

Lessons learned



Supporting rural young people in IFAD projects

Rural youth



The **Lessons Learned series** is prepared by IFAD's Policy and Technical Advisory Division and provides a compilation of past experiences on a particular topic and a reflection on evidence-based best practices and failures. 'Best practices' refer to processes or methodologies that have been proven to produce good results and thus are recommended examples to be replicated.

This is to be considered a 'living' document that will be updated periodically based on new experiences and feedback.

Your comments or suggestions are most welcome.

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Abbreviations and acronyms

APR	Asia and the Pacific
BAC	business advisory centre
BDS	business development services
CDD	community-driven development
CER	conseiller d'entreprise rurale (rural entreprise advisers)
CPM	country programme manager
CRP(s)	community resource person (people)
ESA	East and Southern Africa
FAO	Food and Agriculture Organization of the United Nations
GASIP	Ghana Agriculture Sector Investment Programme
GUM	guichet unique multi-services (multi-service single-window office)
ICT	information and communications technology
ILO	International Labour Organization
LAC	Latin America and the Caribbean
M&E	monitoring and evaluation
MTR	midterm review
NEN	Near East, North Africa and Europe
PFI	partner financial institution
RTF	rural technology facility
TVSD	technical vocational skills development
WCA	West and Central Africa

Projects reviewed

CBNRMP	Community-Based Natural Resource Management Programme – Niger Delta (Nigeria)
DBRP	Developing Business with the Rural Poor Programme (Viet Nam)
OPORTUNIDADES	Programa de Desarrollo de las Oportunidades de Inversión y Capitalización de los Activos de las Microempresas Rurales - Rural Microenterprise Assets Programme: Capitalization, Technical Assistance and Investment Support (Colombia)
O TELP	Orissa Tribal Empowerment and Livelihoods Programme (India)
PAFA, PAFA-Extension	Projet d'appui aux filières agricoles - Agricultural Value Chains Support Project and its extension (Senegal)
PPMER1 and 2	Projet de promotion des petites et micro-entreprises rurales - Rural Small and Microenterprise Promotion Project - Phases 1 and 2 (Rwanda)
PREMODER	Programa de Reconstrucción y Modernización Rural - Reconstruction and Rural Modernization Programme (El Salvador)
PRODEAR	Programa de Desarrollo de Áreas Rurales - Rural Area Development Programme (Argentina)
PRODEMORO	Proyecto de Desarrollo y Modernización Rural para la Región Oriental - Rural Development and Modernization Project for the Eastern Region (El Salvador)
PRODERNEA	Proyecto de Desarrollo Rural de las Provincias del Noreste - Rural Development Project for the North-Eastern Provinces (Argentina)
PROMER 1 and 2	Projet de promotion des micro-entreprises rurales - Promoting Rural Micro-enterprises Project - Phases 1 and 2 (Senegal)
PROSPERER	Programme de soutien aux pôles de micro-entreprises rurales et aux économies régionales - Support Programme for Rural Microenterprise Poles and Regional Economies (Madagascar)
REP 1, 2 and 3	Rural Enterprises Project - Phases 1, 2 and 3 (Ghana)
WNRDP	West Noubaria Rural Development Project (Egypt)

Introduction

IFAD has always adopted a proactive approach to the targeting of poor rural people of all ages in order to reduce the social and economic inequalities that help generate and perpetuate poverty. Until fairly recently, the attention given to specific needs and vulnerabilities of young people¹ was limited for they were not perceived as stakeholders in their own right but rather as subordinates, indirect beneficiaries, and hence invisible. Such perceptions have changed radically, and IFAD-financed projects are increasingly making explicit provisions for pro-youth development.

The Fund's attention to young people as a special target subgroup for the promotion of durable employment opportunities has increased steadily since the early 1990s (box 1). This has coincided with a reorientation of IFAD's strategies towards a greater emphasis on the diversification of rural livelihoods through the promotion of both entrepreneurship in the non-farm sector and market linkages in the farm sector. The shift, which modified IFAD's previous focus on agro-based livelihoods, was accompanied by strengthened efforts to foster greater participation by local governments and civil society (rural organizations of farmers and non-farmers) in implementation, decision-making and monitoring and evaluation (M&E). Rural young people have increasingly been encouraged to play key roles in the diversification and structuring of rural economies.

A review was carried out of 19 IFAD-financed projects with strong pro-youth features and/or promising innovations in reaching young people in rural areas of 11 countries: Argentina, Colombia, Egypt, El Salvador, Ghana, India, Madagascar, Nigeria, Rwanda, Senegal and Viet Nam (see page iii for the full list).

The review identified a broad range of project approaches to pro-youth development over the past two decades. The present document summarizes the findings on what has been done, and where possible, on why and how. While there cannot be any one-size-fits-all ('cookie-cutter') approach, awareness of the experiences in one place may provide useful inspiration for the designers and implementers of projects elsewhere.

Context and challenges

IFAD's focus on pro-youth development responds to a widespread and steadily rising awareness of the urgent need to help rural young people develop profitable livelihoods locally in order to secure the future of subsequent generations and to protect the real achievements of the past. Today's generation of people under 30, which is the largest in history, accounts for almost two thirds of the population in many developing countries, and large cohorts of new job-seekers are entering national job markets every year. The 15-24-aged segment accounts for almost one in five of the inhabitants of developing countries, compared with 16 per cent in developed ones. These young people are more likely to know how to read and write than their elders, and are more open to new ways of doing things.

Box 1. IFAD engagement with rural youth

An exploratory study of IFAD-financed pro-youth development initiatives was based on IFAD's archives and databases, and on interviews with country programme managers (CPMs), divisional youth focal points and portfolio advisers.

The study found that 81 projects with youth-related measures had been approved by IFAD from 2001 to 2012; 62 per cent of which (50 projects) from 2008 to 2012. Almost two-thirds are in the regions of West and Central Africa (WCA) (27 projects) and Latin America and the Caribbean (LAC) (26 projects), followed by the Near East, North Africa and Europe (NEN) (12 projects), Asia and the Pacific (APR) (11 projects) and East and Southern Africa (ESA) (5 projects). Over half the projects (54 per cent) were approved from 2010 to 2012.

Although none had been designed specifically for young people, 76 per cent contained targeted provisions for enhancing their human, social and/or financial capital. Less attention was given to improving access to natural and physical capital.

¹ In this report, the terms 'young people' and 'youth' are used as synonyms.

Their ambitions, encouraged by globalization and shared by their parents, especially those who have invested in their education, are not simply limited to eking out a living from the land, and they are migrating in increasing numbers to look for acceptable livelihood opportunities elsewhere.

The rural young people of the developing world are an important but largely untapped resource, which will either contribute to future well-being and social progress or exacerbate civil tensions, be it locally, nationally, internationally or globally. Outmigration from rural areas, whether permanent or temporary, is fuelling the frustrations and tensions in already-saturated urban centres. Young men and women risk their lives in their attempt to reach developed countries and young people of both sexes may be attracted by illegal activities or causes, including extremist ones, in order to vent their frustration. Migrating youth usually maintain close ties with their families and communities of origin, and the remittances they send home are often crucial to family well-being. However, many if not most migrants would prefer not to have had to migrate at all.

The future of rural young people, and hence of their families and communities, will depend to a large measure on how quickly their rural areas can become thriving local economies, where hard-working young men and women can earn a good living, start families and lead good lives as fully integrated, autonomous citizens. The potential for IFAD involvement in pro-youth rural development is significant, both in agriculture and in non-agricultural activities. As with the Fund's other target subgroups (e.g. women, indigenous peoples), the design of pro-youth measures should be based on young people's realities.

