



Global Youth Enterprise Conference September 16th, 2008
Honduras Government Support of Youth Enterprise

“Young Entrepreneurs” Project

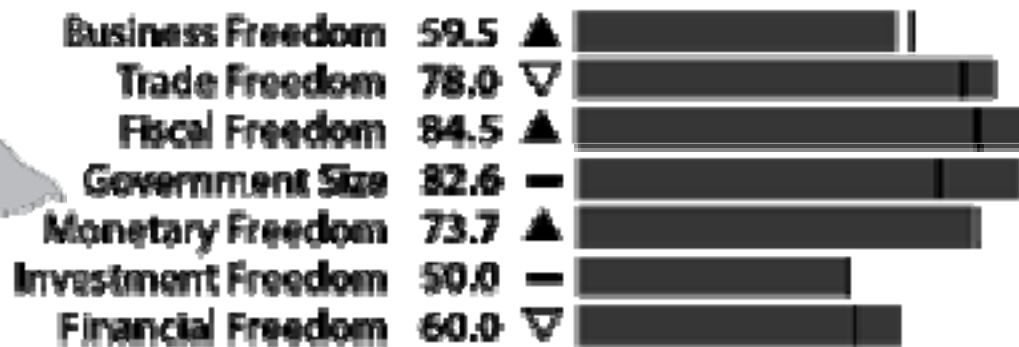


*“Poor people don’t want gifts, but opportunities,
they don’t want just to listen... they want to
participate...”*

*Manuel Zelaya Rosales
President of Honduras*

Honduras' Economic and labor context (1/2)

Honduras receives high scores from The Heritage Foundation for trade freedom, fiscal freedom, government size, and financial freedom. Personal and corporate income tax rates are fairly low, and overall tax revenue is just 17 percent of GDP. Government expenditures are similarly moderate. Honduran financial freedom is enhanced by the developing banking sector, which has been instituting stronger rules and better, more transparent oversight.*



0 50 100

100 = most free,] = world average

Honduras' Economic and labor context (2/2)

In 2007 the economic growth of Honduras was of 6.7%, the best one in the last 16 years. The economy has diversified beyond its traditional exports of coffee and bananas to include shrimp, melons, tourism, tilapia fish and maquila textiles. More than one-third of the labor force works in agriculture.

However and although the government social and economic efforts and achievements, the unemployment remains high at about 28 percent and according to the last publication of the National Honduras Forum for Migrations (Fonamih) the ages of 90% of the hondurans that migrates from Honduras are among 19 to 32 years old.



photo by Don Bartletti

Government's support of Youth Enterprise

The government has created the *National Youth Institute* and supports the *Youth Integral Development Law*. Also has passed to the Congress' approval the *National Youth Policy*, that contains, among other issues, the universal access to economic rights for the young people of Honduras. In addition, the government is supporting several

labor and

enterprise programs aimed to support the economic needs of the honduran youth.

In this presentation we'll talk about one of those programs: the "Honduras Joven Presidencial Program" and it's project "**Young**

Entrepreneurs".



“Consortium Young Entrepreneurs Project”

As a result of the sensibility of Miss Xiomara Zelaya Castro, to help to give concrete answers to the particular problems that the honduran youth is passing trough, and starting from zero, with the sponsoring of her mother, the First Lady, Mrs. Xiomara Castro, in November of 2006 starts the process of Identification, formulation and execution of an intervention that searches to raise the standard of living for the families of the youthful involved in this program, and it has been done trough a business promotion for all of them, their families and all the community.

This is how was born “Jovenes Emprendedores, Un Proyecto de Oportunidades” (Younh Entrepreneurs, an Opportunities Project).



A simple idea for a complex process

The idea of the project is very simple: build a network of institutions that brings business support services to young people, or bring support services to other institutions that brings business support services to young people following some principles . Those principles are:

- ❖ The person is the center of the intervention.
- ❖ Always start from the positive.
- ❖ Doing with.
- ❖ Development of intermediate bodies and subsidiarity.
- ❖ Partnership.

Right now that network has become an international consortium of diverse organizations as universities, NGOs, private sector companies, government agencies, labor and farmers unions, microfinance institutions and international development agencies.



Consortium “Jovenes Emprendedores”

Our Vision and Mission

Vision:

Become an interinstitutional group that is efficient and that promotes and develops the business culture among the youthful, to obtain sustainable development in the communities.

Mission:

We are a consortium that creates all the spaces for business development with adaptation for the conditions and particular needs of every young person in our communities that will drive to the socioeconomic development of our country.



The opportunity to become an entrepreneur

This program supports the formation of business skills in the young people through a network of institutional partners (Consortio Jóvenes Emprendedores). The methodologies used in this project are based in the “learning by experience” approach. These methodologies take in account the particular life of every young participant on this program, therefore it guarantees good results.



Youngsters in high social risk making an exercise of business training

The Opportunity to Receive Business Consulting

Every enterprise needs management advisors, but the micro and small ones cannot afford them.

That's why through the Institutional Partners they assure to give to every young person business consulting of the highest quality, in the process of the creation of the business plans as in the first months of raising their business.



The opportunity to received a Credit



For the young people is very hard to find financing because habitually the credit doors are closed for them, in some way because the don't posses any guarantee and at their age they cannot sign any contract. Other factor is just for being young they are perceived as irresponsible or undecided.

That's the reason why the consortium "Jovenes Emprendedores" is developing mechanisms and policies for credit as well as financial products that will assure the access to the credits for the young people who after being trained they will present planes for a suitable business.

An opportunity to work and go beyond the time

Also all the organizations that participate in this consortium of hope and opportunities win, because working coordinately we support each other through:

- ✓Economical and Social sustainability
- ✓Reduction of the investment cost for organization
- ✓Synergic and development of new projects
- ✓Non political sectarian projects – Sharing visibility
- ✓And above, to accompany the final users .

It is very important to point out that all the socioeconomic and sustainability of this project is sustained in the operability of the consortium:

An appropriate consortium for this intervention is the guarantee through time and through the change of government.

That is the reason why we have signed a cooperation agreement on February 23rd of 2007. This event was leaded by the First Lady Mrs. Xiomara Castro, and counted with the presence of the directors of international agencies of cooperation, ONGs, universities, workers and farmer unions and government agencies.



Mrs. Xiomara Castro Zelaya during her speech to the consortium in the act of the signing of the covenant of cooperation

Some outputs from the pilot program

- ❖ 60 organizations had joined the consortium (41 of them had already signed the cooperation agreement).
- ❖ 72 trainers trained in business literacy methodologies from 15 organizations.
- ❖ 400 young people trained in business programs (60% female).
- ❖ US\$ 450,000 in allocated in financial products to young entrepreneurs through ONGs and government agencies.
- ❖ US\$ 163,000 investment from privates sources (most of them through ONGs).



Thank you!



Honduras First Lady's Office

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