IGAs secured loans from their SILC group to help with their microenterprises.²⁷ This rate was higher for women than for men, with an average of 25% of women securing loans from their SILC groups. Among the pool of respondents in this study, few mentioned their SILC groups as a financial source for funding new initiatives. Instead, the majority more frequently cited support from family and the project, especially in the form of start-up kits.

Start-up kits were a key element of EDC's model that contributed to the large number of youth able to launch their microenterprise relative to SILC groups, which did not have enough of a cash base to help multiple youth procure key materials for start-up. In a September 2014 study of Cohort 1, only 25% of SILC groups were still operational after their project cycle. To address this, the project piloted a private sector engagement approach to monitor and scale up SILC groups after respondents had left the project cycle, but no data was available on the impact of this pilot.

When asked to list what contributed to business success, four of the seven respondents in Sikasso cited their own **courage**. None of the Sikasso respondents mentioned technical training or business management lessons in their responses. However in Timbuktu, four of the six respondents mentioned the **entrepreneurship training** that they received through the project, specifically citing the following topics: client management (finding, keeping, and resolving disputes with clients); small business management; team management; and health and safety in the workplace. With regards to the most important competencies and soft skills to maintain and build a successful business, respondents most often cited learning how to **build and maintain a customer base**. Notable, only respondents from the Timbuktu region mentioned having learned both the skills and value of soft skills; although this may be indicative of cultural or learning differences.

Of note, respondents from Cohort 3 located in and around Timbuktu had more successful businesses and a greater capacity to articulate how to build their businesses than those respondents from Cohort 2 in Sikasso. For example, the monthly revenue of the six Timbuktu respondents averaged \$146 per month and ranged from \$92 to \$213, while the monthly revenue for the seven Sikasso respondents averaged \$57 per month and ranged from \$6 to \$92.

With regard to the selection of an IGA sector, 6 of the 13 respondents pursued **training in sectors in which they were already invested**. Respondents stated an appreciation for access to additional materials and improved technical knowledge and business management practices that the project brought to them.

Finally, **the location of businesses seemed to play a significant role in success or failure**. Of the top five most profitable entrepreneurs (generating \$157 per month in revenue on average), two out of five cited a "good location" as one of the reasons for success. For those who had

significant business challenges, it was the location of the business that was more frequently mentioned, which was particularly true for Sikasso and Timbuktu respondents. One poultry farmer noted that because of the location of his coop, his flock frequently fell prey to both theft and disease. Others mentioned the actual structure as problematic, including the owner of a local restaurant that was built under a hangar, as well as another poultry farmer who wished that the project had provided him with a coop rather than chicks, which had died shortly after he received them.

Impact and Sustainability

All 13 respondents currently were running the businesses they started or enhanced through the support of PAJE-Nieta years ago. While each was able to site a number of challenges that they had to overcome to varying degrees, only one respondent reported such significant struggles with her soapmaking business that she was required to pivot. In this specific case, soapmaking was less profitable than anticipated, due primarily to the increased cost of oil during the off-season but also compounded by the availability of cheap, imported soap on the local market. Faced with this challenge, this 27-year-old respondent from Sikasso did two things: (1) she began making liquid soap, which was less costly to produce and was not available on the local market, and (b) she diversified her income streams by starting an animal fattening initiative.

Seven of the 13 respondents reported that **a lack of financial and material resources led to significant business challenges**. Three respondents mentioned that **a lack of community infrastructure, such as access to water and electricity, was a significant challenge**. One respondent struggled with running a restaurant on “non-market” days, as her business depended on an influx of visitors to her town. A separate seven respondents stated that WRN and BYOB refresher trainings within a year or two of the initial training would have been helpful for them.

Youth businesses were more successful in Timbuktu, which may be due to either (1) the types of sectors that youth were engaged in or (2) that urban entrepreneurship offered greater access to customers, materials, networks, and other resources than agricultural entrepreneurship development. Also notable, due to security constraints, project activities were implemented by a local organization in Timbuktu.