Youth as a priority target group

IFAD's priority has always been the poorest and most-vulnerable categories with productive potential. According to the 2009 Guidance note: Poverty targeting in IFAD-supported projects, "IFAD is committed to rural poverty reduction through equitable and inclusive development. There is much diversity among rural poor people in terms of their access to various kinds of assets, including voice and power, and in their livelihood systems and coping strategies." Although IFAD's mandate, which was approved in 1978, gave priority to access by poor rural people, small-scale farmers, herders, fishers and women; concern for other vulnerable categories was added later, for example, indigenous peoples and small-scale rural non-farm entrepreneurs. The latest category to be added is rural young people.

Defining young people

In IFAD's experience, a project's chances of making a meaningful contribution towards rural poverty alleviation are enhanced if it is designed on the basis of an in-depth, reality-based poverty analysis of the specific opportunities and constraints of the intended target group and subgroups, in this case young people. The baseline situation thus created will allow all stakeholders (project staff, the borrower government, IFAD and partners) to generate credible evidence of the effectiveness of their actions.

Nevertheless, the descriptions of young people found in most IFAD design reports contain little more than a single word or phrase, such as "The project's priority target group is the rural poor, including women and youth". The occasional references found elsewhere say little about who they are (age, gender, economic status of their families, level of education, etc.), much less their specific opportunities and constraints (knowledge and skills, access to resources, social position, voice, aspirations, etc.). Only one of the projects reviewed provided a detailed youth profile (box 2).

Box 2. A target group profile for youth

The design report for the Community-Based Natural Resource Management Programme – Niger Delta (CBNRMP) in Nigeria contains detailed descriptions of five youth target subgroups: (i) out-of-school youth aged 18-35 in a structured environment (e.g. apprenticeship, self-employment or regular wage work); (ii) out-of-school youth aged 18-35 in a non-structured environment (e.g. engaged in mostly unskilled casual work); (iii) teenagers aged 12-18; (iv) female youth of all ages; and (v) 'mature youth' aged 35-50 (i.e. mentors or master artisans). Within each category, women should represent 30-40 per cent of the beneficiaries of economic support, 30 per cent of people with decision-making roles and 20 per cent of people with group leadership responsibilities.

Age

Although age is often understood to be the main characteristic distinguishing a young person from an adult, it is often not adopted as an important targeting criterion in project design. Rather, the age ranges are defined mostly during implementation and for M&E purposes, not for targeting. They vary considerably across countries and even within countries, for example, in Argentina, 18-29 for the Rural Development Project for the North-Eastern Provinces (PRODERNEA) and 14-29 for the Programa de Desarrollo de Áreas Rurales (PRODEAR). In the Latin America and the Caribbean (LAC) region, age ranges are somewhat narrower than in the other regions: e.g. 14/18-29 in Argentina and 14-24/28 in El Salvador. The age range of 15-35 adopted by projects in sub-Saharan Africa complies with national youth policies inspired by the African Youth Charter.² In India, for the Orissa Tribal Empowerment and Livelihoods Programme (OTELP) the age range adopted is 15-35, whereas in Viet Nam, for the Developing Business with the Rural Poor Programme (DBRP) the age range is 18-35.

The Community-Based Natural Resource Management Programme – Niger Delta (CBNRMP) in Nigeria has three ranges, but no age range is provided for the subgroup ‘female youth’ (box 2). The design reports for Agricultural Value Chains Support Project (PAFA) and its extension (PAFA-Extension)³ in Senegal envisage two age ranges (15-24 for girls and young women, and 18-30 for boys and young men), but implementers are using a single, broader age range of 15-35, both to comply with national policy and to preserve gender equity. The broader age range is also more similar to the perceptions of ‘youthfulness’ that prevail in the rural areas of West and Central Africa (WCA), at least for men (box 3).

Finally, it is worth noting that the age range (15-24) adopted by United Nations agencies for cross-country comparisons (box 4) is not used by any of the projects reviewed.

Box 3. How youth is defined

In the French-speaking countries of West and Central Africa (WCA), a man aged 45, married, with several children, even grandchildren, and the means to send all of them to secondary school, even university, may still be called a ‘youth’ (*un jeune*) by his peers and even by project staff, who know that he is not yet the oldest man in his extended family. The definition of ‘youth’ for men in WCA is based on social position, not age.

By contrast, a girl becomes ‘a woman’ on the day she marries (or enters an informal union), definitely after her first child, and usually well before she reaches 20. Only unmarried girls are called a ‘youth’ (*une jeune*). The criterion for women is their reproductive role, rather than age or social position.

Box 4. United Nations definition of youth

“Youth is a more fluid category than a fixed age-group. However, age is the easiest way to define this group.... The UN, for statistical consistency across regions, defines ‘youth’ as those people between the ages of 15 and 24 years, without prejudice to other definitions by member states.... For activities at the national level, UNESCO will adopt the definition of ‘youth’ as used by a particular member state. It can be based for instance on the definition given in the African Youth Charter where ‘youth’ means ‘every person between the ages of 15 and 35 years.’”

www.unesco.org/new/en/social-and-human-sciences/themes/youth/youth-definition

Key messages

- The good track record of the projects reviewed with regard to young people shows that the almost complete lack of information offered by project designers did not prevent the project staff from carrying out their work. Their success reflects both their high level of competence and the steadily rising sense of urgency towards youth issues among in-country stakeholders at all levels (village to central government) and within the development community. This does not, however, justify a serious design shortcoming. The sort of information that design documents should provide for all target groups and subgroups can be collected and structured using the sustainable livelihoods approach presented in box 5.

² The African Youth Charter was endorsed in July 2006 at a meeting of African Union Heads of State and Governments (Banjul, the Gambia). It came into force on 8 August 2009.

³ Approved by the Board in December 2013, PAFA-Extension will scale up the successes of several IFAD-financed projects in Senegal, including PAFA. The staff of the Promotion of Rural Entrepreneurship Project – Phase II (PROMER 2) will be incorporated into the project management unit (PMU) of PAFA.

Box 5. Sustainable livelihoods approach

The *pentagon of assets* (i.e. capital) developed by the sustainable livelihoods approach is a powerful tool for structuring an assessment of the opportunities and constraints of people where they live and work:

- Human capital: individual knowledge and skills including indigenous knowledge, literacy rates, schooling or training received, etc.;
- Social capital: the capability for collective action of a community, group, association or organization ('the whole is greater than the sum of its parts');
- Natural capital: land, water, forests, vegetation and wildlife, fisheries, etc.;
- Physical capital: infrastructure and equipment;
- Financial capital: for investment.

The sustainable livelihoods approach helps analysts identify the resources already present in an area as the starting point for designing a project based on the actual situation on the ground. Participatory rural appraisal (PRA) provides an excellent toolkit for gathering information and engaging prospective beneficiaries in project design.

www.ifad.org/sla/index.htm

- The scarcity of information on young people in the design reports is in sharp contrast to the wealth of detail provided on other subgroups for which IFAD supports affirmative action (women and indigenous peoples, where present). This is a valid proxy indicator of the sort of affirmative action needed to enhance the attention paid to young people.
- The variability of the age ranges defining youth used by stakeholders (e.g. designers, implementers, supervisors, beneficiaries) makes it difficult to compare project performance in terms of outreach; it may also generate misunderstanding since, for example, one party may be referring to 15-25 years, another to 15-35 years, and yet another, 'a man with an older male relative still alive'. Design documents should clearly define age ranges.
- The fact that the internationally recognized definition for youth (15-24) is not used becomes an issue in cross-country evaluations. There is indeed a risk that IFAD's performance may be underestimated due to the priority currently being placed on young adults (25-35) as the future employers of large numbers of younger people. Design documents should contain an in-depth analysis of the longer-term spin-off effects on the younger age range.

