

Youth Training and the MIF

Making Cents International
2011 Global Youth Economic Opportunities Conference
Funders Plenary Panel



Multilateral Investment Fund
Member of the IDB Group

Nancy Lee | General Manager, Multilateral Investment Fund

MIF is ...

- **A laboratory** – testing new business models for others to take to scale.
- **Focused largely on the poor** – households, micro, small and medium-sized enterprises, small farmers.
- **On the ground** – 45% of our staff are in country offices.
- Building a recognized track record - **more than 1,700 projects**, 881 completed, 79% achieved their development goals.
- **Flexible with tools**—grants, equity, lending.
- **The largest technical assistance provider** to the private sector in Latin America and Caribbean -- US\$120 million per year; average grant size of US\$800k; in past two years, MIF funds leveraged \$3.25 for every \$1 approved.
- **Based on local partnerships** – network of more than 1,000 institutions, 70% of which never before worked with a development bank. 90% of partners are private sector or civil society organizations.

MIF - More focus, more impact

- Last year, the MIF undertook a major stocktaking and rethinking - preserved an experimental, risk-taking ethos while adding 3 critical core attributes.
 1. **A clear decision on what we will and will not do** - activities are based on core regional needs and MIF competencies.

A focus on 3 Access Areas:
Basic Services | Finance | Markets and Capabilities
 2. **Rigorous emphasis on results measurement and impact evaluation.**
 3. **Knowledge sharing** - an entire unit focused exclusively on knowledge transfer and successful models.



MIF's youth portfolio

- Youth employment and entrepreneurship training is one of MIF's largest portfolios in both number of projects and size of grants. Since 1994:
 - Reached over 100,000 disadvantaged youth in 20 countries.
 - Funded 100+ pilot projects.
- Latin America and Caribbean region is young.
 - Average age is 27.
 - Poorest countries have a “youth bulge,” with over 60% of population under 30.
 - In LAC, jobless rates are two to three times higher for youth than for adults.
- LAC economies are expanding. Training programs prepare young people to fill the jobs being created, and make sustained growth possible.
- Key social and security benefits associated with skills training and job placement—employed youth are less likely to join gangs and become perpetrators or victims of crime.

Key Lessons from MIF's Youth Portfolio

- **Prioritize Job Placement:**
 - Hire dedicated staff for job counseling and placement, ideally with private sector work experience.
 - Chambers of commerce and other business networking groups are effective channels for connecting with potential employers.
 - Building ongoing relationships with employers and help them see that hiring your trainees is a business solution for them.
 - Job placement is not the *only* positive outcome. Example: returning to school.
- **Develop Strong Training Content:**
 - Programs that combine both job skills and entrepreneurship training are most effective
 - “Soft skills” cannot be an afterthought—number one feedback topic from employers is issues related to life skills
 - Training content must be aligned with employer needs
 - Young people should have input at the design stage, and throughout the life of the project.

Key Lessons from MIF's Youth Portfolio

- **Successful Training Staff**
 - Important characteristics for technical trainers include: command of subjects being taught, ability to connect with young people, experience working in the private sector.
 - Important characteristics for life skills trainers include: experience in human development training, respectful attitude toward young people, and supportive, enthusiastic personalities.
- **Strategies for Sustainability and Scale**
 - If the program hopes to partner with government agencies to achieve scale and sustainability, groundwork toward that goal should begin as early as possible.
 - When working with government programs, make sure that the project's target population corresponds to the government's target population, which is typically broader.
- More analysis needs to be done on gender differences to better inform project design, success factors, etc.
- Follow-up strategies are key to ongoing and final evaluation. Social media, "alumni clubs," etc. are effective ways to stay in touch with graduates and track their progress over time.

Grupo Ceiba, Guatemala

- Targets disadvantaged rural and semi-urban youth at high risk of gang involvement in nine locations around the country.
- Core activity is training in information technology-related, in-demand job skills.
- Since 2008, nearly 6,000 young people (ages 16-29) have participated in Grupo Ceiba's programs.
- 36% job placement rate—largest challenge in placement is social stigma of hiring ex-gang members.
- To maximize success, Grupo Ceiba builds relationships with employers database of 560 companies, of which 160 have already provided jobs or internships).
- 81% of graduates are either employed or are back in school following completion of the program.
- Program is creating alternative employment options, such as IT cooperative staffed by 122 program graduates.
- Program responds to intensive needs of highly disadvantaged population: life skills and violence prevention training, transportation stipends, convenient training sessions, hiring relatable trainers or “mediators” who are often themselves program graduates.
- Ministry of Education has certified its training courses.



Successful Executing Agencies

- MIF works with local, regional and US-based partners, but all projects are executed by local partners.
- Thorough pre-launch research and preparation are vital. EAs must understand the needs of the local market, focus on their target population and develop an effective outreach strategy (even if it means going to the mall to sign up teens, as in the case of *A Ganar*).
- Assessment continues through the life of the project, including incorporating feedback from youth and employers, and staying current with demands of job market.
- Impact evaluation and rigorous analysis after the pilot phase are essential.
- EAs must have capacity to manage relationships with multiple service providers.
 - Projects have had as many as 30 partners, including community and religious organizations, training institutions, private sector companies, foundations, volunteers, NGOs, financial management providers, etc.
- Partner EAs are responsible for raising a portion of the program budget.
- For more on partnering with MIF, visit fomin.org.

What's Ahead for MIF's Youth Portfolio?

- Coming soon: A comprehensive study of MIF's youth portfolio. Stay tuned for its findings and how they will guide MIF going forward.
- New strategy will address best approaches for scaling up, strengthening impact evaluation, and effective knowledge sharing through a “solutions marketplace.”