Based on the research findings, youth in Timbuktu assimilated project learnings and applied these more directly to their businesses. This may be due to either a greater access to education among populations in the northern areas of Mali or the refinements made and the quality of instruction that the project arrived at by the third cohort cycle. Among the respondents, growth since the end of the project period was significantly better in Timbuktu than in Sikasso. In Sikasso, only one of the businesses was able to grow to a point of hiring employees (a total of three). In Timbuktu, all businesses except for one grew sufficiently to require the hiring of employees. Among the five businesses that grew, 20 people were

hired. One single business, a motor and generator repair shop owned by a 28-year-old man, accounted for 13 new hires over an almost three-year period.

Finally, even the smallest reported revenue in Timbuktu was higher than reported revenues from Sikasso, which may reflect the range and types of business opportunities available in Timbuktu that pay higher wages than in more rural areas of the country.

Rwanda

INITIATIVE

Huguka Dukore Akazi Kanoze (HDAK) [2017–2021]

TOTAL FUNDING

USD 20.5 million, funded by USAID

OVERARCHING GOAL

Increase market-ready skills and access to stable employment opportunities for 40,000 Rwandan male and female vulnerable youth, ages 16–30 years.

LOCAL STAKEHOLDERS AND PROJECT PARTNERS

Network of 21 youth-serving organizations (including 14 core private service providers and Akazi Kanoze Access); Ministry of Education; Ministry of Youth, Rwanda Polytechnic; Rwanda TVET Board (and formerly the Workforce Development Authority); National Employment Program; Private Sector Federation; 2,500 employers; RIM Ltd., and Goshen Finance; mayors offices in 25 districts; 700+ youth savings groups; and 1,500 youth leaders

PROJECT OUTCOMES

- 40,000+ youth directly participating in improved work readiness training and supports with measurable skills gains
- 70% new or better employment among workforce development program graduates, including 11,060 youth who created new businesses as a result of U.S. government (HDAK) assistance

Context

Rwanda has achieved significant inroads into propelling itself into middle-income status,²⁸ experiencing impressive economic growth of more than 7% per year.²⁹ Poverty and extreme poverty fell from 46% in 2010 to 38% in 2016.³⁰ In spite of this progress, the economy has been unable to create enough jobs to keep pace with the country's rapidly growing labor force.³¹ Rwanda's labor market has been largely characterized by underemployment and self-employment, **mostly in subsistence activities including low-value agriculture activities and informal household enterprises.**³² In response, Rwanda's National Strategy for Transformation (NST1), 2017–2024, **aims to create 1.5 million decent and productive jobs by 2024, including opportunities for** "youth and women to create business through entrepreneurship and access to finance."³³ **This approach also aims to develop a skilled and productive workforce, aligned with needs of the market,** and ultimately to "establish Rwanda as a globally competitive knowledge-based economy."³⁴ Nonetheless, given the economic disruptions caused by the COVID-19 pandemic, it is likely that a large majority of Rwanda's youth and female population will continue to rely on informal self-employment as a means of survival.

Project Overview

The USAID Huguka Dukore Akazi Kanoze (HDAK) project seeks to increase market-ready skills and access to stable employment opportunities for 40,000 Rwandan male and female vulnerable youth, ages 16–30 years. The majority of HDAK's youth respondents represent marginalized groups, such as over-age learners and out-of-school youth, the poor, and people from underserved rural areas. Recognizing the diversity of youth backgrounds and goals, the project offers multiple pathways for youth to transition from education to employment, including the following: (1) employment preparation and job insertion, (2) microenterprise start-up for young individuals and cooperatives, (3) business development for existing microenterprises, and (4) continuation into additional formal TVET opportunities.