Targeting mechanisms

Mechanisms already recommended for IFAD's target groups in the Fund's targeting strategy (poor rural people, including women, small-scale rural producers and any category with real production potential) are applicable to the targeting of young people as well.

Additional criteria may be helpful in strengthening and sharpening the focus on young people.

Age targeting

The adoption of an age range as broad as 15-35 years raises doubts about the selectivity of age-based targeting mechanisms. Indeed, almost everyone is eligible in a country such as Senegal, where over 70 per cent of the population is under 30. The risk that project support may be captured by the relatively better-off can be mitigated by maintaining a firm emphasis on small-scale operations and on involving local stakeholders in identifying the most-vulnerable categories in their midst.

The priority given by IFAD to the relatively older and somewhat less vulnerable categories, which already have some experience and factors of production, is amply justified by their potential for speeding up the process of job creation. It also recognizes the fact that people, regardless of age, sex or origin, may not automatically find self-employment to be attractive. This is particularly true for the most vulnerable categories, which are especially risk-averse. The young and poorest people stand to benefit in large numbers as wage/salaried workers, that is, as indirect beneficiaries of the support given to their future employers.

Thus, the true impact of IFAD's strategy will not be captured by the international age range of 15-24 years: in fact, it will take several years for most entrepreneurs to grow their businesses to a stage where they can offer stable well-paid jobs to non-family-members.

The employability of the most vulnerable categories can and should be enhanced through training in the skills needed by local enterprises, so that they can also compete for better-paid employment.

The innovative approach adopted by the Ghana Agriculture-Sector Investment Programme (GASIP) designers in Ghana was effective in filling the information gap about young people, and the findings will be verified during the first year of implementation (box 6).

Targeting of girls and young women

There seems to be a common belief that women of all ages are reachable using gender-based targeting mechanisms. This belief cannot be verified, because the data on women are not disaggregated by age. It is well known, however, that the mobility of unmarried girls and young women (including lactating/nursing mothers) is often heavily restricted by cultural norms and/or by domestic and child-care duties (box 7). Their access to any form of training that involves lengthy absences from the village is thus severely limited.

Box 7. Women and girls in West and Central Africa (WCA)

In WCA, a new bride is not immediately perceived as trustworthy by the members of a women's group, and unmarried girls are expected to leave the village when they marry. Access by unmarried girls to land and other assets is usually mediated by their mothers prior to marriage and by their husbands after marriage. Girls and young women with infants are barred *de facto* from participating in any activity that involves a lengthy absence from home. Older women are more likely to have an older child who can care for an infant in their absence. There are fewer restrictions on their mobility and they are likely to already have assets, as well as skills and experience.

Two of the projects reviewed – Rural Development and Modernization Project for the Eastern Region (PRODEMORO) in El Salvador and PAFA in Senegal – are increasing their outreach to girls and young women by making their participation a criterion of eligibility for rural organizations applying for project funding (box 8).

Box 6. An example of age targeting

As with REP 3, the target group of the new Ghana Agriculture-Sector Investment Programme (GASIP) focuses on the rural entrepreneurial poor (e.g. smallholder farmers, agroprocessors, traders, transporters, repair services) that use labour-intensive equipment, hire only occasionally, and lack access to formal financial services. Special attention will be given to women and young people, who are at a disadvantage. Project quotas are: 50 per cent women, 20 per cent young people aged 15-24, and 30 per cent young adults aged 25-34.

The design is based on in-depth analyses of the opportunities and constraints of each category. The information on youth, which was obtained during a youth design clinic, will be verified by running a youth-sensitive market-linkages diagnostic in tandem with the baseline study. The targeting strategy is based on two age ranges reflecting perceptions of rural societies in Ghana: relatively mature young adults, who are more settled and already have some assets, and young people who only have time, labour and/or skills. Since the latter also have fewer responsibilities, they are more likely to migrate in search of better-paid employment.

Girls and young women are also a priority target group for training in leadership and management skills under PRODEMORO. In India, young girls are being trained in bookkeeping so they can provide this service to self-help groups of mostly illiterate women.

A quota for young women is envisaged in Nigeria (box 2). Aware that the technical training modalities in Ghana were heavily biased towards young men, REP 1 and 2 made provisions for village-level training, the modality most accessible to girls and young women. In the interests of gender equity, rural girls were also encouraged to apply for training in metal-working and equipment-making at what was effectively a boys' school; however, in fact, this was not a socially acceptable option.

Key messages

- Project designers should pay close attention to the extent to which the mobility of unmarried girls and young women, including nursing mothers, may be limited by cultural and/or domestic and child-care duties.
- Inclusion of girls and young women can be promoted indirectly by making their participation a criterion of eligibility for access by rural organizations. The risk that their membership may be rather more instrumental than real can be mitigated through close monitoring of group memberships and the quality of women's involvement, both as members (attendance at meetings) and as leaders (positions occupied).

Box 8. Targeting rural girls through existing local organizations

Rural girls are an important target group in IFAD's portfolio in El Salvador. In the project area of PRODEMORO, for example, rural organizations are traditionally dominated by mostly male adults and the elderly. To be eligible for project funding and support, these organizations must show that at least 15 per cent of their membership is made up of young people aged 14-24, and that half of their young members are female. Girls and young women are also encouraged to undergo the training and capacity-building measures designed to help young people fulfil leadership and management roles within their organizations.

In Senegal, the young men who dominate the football clubs found in every rural village are being encouraged by PAFA to create economic interest groups. Their chances of qualifying for project assistance are higher if a significant share of their membership is made up of women and other vulnerable groups (e.g. the disabled). The female members, who are sisters and especially wives of active football players, are as young or younger than the male members.

In both cases, the extent to which women are actually involved in running the organization is monitored closely.

Pro-youth project design

Farm, non-farm or both?

The reviewed projects present three broad approaches to rural development: farm only, non-farm only, and an integrated, holistic approach combining both.

Only two of the projects reviewed were designed with a strong, if not exclusive, focus on non-farm activities for young people. However, it emerged that the latter were not averse to farming *per se*, but rather to the back-breaking, low-return forms of farming they grew up with. Indeed, several projects originally designed with a sectoral approach eventually adopted a more holistic approach to offer young people a broader range of choices. The result is a more integrated approach to the development of thriving local rural economies.

Young people and farming

In rural areas all over the world, young people are taking up farming as a livelihood. Traditionally viewed as subordinates within family and community, they are often at a disadvantage in terms of access to land and water. In terms of access to markets, they face the same constraints as their elders. A valid proxy indicator of the steady empowerment of young farmers is provided by the rising tendency of formerly adult-dominated organizations to co-opt younger members as negotiators and representatives, no longer as subordinates, but as equals.

Access to land and water. Two of the projects reviewed address land/water constraints by building large irrigation schemes and giving young people priority of access to the plots. In Egypt, 40 per cent of the settlers should be unemployed graduates of tertiary education (universities, polytechnics, etc.).

Under PAFA-Extension in Senegal, all plots will be allocated to rural young people (50 per cent of them girls and young women). CBNRMP in Nigeria and REP 3 in Ghana are bypassing the land constraint to some extent by promoting agro-based activities that do not require much land.