HDAK youth respondents receive a mix of services that are tailored to their particular circumstances. The core service within every track is a skills development curriculum focusing on the curriculum found in WRN and BYOB, including soft skills and work readiness, entrepreneurship, financial literacy, and practical work-based learning. Youth attain skills and opportunities through hands-on learning approaches. Respondents exercise their skills through a range of modular, supplemental opportunities and services, such as the following:

- Work-based learning opportunities and internships
- Youth leadership and peer accompaniment
- SILC groups
- Loan facilitation

- Business start-up kits
- Technical training
- Entrepreneurship training and on-site business coaching
- Facilitation of market linkages

HDAK services are delivered through a consortium of 21 Rwandan youth-led and youth-serving organizations.³⁵ A local backbone organization, Akazi Kanoze Access, provides training and technical assistance to these and other public service providers. In order to deliver cost-effective services that are aligned with market demand while also meeting the needs of young people, these partners actively engage a number of local stakeholders across sectors, including over 2,500 employers, two financial institutions (RIM Ltd. and Goshen Finance), 700 youth SILC groups, 1,500 youth leaders, and mayoral offices in 25 districts. This activity is implemented in close coordination with the Rwandan Ministry of Education; Ministry of Youth; Rwanda Polytechnic and Rwanda TVET Board; the National Employment Program; the Private Sector Federation; as well as a number of additional partners investing in workforce development.

Findings

From March to May 2021, EDC conducted 10 mixed-gender focus group discussions (FGDs) with 59 HDAK youth respondents, plus in-depth interviews with an additional 10 HDAK respondents. All 69 study respondents undertook a written intake survey alongside the research team and also responded to a follow-up phone-based survey.

Effectiveness of EDC Entrepreneurship Model

Study findings demonstrate the positive impacts that HDAK has made in the livelihoods of young entrepreneurs. Respondents resoundingly offered positive feedback about their experiences in HDAK, including their satisfaction with the state of their businesses following completion of the program. When comparing their experiences pre-HDAK versus post-HDAK, **young people's earnings increased by an average of 225%, particularly among the very poor.** While 42% of study respondents had monthly incomes below the poverty threshold prior to joining HDAK, by the early part of 2020 that margin narrowed to just 14%.

In addition, young people spoke about the value of the skills and **"changed mindsets"** they attained as a result of the program—with most comments focusing on the soft skills, work readiness skills, and improved business practices, such as goal-setting, adaptability, confidence, saving, and customer service. Many youth spoke about **generating more earnings** as a result of these new practices. Young men and women said that participating in HDAK gave **them greater levels of confidence** to start a business or to try new business activities. One person spoke about how their increased earnings allowed them to pay for their child to attend a better school. A written survey among a smaller sample of respondents confirmed the range of benefits.

When asked an open-ended question about the most valuable aspects of HDAK, a large number of respondents described the soft skills and workforce readiness skills that they attained as a result of the course. HDAK's curriculum in money management and savings, combined with the practical opportunity to join SILC groups, offered youth a powerful stepping stone in their livelihoods pathway, as well as an important coping strategy in the face of the COVID-19 shock. Further, young people valued work-based learning opportunities, as it gave them important technical skills and business know-how to start their own businesses. While many had never participated in work-based learning before, HDAK encouraged them to take initiative to organize such arrangements on their own.

Of note, a select number of project respondents offered criticism of the frequency, duration, and quality of a number of follow-on services, including business coaching, market linkages, peer-based accompaniment, and/or loan facilitation, indicating a need to further look at this pool of services. According to global research, business coaching is one of the few household-level microenterprise interventions that has strong evidence linking it to positive employment outcomes.³⁶ That being said, more research needs to be done on the cost-effectiveness and *scaling potential* of business coaching for youth enterprises specifically.

To date, a large part of HDAK's success has been its cost-effectiveness—that is, its ability to measurably improve the skills of large numbers of young people and also meet the demands of employers for relatively low cost. It is one of the reasons that the government of Rwanda, nongovernmental organizations, and employers have adopted several of the HDAK service offerings themselves, outside of HDAK financial support. Given study respondent feedback, HDAK would benefit from an examination of the follow-on support of all types, including business coaching, market linkages, loan facilitation, youth leadership, and accompaniment, as well as the support youth receive during the SILC mobilization process.

Relevance of External Resource Supports

The study looked at exogenous factors that may enable youth microenterprise success. When describing models of success around them, respondents noted that successful entrepreneurs had received family financial support, including no-interest loans, monetary gifts, land, and physical assets. Personal savings was another key stepping stone to success, as was one's ability to obtain bank loans. Youth also spoke about the **importance of mentoring and support from peers and family**. Many acknowledged that a combination of these factors contributed to their livelihood success. Moreover, **diversification of business activities was noted as examples of success**.

When describing the persistent barriers to self-employment, young people overwhelmingly pointed to their inability to access finances to start and grow their businesses. Most expressed an interest in taking a bank loan, but cited collateral as the main constraint. **Land was mentioned as an important form of family financial support as it provided the collateral needed for a young person to access a bank loan**. Responses indicate a “missing middle” in loan financing, with one segment requiring an average of RWF 640,000 (roughly

USD 640) and a second segment requiring an average of RWF 2.65 million (USD 2,650) to re-start and/or grow their businesses. While HDAK partnered with two financial institutions to introduce youth-friendly financial services that would address this missing middle, much work remains in expanding these efforts due to the pandemic.

Second to financing, young entrepreneurs struggled with government policies, most notably taxation on businesses, followed by COVID-19 measures across 2020–2021. Surprisingly, respondents stated that **gender did not present a constraint to youth enterprises or even cause a notable difference in the experiences of men versus women**. This lack of concern may suggest that, by the time HDAK respondents reach the point of graduation and start their own business, **the overwhelming barriers to entry, such as access to finance and government policy, far outweigh any gender-related challenges**.

It was no surprise that the COVID-19 pandemic and its resulting curfews and restrictions of movement across Rwanda had negatively impacted young entrepreneurs. Most study respondents (69%) were forced to decrease their working hours, and more than half (61%) saw a decrease in earnings. Only 13% said their business income was able to cover all of their basic needs, representing a significant shift from the pre-pandemic period.

Impact and Sustainability

As a result of strong coordination between public and private actors engaged through the project, many of the services developed by HDAK partners have been adapted and adopted by the public education system, which reinforced systems-level resilience during the pandemic.³⁷ In addition, despite numerous challenges from COVID-19, youth exhibited resilience. Among the 10 cohorts interviewed for this study, 6 of them showed average earnings during the pandemic period that remained above their pre-HDAK earnings. Youth's most commonly cited coping strategy was to draw on their savings. Many shifted their business strategy, either by adapting their business to meet new or different clients, by pivoting from one type of business activity to another, or by diversifying into more activities. A large number took out a loan from a SILC group or from a bank, or they received a loan or a financial gift from families or friends. Notably, a number of respondents indicated that their skills—goal-setting, patience, self-confidence, and the ability to identify new markets—gave them the ability to weather the pandemic. Some specifically mentioned the HDAK training as giving them the adaptability and coping skills to pivot during the pandemic.

In addition, this study indicates that **HDAK is contributing positive benefits among young entrepreneurs, and particularly among the very poor**. Emerging data suggests that roughly 40% of businesses created at least 1 new job, indicating an increase in at least 4,000 new jobs. Other reported benefits included youth gaining soft skills, demonstrating improved business practices, upgrading their business activities, and increasing their earnings; these effects appeared to be particularly strong among the poorer youth, many of whom moved out of poverty following completion of HDAK. Based on these emerging findings, the HDAK team should consider testing differentiated strategies for the “very poor” versus those who are “marginally poor” and learning from this segmentation approach.

Conclusion and Recommendations

This study is one step toward understanding the experiences of self-employed youth on their livelihood journey and identifying the types of services and supports that can support them across a wide range of contexts and economies. Across all three countries, youth respondents acknowledged positive development gains were made by their participation in the EDC entrepreneurship training model.