©IFAD/Pablo Corral Vega
Maria Antonia Cordoba Leonor, 29, feeds livestock in San Lorenzo, El Salvador

Access to markets. The sale of surplus produce is a particularly thorny problem for any small-scale farmer, regardless of age. Young people are leading their elders in implementing the market-linkage approach of five projects: West Noubaria Rural Development Project (WNRDP) in Egypt, Programa de Reconstrucción y Modernización Rural (PREMODER) in El Salvador, Programme de soutien aux pôles de micro-entreprises rurales et aux économies régionales (PROSPERER) in Madagascar, CBNRMP in Nigeria (after 2010) and PAFA/PAFA-Extension in Senegal. In Egypt, El Salvador, Madagascar and Nigeria, negotiations are organized on an ad hoc basis, usually between one buyer and one or more farmers' organizations. An innovative aspect of PAFA/PAFA-Extension in Senegal is the holding of annual events in which several buyers are present to negotiate contract-farming arrangements with powerful farmers' organizations (box 9). The market-linkage approach is more of a challenge where farmers' organizations are weaker and less experienced. The farmers' organizations were fostered by PREMODER in El Salvador and PROSPERER in Madagascar, both of which provide training and support in leadership, organization and management. The lack of experience of their negotiators is addressed by seconding skilled advisers to accompany them during the first rounds of talks with buyers.

Key messages

- Young people, regardless of sex or level of education, are not adamantly against farming or rural activities *per se*. On the contrary, they are interested in any activity that can assure them a satisfactory livelihood. They leave rural areas mainly due to the lack of proper conditions to develop activities providing good returns.
- Young people (defined as 15-35 years of age) are already playing a crucial role as members of their farmers' organizations. There is, however, a need to design project support on the basis of a better knowledge and understanding of their specific opportunities and constraints.
- The success of a market-linkage approach is heavily conditioned by the ability of farmers' organizations to defend the interests of their members, which in turn is increasingly conditioned by

the extent to which young people are actively involved in management and decision-making. A better understanding of the mechanisms that come into play in the early stages of non-traditional intergenerational collaboration is needed.

Young people and rural non-farm livelihoods

The crucial importance of promoting non-farm economic activities as livelihoods for rural young people cannot be denied in the light of both rising pressures on land suitable for crops and livestock, and the increasingly urgent need to slow down the rural exodus by fostering thriving local rural economies.

The strong focus originally placed by IFAD-funded projects on self-employment was motivated mostly by the weaknesses of rural job markets, but also a common belief that everyone wanted to become an entrepreneur. Growing awareness of the fallacy of this belief prompted a shift towards an expansion of the opportunities for wage/salary employment.

Wage/salary employment vs. self-employment.

Aware that opportunities for wage/salary work in rural areas were both rare and likely to grow very slowly, the first four projects to promote development of rural non-farm livelihoods aimed to turn almost every direct beneficiary into a small-scale entrepreneur (REP 1 in Ghana, PROMER 1 in Senegal, *Projet de promotion des petites et micro-entreprises rurales*, Phase 1 (PPMER 1) in Rwanda and PRODERNEA in Argentina). The target group of PROMER 1 was actually defined as being made up of “people not previously involved in non-farm activities”. At the midterm review (MTR), the focus shifted towards accelerating the pace of job creation through support to existing small-scale entrepreneurs, who already had some factors of production and experience. The rationale was that they would start hiring others more rapidly, including younger people. Another reason for the change was that only about one-in-three beneficiaries of training were interested in self-employment. By the mid-2000s, all the projects reviewed with a focus on the development of rural non-farm enterprises were supporting categories not formerly considered part of IFAD’s target group, for example, experienced micro entrepreneurs, master artisans, and graduates of schools or universities.

An evaluation of the pro-poor targeting performance in Madagascar found that job numbers had improved and that targeting leakage had been minimal due to the project’s careful emphasis on small-scale, struggling enterprises.

Non-traditional forms of employment are being created for young people as follows:

- PROSPERER in Madagascar and REP in Ghana are fostering one-stop facilities for the delivery of business development services (BDS). Each facility employs two or more young university graduates in business-related subjects (e.g. business administration, financial management and marketing): (i) under PROSPERER, the *guichets uniques multi-services* (GUMs, multi-service single-window offices) are ad hoc agencies with the potential to become private-sector consulting firms specialized in BDS delivery; and (ii) under REP, BDS delivery is assured by permanent public-sector agencies called business advisory centres (BACs), which are fostered by the project but owned and run by the district assembly.
- PROMER 2 in Senegal and PPPMER in Rwanda outsource the delivery of BDS on a performance-based contractual basis to private-sector professionals (individuals, NGOs or consulting firms). Many of the providers of non-financial services (*prestataires de services non financiers* – PSNFs) hired by PROMER 2 had been trained by previous projects. After they negotiated a major increase in fees in

Box 9. Market linkage events in Senegal

An interesting feature of PAFA’s market linkage approach involves the organization of a series of annual value-chain negotiating tables (*tables filière*) at which the representatives of farmers engaged in a given value chain can meet prospective buyers to negotiate mutually beneficial contract farming arrangements for the coming crop season. Many farmers’ representatives are younger members of farmers’ organizations that have a history of collective action on behalf of their members since the heyday of cotton growing.

The aim of the tables is the negotiation and signing of pre-season contracts laying down quantities to be bought and sold, related quality standards, prices to be paid, delivery schedules and any other arrangements perceived as necessary. Some buyers finance the inputs needed by farmers for the season. Traders and agroprocessing industries from all over the country, even abroad, attend these events.

2010, their services were no longer cost-effective for the project or affordable for future clients. Project management decided to return to the original practice (PROMER 1) of recruiting and training local young people to do the job. The dual rationale for the change was that their services would be perfectly adequate for the foreseeable demand and that they were less likely to leave the area after the project ended.

- Under 15 projects, literate local young people are being recruited and trained as proximity advisers for a broad range of tasks: e.g. clarification of land tenure issues in India; delivery of BDS and information services under PROMER 1 and PAFA-Extension in Senegal; rural development promotion under PRODERNEA and PRODEAR in Argentina; financial services and advice in Colombia; and peer-to-peer life-skills education under PRODEMORO in El Salvador, etc. This low-cost measure is having a huge impact on the standing and voice of young people, most of whom are highly employable after the projects end (see subsection “Empowerment of young people”).

The job numbers involved can be quite substantial: 550 community resource people (CRPs) in India; over 300 (and rising fast) proximity advisers on cropping practices under PAFA/PAFA-Extension in Senegal; and almost 500 staff of district-level BACs by the end of REP 3 in Ghana.



©IFAD/Mwanzo Millinga
Habanabakiza Jean Bosco weaves a basket made from dried banana leaves in the Banana Handicraft Center in Byumba Township, Byumba Province, Rwanda

Key messages

- Measures should be envisaged to enhance the employability of the more vulnerable categories so they will also have the skills needed to compete for the new jobs.
- Closer attention should be paid to the employment opportunities a project can create for diverse categories of young people, including university graduates coming from rural areas.
- The complementarity between farm and non-farm activities offered to young people broaden their range of opportunities to make a livelihood in rural areas.

Project implementation arrangements

Implementation arrangements involve diverse combinations of public- and private-sector stakeholders as partners. Most projects reviewed are implemented by project management units (PMUs) working in close collaboration with private- and public-sector stakeholders, often under performance-based contractual arrangements.