In addition, there seems to be no significant deviations in positive results between male entrepreneurship and female entrepreneurship ventures and growth of these businesses over time. The area in which young male entrepreneurs reported better gains was in generating higher income and savings levels compared to their female counterparts. All youth respondents engaged in this study found the local labor market mapping and assessment exercise useful to pinpoint areas of business diversification, resource and service support, and opportunity. In addition, for older youth in areas more prone to conflict and time spent out-of-school, connecting literacy and numeracy programming to the meaningful goal of developing and sustaining a livelihood at the start of an intervention increases participation, retention, and learning outcomes in contexts such as Mali. Finally, across all three countries, youth expressed the need for greater investments in post-training coaching, mentorship, and accompaniment to reinforce access to ongoing skills upgrading, resource supports, and strong customer base. Moreover, the collective examples of youth's frustration with follow-on support suggest the need for more vigilant adaptation of the model to contextual needs and gaps; the engagement of master apprentices as mentors and coaches; and continuous reflection, knowledge-sharing, and strengthening of service providers at systems and community levels to address more equitable access to financial and material resources that will motivate and support youth entrepreneurship.

As a final note, this study was conducted at various stages of the global COVID-19 pandemic in each of the countries. Only the Rwanda study included several questions on the impact of COVID-19 on youth businesses as Rwanda had experienced stricter shutdowns than Ethiopia or Mali at the time of data collection. Due to COVID-19 in Rwanda, people's savings and working capital were depleted, resulting in negative impacts on their businesses' working capital, inventories, and assets. Many youth noted that with their reserves now depleted, they would have to start up their businesses from nothing. [Much of the literature on responses to the COVID-19 pandemic](#) suggest that development programs apply creative solutions to the economic recovery, such as the following:

- Financial support (e.g., grants, savings mobilization, and soft loans) to youth-owned enterprises and youth-employing lead firms
- Cash-for-work interventions to get young people back in the workforce
- Tax incentives that encourage investment in youth enterprises
- Investments in the professional child-care industry to encourage women to return to the workforce

Recommendations

- Conduct **local labor market assessments to ensure that entrepreneurship programming is demand driven and that viable economic pathways are being considered**. These assessments serve two purposes: (1) they help education and training providers align their services and supports with the needs of the market; and (2) when engaging youth as leaders in these assessments, the process helps youth think differently about their living and working environments, their household's relationship to local resources, government services, the flow of goods into and out of their communities, and personal connections to existing markets. The assessment should also include cataloguing new and demand-driven business ideas, as well as identifying coaches, mentors, and master apprentices to ensure that youth are considering in a contextualized manner the location of their business, their clientele, and their access to financial and nonfinancial resources. Business catalogues will create better consensus among youth and service providers on what materials are needed for start-up entrepreneurs, whether in urban or rural areas, and which resources can be more easily sourced by the youth themselves.
- Support **female self- and wage employment in nontraditional sectors**, even in rural and peri-urban settings, by highlighting nontraditional opportunities in more male-dominated sectors so that young women have greater access to the higher-paying jobs found outside of female-oriented sectors. This access will provide young women with the chance to increase their income and savings, which currently is less than their male counterparts. Gender-responsive strategies to provide childcare to free up women's time to engage in self-employment, start-up kits or other ways to generate extra savings, and increased family engagement are critical for young women to achieve business success.
- Provide a more comprehensive post-training support program for youth entrepreneurs that builds **social assets and strengthens youth engagement with community leaders and master apprentices**. This additional training is key in order to strengthen any youth entrepreneurship model and work-based learning experience and to address vital follow-on coaching, private sector engagement, and market linkage supports. Youth gained valuable skills from observing others, from experiencing practical work-based learning opportunities, and from having peer networks that supported them on a consistent and ongoing basis. Building relationships between master trainers, master apprentices, and other business owners created mentorship, coaching, and accompaniment opportunities resulting in notably higher-quality products and services as well as comparatively higher salaries among youth in Ethiopia and Mali. In addition, youth engagement with local administrators increased small business support in terms of restructuring tax payments and becoming a preferred service provider for supplies or events in Rwanda.
- **Reinforce family-based support models** as families play an important role in the success of young entrepreneurs through family loans, positive social and emotional supports, and childcare in the case of young female entrepreneurs. Establishing strong communications

and messaging on the value of family supports and the return on investment of these supports is critical to sustainability, in particular for young female entrepreneurs who evidence being able to pull their households out of poverty as their income increases. This also recognizes that many businesses that youth run are or become “family” businesses, further supporting the recommendation to have an approach that supports the family model as well as the individual.

- **Build an injection of start-up resources into programming** to provide youth with basic resources to jump start or expand an existing business plan or operation, especially in crisis and conflict-affected settings such as Mali and Ethiopia. This can be accomplished through a combination of project resources and government subsidies, where available. In countries experiencing conflict, crisis, or other adverse economic disruptions (such as the COVID-19 lockdowns), strong consideration should be given to the use of start-up kits, vouchers that can be used with local suppliers, or start-up capital.
- **Expand opportunities for savings and SILC groups through nontraditional channels.** The savings curriculum and the mobilization of SILC groups are powerful for enterprise success, and especially for youth’s resilience and their ability to withstand shocks such as the COVID-19 pandemic. Considerations should be made to scale financial literacy and SILC groups, including the development of youth-led SILC groups and/or other family-based supports. These resources can be mobilized through nontraditional channels such as: private education and training providers; lower- and upper-secondary schools, TVETs, and universities; small and medium enterprises and farming cooperatives; and other trusted and known community-based youth entry points, including youth economic and social councils and community youth groups.
- **Link youth entrepreneurs with financial service providers offering loans and other relevant financial services.** Even with the growth of youth-led savings groups, young people are largely unable to access loans for growing or expanding their microenterprises. Creating youth financial services requires the involvement of stakeholders on the youth side (to develop their skills and assets that make them more bankable and that help them apply for a loan) and on the financial service provider side (to incentivize new product development and make them cost-effective), as well as stakeholders that facilitate information flow and linkages between young entrepreneurs and the financial institutions that serve them.
- Design monitoring, evaluation, and learning tools for youth workforce development programs that **capture earnings, business sustainability, and employment creation**, including but not limited to how individual entrepreneurs create their own employment as well as how these same entrepreneurs create employment opportunities for others.

Endnotes

- 1 See also World Bank. (2020, April). Ethiopia poverty assessment: Poverty rate declines, Despite challenges. <https://www.worldbank.org/en/country/ethiopia/publication/ethiopia-poverty-assessment-poverty-rate-declines-despite-challenges>
- 2 Request for Applications (RFA) Number: USAID/Ethiopia RFA-663-14-000004, Promoting Opportunities through Training, Education, Transition Investment, and Livelihoods for Youth (POTENTIAL) Project, Issued June 30, 2014.
- 3 Save the Children. (2019). *USAID POTENTIAL project: Annual report*, USAID: Ethiopia.
- 4 Save the Children, *POTENTIAL project*.
- 5 On average, coaching resulted in an average of 7.6 meetings between a youth and a coach. See: USAID POTENTIAL Year 5 Report, 2019.
- 6 Save the Children, *POTENTIAL project*.
- 7 Save the Children, *POTENTIAL project*.
- 8 Of note, POTENTIAL supported youth in Tigray Region, but due to an acute conflict in the region, no key respondent interviews were conducted in that region as part of this study. All communications to the area had been suspended during data collection.
- 9 Save the Children, *POTENTIAL project*.
- 10 Save the Children, *POTENTIAL project*.
- 11 Save the Children, *POTENTIAL project*.
- 12 Save the Children, *POTENTIAL project*.
- 13 Save the Children. (2018, November). *USAID POTENTIAL, Report of the 2017 Outcome Survey*. USAID.
- 14 Save the Children. (2019). USAID POTENTIAL final evidence [PowerPoint presentation].
- 15 Save the Children, POTENTIAL final evidence.
- 16 Save the Children, POTENTIAL final evidence.
- 17 Save the Children, POTENTIAL final evidence.
- 18 Save the Children, *POTENTIAL project*.
- 19 Save the Children, *POTENTIAL project*.
- 20 Save the Children, POTENTIAL final evidence.
- 21 Save the Children, *POTENTIAL project*.
- 22 Save the Children, *POTENTIAL project*.
- 23 Cohort 1 included Kayes, Koulikoro, and Sikasso. Cohort 2 included Sikasso. Cohort 3 included Kayes, Sikasso, and Timbuktu.
- 24 At the time, EDC's WRN and BYOB curriculums were combined.
- 25 Education Development Center. (2016, February 29). *Mali out of school youth project: Final report*.
- 26 Education Development Center, *Mali: Final report*.