IFAD's experience has demonstrated that certain design provisions can enhance the extent to which any vulnerable category will actually be reached during implementation:

- Six of the 19 projects envisage allocation of *dedicated financial resources* for measures to promote the development of young people; in the others, support to young people is financed through mainstream budget lines and/or components. The good track record of the latter suggests that the absence of dedicated financial resources was not a major obstacle. A credible reason for this is that all stakeholders involved in implementation, from central government down to project staff and villagers, share the same sense of urgency with regard to the need to promote the development of young people.
- Under four projects, *dedicated staff are promoting youth inclusion*. In Argentina (box 10), project staff are working in very close collaboration with the youth officers of the competent central agencies. In Nigeria, youth issues are addressed mainly by the competent departments within local governments at the district level, including a local government development committee, a community-driven development (CDD) team and a community-based facilitation team. The gender/CDD officers at the state level provide guidance and supervision on the inclusion of women, youth and other vulnerable categories. Under the other projects, gender specialists and/or focal points have assumed *de facto* responsibility for youth inclusion.
- *Quotas for outreach to young people* were laid down in the design reports of five projects and were introduced by implementers in a further six projects. All design reports refer to young people as a priority target group, but the obligation to disaggregate data on youth-relevant indicators is envisaged by only two design reports. Although regular reporting on youth outreach is not yet mandatory, several projects could do so, especially those with a database created for M&E of the progress of beneficiary rural enterprises.
- *Support by missions from headquarters* was instrumental in strengthening or adding a focus on young people in five projects: OTELP in India, PROSPERER in Madagascar, CBNRMP in Nigeria, PRODERNEA in Argentina and PROMER 2 in Senegal. Since 2010, the regional gender coordinator for the WCA region has launched a debate with all stakeholders on issues related to the inclusion of young people.
- *Partnerships for service delivery* play an important role in implementation of the projects reviewed. Under PREMODER in El Salvador, for example, when it became clear that the designated government agency did not have the required capacity, non-governmental organization (NGO) partners were brought on board and played a key role in assuring smooth implementation of the training programmes for young people. Also in El Salvador, partnerships with sectoral ministries such

Box 10. Addressing youth issues in Argentina

In December 2009, Argentina's Ministry of Agriculture, Livestock and Fisheries created a Unit for Rural Change (Unidad para el Cambio Rural - UCAR) to centralize the management of the main donor-supported interventions under its auspices. At the end of 2010, UCAR created the Area for Inclusion and Rural Equity (*Área de Inclusión y Equidad Rural* - AIER) to address social inclusion issues during project implementation. AIER is staffed by three specialists in charge of gender, indigenous peoples and youth, respectively.

In coordination with other technical branches, UCAR is providing technical assistance to the provinces covered by several projects, including PRODEAR, on technical, legal, management and financial aspects, as well as social inclusion and the mainstreaming of cross-cutting issues, including the identification and formulation of subprojects targeting young people. In 2013, AIER became the Unit for Environmental and Social Issues (*Unidad ambiental y social* - UAS).

as Education and Health are vital in implementing training activities to strengthen the human and social capital of young people. In both Colombia and El Salvador, service providers have received training to enhance their capacity to reach out to young people.

- *Partnerships with local stakeholders* are a mainstay of all the projects reviewed, especially with regard to support intended for young people. The candidates for project-financed training and grants are identified and screened in close collaboration with local leaders and/or representatives of farmers' professional organizations.

PRODEMORO in El Salvador has a particularly strong participatory approach to involving young women and men at all stages of community-level planning and implementation (box 11). In Colombia, mixed panels of civil society organizations and public institutions selected and supported future micro-entrepreneurs winning the *concursos* (box 12).

- A *demand-led approach* to enhance ownership by responding to the real needs of target groups is envisaged by all the projects reviewed. In two cases, however, this was initially understood to mean that the project had to accept whatever happened. In Egypt, the target was that 40 per cent of the irrigated plots would be allocated to unemployed graduates. Anyone who was a graduate was eligible, but those with little or no training or experience in farming were failing. Performance improved after project management adopted previous knowledge and/or experience of farming as a criterion for eligibility. In Madagascar, the young people identified as being vulnerable and deserving by their communities were allowed to choose whatever training they wanted, even if that meant sending them to schools outside the project area. When less than 20 per cent of the graduates were employed or self-employed six months after completing training, the selection procedure was modified to give priority to more employable skills.

Involving young people in policy dialogue

Policy dialogue on youth-related topics involves working closely with governments and partners, which are well aware of the need to address youth issues sooner rather than later.

While all projects reviewed are contributing to the implementation of national youth policies, some have undertaken important policy dialogue work. In WCA and East and Southern Africa (ESA), for example, the

Box 11. Partnerships with local stakeholders

Building on the experiences of PREMODER in El Salvador, PRODEMORO is applying a highly participatory and youth/gender-sensitive approach to the structuring and strengthening of local organizations. PROFOR (*Programa de fortalecimiento organizacional* – organisational strengthening programme) places a strong emphasis on empowering rural young women and men as leaders and as active players in the lives of their organizations, including diagnostic analyses of local opportunities and constraints and formulation of proposals for strengthening their organizations. Along with older members, they are using PRA tools and the 'closing the gap' (*'cerrando brecha'*) methodology to carry out in-depth analyses of opportunities and constraints as the basis for their proposals. Young people are actively involved at all stages of the development cycle, from diagnosis to implementation and management.

Box 12. Pro-youth competitions in Colombia

OPORTUNIDADES is identifying prospective young rural microentrepreneurs through a decentralized demand-driven competitive mechanism called the *concurso*. Groups of young people interested in forming a joint enterprise are invited to submit a detailed business development plan to a panel comprising representatives from public institutions and civil society organizations. This panel makes arrangements for technical and management support to the winners. As of 2013, 30-40 youth-led microenterprises had been financed.

Assistance in preparing the business plans is provided by local young promoters trained by the project, instead of relying on the intermediation of external service providers.

www.ifad.org/gender/policy/gender_e.pdf, p. 46

ILO/IFAD joint partnership on decent productive work for rural youth⁴ is strengthening the policy dialogue work initiated in Madagascar and by PROMER 2 in Senegal (box 13). Young professionals of the IFAD-fostered Global Youth Innovation Network (GYIN) are being engaged to participate in supervision and design missions throughout the region.

CBNRMP in Nigeria has helped create a platform in which successful, young rural economic operators (entrepreneurs and market-oriented farmers) are sharing experiences, knowledge and expertise. The platform is helping young people learn to leverage support through several programmes, including the national Youth Employment in Agriculture Programme (YEAP), the Subsidy Reinvestment Programme (SURE-P) and the National Poverty Eradication Programme (NAPEP). It is, however, in the LAC region that projects reviewed have been most proactive in helping create new spaces in which young people can express themselves, and can formulate and present their own development ideas (box 14).

In today's increasingly globalized world, where young people are moving from rural to urban areas, between countries and across continents, policymakers need to exchange ideas and share experiences with all stakeholders interested in promoting development of the younger generations and in giving a voice to young representatives in the policymaking arena. Proactive measures are needed to enable active participation by girls and young women as well as boys and young men in policymaking and planning at all levels.

Box 13. ILO's decent work approach

An ad hoc evaluation of the performances of five IFAD-financed projects with respect to the four pillars of ILO's 'decent work' approach found that PROMER 2 had performed well in terms of the first pillar (job creation and enterprise development). Over 70 per cent of the interviewed youth said that their employment situation and employability had improved. With regard to pillar 2 (better working conditions and social protection), positive impact was identified in terms of wages/salaries, workplace health and safety, but less so for working hours and social protections (insurance, pensions). Little progress had been made towards the other two pillars (workers' rights and social dialogue/ organizations of workers or employers): although only 14 per cent of the young people felt that their work contracts had improved, 58 per cent said that employers seemed to be more aware of workers' rights. Less than 3 per cent felt that membership in workers' unions had increased or that collective bargaining had been more successful. Indeed, these aspects had not been addressed directly by the project.

www.ifad.org/events/employment/summary.pdf

Box 14. Policy dialogue in the LAC region

The Commission on Family Farming (*Reunion especializada de la agricultura familiar* – REAF), based in Montevideo, Uruguay, is an intergovernmental space across the Southern Cone Common Market region (MERCOSUR). REAF is the only institution in MERCOSUR to involve civil society actors as direct participants in policy dialogue and decision-making on rural development issues and policies. Its thematic group on youth issues is chaired by the Argentinian delegation. Between 2008 and 2009, a training course financed by IFAD projects was attended by 40 young leaders from Argentina, Brazil, Chile, Paraguay and Uruguay. The aim was to strengthen their leadership role as representatives of the family-farming subsector and as direct participants in the ongoing dialogue on rural and agricultural development. In 2011, the regional agenda was ratified by a meeting of 250 young people from Argentina's five rural regions. IFAD played a major role in promoting this institutional innovation, especially through two complementary grants (IFAD-MERCOSUR and IFAD-REAF).

⁴ The IFAD/ILO joint workshop on Promoting Decent and Productive Employment for Young People in Rural Areas: A Review of Strategies and Programmes took place at IFAD headquarters in Rome on 13 April 2012. The workshop presented the results of the IFAD/ILO study on decent employment opportunities for young people in rural areas, which, in particular, reviewed the impact on youth employment of five projects financed by IFAD in Egypt, Madagascar, Nepal, Nicaragua and Senegal (IFAD: Rome, 2012).

Capacity building

In this document, capacity building is understood to comprise the full package of assistance a person needs to succeed in setting up and running a business. The first two subsections focus on cross-cutting aspects of considerable importance in fostering a thriving and diversified local rural economy: the empowerment of young people, and functional literacy and numeracy as prerequisites to training.

Empowerment of young people

In traditional societies throughout the world, most of which are rural, young people are perceived as subordinates. It may not be considered proper for them to speak when an elder is present and they may be expected to obey any order given to them by an older member of the family or community. Girls and young women are even more constrained than boys and men of their same age. Such attitudes are changing fast as stakeholders, including elders of their communities, and local and central governments, realize that rural youth represent a considerable and largely untapped resource for development, a source of new knowledge and innovation. They are usually more attracted than their elders to new ideas and new ways of doing things; they are more likely to know how to read and write; and they have the energy that comes with youth.

The projects reviewed are helping empower young people in three main ways: (i) indirectly, by improving their access to information; (ii) directly, by training them as agents of change; and (iii) directly, by promoting their involvement in the building of social capital (box 5).

Accessing information

Awareness of the empowering impact of information is revealed by the generous provisions made for information and communications, and key informants agree that young people are among the first to take notice. Sixteen projects reviewed have a budget line for information, including an intensive campaign to inform the general public on what the project has to offer and how to gain access to the project's support. Under two projects, special events are organized for young people and women: (i) successful entrepreneurs are invited to discuss their profession and answer questions at open days (*jours ouverts*) under the two phases of PPPMER in Rwanda; and (ii) special business orientation seminars for young people and women are organized regularly under all three phases of REP in Ghana. In Nigeria, a youth platform is facilitating sharing of information and experiences between young entrepreneurs in the project area and other youth throughout the Niger Delta. As IFAD projects operate mostly in heavily rural areas without electricity or telephone coverage, the information and communications technology (ICT) tools are not particularly cutting-edge, consisting mainly of village-level meetings, weekly radio or TV broadcasts, posters, leaflets and other media. PROSPERER in Madagascar, for example, is using posters and radio broadcasts to disseminate information on the annual offer of scholarships for long-cycle vocational training and on the results of the screening procedure. However, Internet usage is expanding rapidly in all areas covered by mobile phones, landlines or satellite service. In places where there is no service, young people are already using mobile phones to take snapshots and videos, listen to music, etc. In the LAC region, a virtual learning modality is being used to deliver online training courses in Colombia (box 15).

Box 15. Internet as a learning tool

Oportunidades in Colombia has adopted a virtual learning modality that uses the Internet to deliver a programme of financial and entrepreneurial education. The course is designed to foster a culture of savings and entrepreneurial initiative among rural young people. Its content includes: administration (50 hours); Colombia's financial system (40 hours); entrepreneurship and business ideas (30 hours); and business plan preparation (40 hours). Access to the Internet is improving students' access to information.

PROMER 2 in Senegal has established a network of permanent regional information centres (*Service d'informations techniques, économiques et commerciales* – SITEC) whose main clients are young people interested in self-employment. When the project reached completion in March 2013, the SITEC premises

Lessons learned

and resources (books, magazines, computers, furniture, etc.) were passed on to permanent regional entities in charge of promoting entrepreneurship (e.g. regional chapters of the chambers of trade and industry). The 'one-stop' windows for knowledge and advice on entrepreneurship – fostered by PROSPERER in Madagascar and by REP in Ghana – also operate as information centres (see subsection "Business development services").

Key messages

- Young people as a whole are among the first to take notice when something new appears on the horizon and they can be expected to be among the first to benefit from information campaigns.
- In situations where youth are expected to remain modestly in the background, special events can help them feel comfortable enough to speak up, ask questions and generally participate in discussions normally reserved to their elders.
- Young people who are literate and already familiar with modern gadgets such as the mobile phone will have little difficulty learning to use the Internet to find and share information and experiences with others and to use ICT in their businesses.



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Kilosa Rural Services and Electronic Communication (KIRSEC) offers Internet services and computer training in Kilosa, Morogoro, United Republic of Tanzania.

As agents of change

The term 'agent of change' is used here to refer to anyone involved in disseminating new ideas, knowledge and skills, facilitating access to support, and/or delivering services. These people, who are normally identified by local leaders, are dynamic, capable and perceived as trustworthy, often said to be wiser than their years.

In many projects, young people are helping others, including their elders, understand what the project has to offer, how to qualify for the project's support, who the stakeholders involved are, and what the rights and duties of all parties involved are. Some are volunteers, while others are employed by the project (PROMER 1 in Senegal) or their farmers' organization (PAFA/PAFA-Extension, also in Senegal).

Box 16. Young people as agents of change in Argentina

PRODERNEA and PRODEAR in Argentina recruited young rural people from mainstream and indigenous communities and trained them as rural development agents (*agentes de desarrollo rural*). Aged 17-29, and generally already members of a farmers' organization, they underwent mostly practical, hands-on training.

Training included participatory methodologies, leadership, negotiation skills and conflict resolution, gender, rural development and public policies, business plan formulation, family-based enterprises, project formulation, and management and governance of farmers' organizations. For indigenous youth, topics also included awareness-building on the culture and legal rights of indigenous peoples (civil rights, land, etc.).

While the young people from mainstream communities had a secondary school education, many indigenous youth had very little education, requiring longer training and periodic refresher courses. A strong proxy indicator of the extent to which young people have been empowered is the fact that many of the trained indigenous youth are now representing their communities as *huerquen* (i.e. 'ambassadors'), an honour once reserved for their elders.

However, even the volunteers are remunerated informally by appreciative villagers. Under the projects reviewed, these young people are identified in close collaboration with local leaders who know them well, and their appointment is ratified in public by an assembly open to all members of the community or organization. Their roles are extremely varied:

- As rural development agents in charge of leading the process of organizational and managerial strengthening of farmers' organizations under PRODERNEA and PRODEAR in Argentina (box 16) and in Colombia (box 15);
- As advisers on cropping practices and produce-quality standards under PAFA/PAFA-Extension in Senegal;
- As advisers on the creation and running of small businesses under PROMER 2 in Senegal, PROSPERER in Madagascar and PPPMER in Rwanda. A typical example is PPPMER 2, in which successful young local business operators were recruited and trained in 1999 as local project awareness-building agents (*animateurs locaux de projet*, ALPs). In 2007, they were re-trained as rural proximity business advisers (*conseillers d'entreprise rurale*, CERs);
- As field workers in the clarification of land rights in India (box 17);
- As bookkeepers (630 trained, two-thirds of whom are women) for self-help groups in India, particularly those of women, who are more likely to be illiterate;
- As guidance counsellors in Viet Nam, helping young job seekers gain access to the training they need, and then linking them with potential employers in the industrial parks.