- 27 Over 65% of the loans across cohorts were taken out by women according to the final report: Education Development Center. (2016, February 29). *Mali out-of-school youth project: Final report*.
- 28 Rwanda has established a vision to reach upper-middle-income country status by 2035 and high-income country status by 2050. This vision is being carried out through a series of economic strategies, most recently the seven-year [National Strategy for Transformation \(NST1\) 2017–2024](#).
- 29 World Bank. (n.d.). World Bank open data. <https://data.worldbank.org/>
- 30 The World Bank. (2020). Bolstering poverty reduction in Rwanda – A poverty assessment. <https://openknowledge.worldbank.org/handle/10986/34753>
- 31 Rwanda has a population of nearly 13 million, with a relatively high fertility rate of 4.04 children per woman (World Bank data 2020 and 2018). The rapid population growth in the mid- to late-1990s has caused a “youth bulge” in Rwanda today, characterized by a rapid influx of new labor market entrants over the past several years.
- 32 Republic of Rwanda, Ministry of Public Service and Labor. (2019). *Revised national employment policy*. https://www.mifotra.gov.rw/fileadmin/user_upload/Mifotra/Publication/_POLICIES/FINAL__REVISED_NATIONAL_EMPLOYMENT_POLICY.pdf
- 33 Republic of Rwanda. (n.d.). *7 years government programme: National strategy for transformation (NST 1) 2017–2024: Final*. https://www.nirda.gov.rw/uploads/tx_dce/National_Strategy_For_Transformation_-_NST1-min.pdf
- 34 Republic of Rwanda, *7 years government programme*.
- 35 At the time of this study, 14 implementing partners were receiving HDAK support to deliver services.
- 36 The other intervention with strong linkages to employment outcomes is soft skills development, such as that provided by HDAK. See: (a) USAID. (2019). *What works in entrepreneurship education and training programs for youth? Evidence report*. <https://www.youthpower.org/sites/default/files/YouthPower/files/resources/2.%20Entrepreneurship%20Programming%20for%20Youth%20-%20%20Evidence%20Report.pdf> and (b) USAID. (2019). *Getting employment to work: A playbook for the field*. <https://www.usaid.gov/sites/default/files/documents/1865/Employment-Framework-Playbook-Final.pdf>
- 37 Under the HDAK activity, for example, EDC provided technical assistance in developing the new curriculum and training materials—including basic education, soft skills, and agriculture technical skills—for lower levels of TVET (L2). EDC also helped Rwanda Polytechnic integrate soft skills and work-based learning practices into select levels of TVET, with plans to integrate it across all levels of the TVET system. Prior to the HDAK activity, EDC supported the Ministry of Education to integrate soft skills curriculum, including learner-centered approaches and work-based learning, into the national upper secondary school curriculum (S4, S5, and S6) and TVET Level 3. At least 450 secondary schools are now using this curriculum as part of their entrepreneurship coursework, reaching an average of 275,000 students per year.

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