Box 17. Agents of change in India

OTELP in India has trained 550 literate young villagers as community resource persons (CRPs) to help the Revenue Department resolve land tenure issues in the project area. CRPs work closely with community leaders to map the local land situation, identify households with no land or no title to the land they are using, identify vacant land for distribution to the landless, etc. They help villagers put together the information needed to apply for formal deeds.

CRPs are selected by the community and the revenue inspector through an inclusive and participatory process ending with an open village meeting. They undergo four to six weeks of training in surveying, measuring plots of land, etc. As of March 2013: almost 5,400 families living in 139 villages had obtained 13,000 deeds to homestead and/or farm land; relations between the populations and government staff had improved; rights to forest resources under the Forest Rights Act had been clarified; and issues with regard to arable land had been resolved. Other departments have started hiring CRPs to offer extension services to villagers.

Key messages

- The recruitment and training of young people to spearhead project-supported development efforts is an effective way to promote their advancement and hence that of their families and communities. This is also having a positive impact on local employment opportunities for young people.
- The chances that these young people will perform well are high, because they are identified by local leaders as being the most capable, dynamic and trustworthy, and because their appointment is ratified by the whole village or the membership of their organization. They simply have to do well.
- Their success has an immediate and positive impact on the voice and influence of young people as a category: they are perceived as equals and direct players in development.
- Young people who are born and bred in a rural setting are less likely to leave it than an outsider; this is especially true for relatively older youth who are more settled, who have significant responsibilities towards wives and children, as well as to their communities.
- The level of expertise assured by external professionals may not be needed by local clients, and they are more likely to leave when the project ends.

Strengthening of social capital

Eighteen⁵ of the 19 projects reviewed place a strong emphasis on strengthening the social capital of poor rural people, women, indigenous peoples and youth. The aim is to encourage them to join forces for collective action as residents of their community and/or as members of producer/trade organizations, associations and groups.

The projects are building up the social capital of and through young people in three main ways: (i) by promoting their inclusion as members of existing organizations dominated by adults; (ii) by encouraging them to create their own organizations or committees and subgroups within existing ones; and (iii) by raising awareness of the advantages of intergenerational complementarities (box 18).

Box 18. Intergenerational collaboration

PREMODER in El Salvador was originally designed to develop individual human capital by giving young women and men the skills to enter rural and urban job markets. Although the partnerships with training institutes never became effective, the project succeeded in promoting inclusion of young people in existing organizations by applying a version – adapted to youth – of the ‘closing the gap’ methodology originally developed for gender inclusion through a grant-funded initiative (PROGENDER, 2000-2003).

Existing organizations are encouraged to accept their members’ sons and daughters as members, and these offspring, who are usually better educated and have ICT skills, are helping their parents run the organizations. In some cases, the younger members have created their own committees or subgroups within organizations. Young people are usually in charge of organizing cultural and social events as an incentive to participation, and literate young women are being assisted in taking up leadership positions in male-dominated organizations. The methodology makes it possible to quantitatively and qualitatively measure and monitor the impact of a project’s activities on gender and intergenerational equity in rural organizations.

In Viet Nam (box 19), young people are encouraged to create or join common-interest groups specialized in agriculture, small-scale industry or services delivery. The project is also working closely with municipal development boards.

One board member is a young person in charge of formulating, coordinating and supervising the pro-youth activities to be included in the municipal socio-economic development plan. The plan is then submitted to the central government for incorporation into the national plan.

⁵ The sole exception was PROMER 1 in Senegal. However, the importance of fostering professional organizations of non-farm entrepreneurs was recognized during implementation and incorporated into the second phase.

Key messages

- The traditionally somewhat disparaging attitude towards youth is changing rapidly as older generations learn to appreciate the advantages of intergenerational cooperation. In the interests of social harmony, it is important to involve local leadership and populations in identifying the young people they feel are most capable and trustworthy. Young people are also among the first to benefit directly in terms of an unprecedented improvement in standing and voice.
- Young people are no longer expected to remain silent, in the background. They are increasingly being co-opted by their families and communities as representatives and direct contributors to development. Projects can and should create new opportunities for involving young women and men in the public arena.

Functional literacy and numeracy as prerequisites

The trainability of a person is significantly enhanced if he or she knows how to read, write and use numbers. Even subsistence-oriented farmers in the most remote areas of the developing world are realizing the advantages of being able to read a leaflet on cropping practices or treatment of a sick animal, safety instructions on packages of fertilizer or pesticides, written texts on markets and prices (for example, on mobile phones), contract-farming agreements between their farmers' organization and large buyers, etc. The advantages of being able to do so themselves – as opposed to relying on their children – are becoming increasingly clear to all.

Ten of the projects reviewed carry provisions for functional literacy/numeracy training, the aim being to facilitate access by the more vulnerable categories to training and support. Under PROMER 1 in Senegal, literacy classes were added by implementers in response to popular demand, because rural producers, especially women, had no other way to acquire these empowering skills. PROMER 2 also made provisions for literacy/numeracy training and created local reading corners (*coins lecture*) where neo-literates could find booklets, magazines, leaflets and readers. The literacy courses were originally intended for women, but around 30-40 per cent of the learners were young men who realized that they had little chance of earning a good wage or being successful in business without being able to read, write or work with numbers.

While real progress has undeniably been made, illiteracy rates remain high in most developing countries, especially among rural populations and even more especially among

Box 19. Common-interest groups in Viet Nam

DBRP in Viet Nam is helping young people join forces to create common-interest groups specialized in agriculture, small industry and services. The role of these groups is to improve their ability to further their own development, express their needs, influence the activities financed by the project, and negotiate mutually beneficial contracts with other stakeholders and partners. As of the end of 2013, around 2,230 young group members produced and processed a broad range of foods and goods, and provided services. Some cultivated coconuts, ginger, japonicas, maize, rice, bonsai, mushrooms and vegetables. Some produced tree and rice seedlings and grew cocoa. Some raised pigs, and organic and backyard poultry, cattle, pigeons, swans and goats. In addition, some groups manufactured woven articles, brooms, work clothes and incense, and baked banana cakes. Other activities included cooking and fish drying, among others.

In 2012, the project began fostering public-private partnerships to help common-interest groups enter into mutually beneficial market linkage agreements with buyers and agro-industries.

Box 20. Unrecognized literacy

In Muslim societies in the WCA region, for example in The Gambia, Mauritania, north-central Senegal, many so-called 'illiterates', women as well as men, are actually using the Arabic alphabet they learned at Koranic school to write letters in their local language to family and friends, little notes to themselves, etc. The spelling is just as erratic as it used to be for the European languages, but effective. There is already a large body of literature on this phenomenon, and yet it is largely ignored by development workers.

In the French-speaking countries of WCA, women who say they want to learn to read and write often mean that they want to learn French, the region's *lingua franca*.

girls and women, regardless of age. For example, only 12 per cent of rural young people in Madagascar manage to finish primary school. Illiterates have no chance of qualifying for long-cycle training at a school – the modality most likely to prepare them for well-paid jobs – and there is a close correlation of illiteracy with vulnerability to poverty (or, conversely, of literacy with trainability/employability). At the same time, there is evidence that certain forms of literacy may not be recognized, or once recognized, may not be considered valid (box 20).

Key messages

- Training in functional literacy and numeracy is crucial to the inclusion of vulnerable categories, including rural young people who may not have attended school because their families needed them at home. It is also necessary to young people who attended schools in which the quality of teaching was inadequate, as so often happens, especially in rural areas.
- Projects that provide for literacy/numeracy training are opening up access by poor rural people to the further training needed to compete for better paid work.

Technical vocational skills development (TVSD)

The pro-youth thrust of the projects is confirmed by the importance given to long-cycle modalities of training in the technical and professional skills that are most appropriate to the younger age ranges, which do not yet have responsibilities that would prevent them from leaving home for extended periods of time. In all projects reviewed, however, the provision for training in technical or professional skills is addressed separately from the other forms

of support, such as credit, business advisory services and life skills. Only PPPMER 2 in Rwanda has a relatively integrated approach to the training of apprentices. It includes a combination of technical, managerial and financial skills as well as life skills (management, record-keeping, preparing business plans, applying for and handling credit, marketing, entrepreneurial spirit, health and hygiene, love and sexuality, HIV/AIDS, etc.). Life-skills training is also provided by PRODEMORO in El Salvador (box 21). The almost exclusive project focus on technical training is attributable in part to the inability of existing vocational schools and master artisans to address non-technical subjects beyond a ‘nuts-and-bolts’ course in how to keep accounts, calculate production costs and set profit margins.

Box 22. Training is not gender/age neutral

Long-cycle vocational training at a school or centre is suitable for younger men who can afford to delay the start of earning a living; younger men from very poor families are less likely to be able to do so.

Long-cycle apprenticeships are appropriate for younger people of both sexes whose families can manage without their time, labour and income. Young people from very poor families may not be able to do even this.

Short-cycle skills training/upgrading at a centre is appropriate for anyone who can afford to take some time off from their normal duties. This rules out mothers with infants (projects in WCA often allow them to bring someone to care for the infant).

Short-cycle skills training/upgrading at a local (i.e. village) level is appropriate for everybody, including women with infants and small children.

Box 21. Life-skills education

In El Salvador, PRODEMORO’s life-skills education programme (*Educacion para la Vida*) creates a space in which young people can talk about key life and health issues, such as love, sexuality and HIV/AIDS. The specific needs of young girls are addressed. Sons and daughters of the members of beneficiary rural organizations have priority of access to the scholarships for the courses organized by the programme.

Most of the traditional master artisans do not, themselves, have managerial or credit-handling skills. In Madagascar and in Rwanda, partner training institutes are being helped to develop their ability to provide at least some courses in business management and financial literacy.

Access to training is determined first by the cost, in terms not only of tuition but also of living expenses and of renunciation, by the family, of the person’s contribution to family welfare (labour, time and/or income). Where the costs are perceived as affordable by the person and the family, access is conditioned by duration and venue. Finally, training modalities are not gender/age neutral (box 22).

The selection of training modalities has a direct impact on the sustainability of results, because the graduates of certain modalities are more likely than others to remain in their villages. For example, young people trained under a traditional apprenticeship are objectively not as employable in the major towns and cities as the graduates of long-cycle training at an institute.

The forms of technical training on offer under the projects reviewed are classified under three broad headings: long-cycle training involving six months to several years at a centre or in apprenticeship; short-cycle training involving sessions lasting a few days or weeks; and peer-to-peer training.

Long-cycle training

Nine of the projects reviewed provide for long-duration training of young people (over six months) at a centre or school, and nine for the more-traditional multi-year apprenticeships. Four offer both: OTELP in India, REP 3 in Ghana, PROSPERER in Madagascar and CBNRMP in Nigeria.

Long-cycle training at a centre is the most effective modality for specialized technological trades.⁶ It is self-targeting for younger men from less-poor families due both to cost and duration. Duration ranges from a maximum of three years for metalworking, equipment-making and vehicle mechanics at a rural technology facility (RTF) in Ghana, to 6-12 months for less-specialized trades.⁷ The words 'scholarship' or 'bursary' are never used, even though the projects bear all or a substantial share of the costs. Under all three phases of REP in Ghana, student contributions of up to 20 per cent of tuition costs and 100 per cent of living expenses are covered by relatives or their communities. (RTFs do not provide room and board.) In Madagascar, cost is not a problem for students from poor families because the project covers the full cost of tuition and pays them a monthly indemnity for living expenses.



©IFAD/Nana Kofi Acquah
Young people attend the Apprentices Training Programme at the Ghana National Tailors and Dressmakers Association, Sefwi Bekwai Branch

Under most of the projects, students learn in a classroom or workshop setting. Only PROSPERER in Madagascar has adopted a dual training approach in which periods of training at a centre are alternated with periods of hands-on experience working for a host enterprise. During a participatory evaluation of REP 2 in Ghana, beneficiary representatives asked that this approach be adopted for a third phase, also because it allowed students to earn some money. Outreach by the long-cycle formal training modalities is limited both by their duration and by the limited capacity of existing vocational schools (e.g. only five new students per year for a project-fostered RTF in Ghana). A typical case is represented by REP 2 in Ghana, where fewer than 2,000 students graduated from the RTFs, a tiny number compared to the over 70,000 traditional apprentices whose skills had been upgraded through short-cycle courses.

⁶ For example, advanced metalworking, equipment-making, maintenance and repair, building trades (reinforced concrete structures, electrical installation, plumbing, finishing, etc.), vehicle mechanics, fine furniture-making, fashion design, fine pottery, etc. None of the projects reviewed made significant provision for women's professions other than fashion design (e.g. teaching, nursing or high-end catering).

⁷ For example, welding, rough carpentry, tailoring, catering for weddings and other ceremonies, small-scale agroprocessing, hairdressing, driving, machine operation, and fine basketry and crafts for the tourist trade.

Under all three phases of REP, the number of students from outlying villages has been low due to the cost of accommodation and meals near the RTF. Graduates of an RTF are highly employable by urban-based industries, especially those that pass their proficiency certificate.

Multi-year apprenticeship is a centuries-old way that young people have always learned a trade. It continues to be the most common modality in rural areas of developing countries, particularly for young men from poor families. Apprentices who are placed far from home are usually taken in by the family of the person to whom they are apprenticed. The traditional range of trades in a rural setting is very limited (tool-making and repair, tailoring, shop keeping, milling and small-scale agro-processing), but it expands rapidly once agricultural incomes start to rise.⁸ In Nigeria, girls and young women have access to long-cycle traditional apprenticeship with a local person (hairstylist, dressmaker, agro-processor, cosmetician, etc.).

A major drawback of apprenticeships is that the quality of learning is only as good as the knowledge and expertise of the master artisan. All nine projects supporting long-duration apprenticeships carry provisions for upgrading the skills of master artisans. The results have, however, been mixed (box 23).

Box 23. Training of trainers – mixed results

All three phases of REP in Ghana carry provisions for upgrading the skills of master artisans. The results of the first (pilot) phase were mixed, in part due to illiteracy and in part to a lack of flexibility. Some masters were reluctant to teach new skills to their future competitors. Results improved when master artisans were publicly acclaimed for teaching young people. Training of trainers was more successful, with microentrepreneurs having themselves benefited from project support, for example under PROSPERER in Madagascar.

Key messages

- The long-cycle classroom training modality offered by most projects reviewed involves sending students to an existing vocational or professional school. The exception is REP in Ghana, where all three phases are creating a network of decentralized RTFs. This modality is self-targeting for younger men, who can afford to spend several months, even years, in training away from home. Unless special measures are taken, it is not accessible to young people from vulnerable families. Graduates have a high level of expertise (close or equivalent to a degree in mechanical engineering in the case of the RTFs in Ghana), which makes it easy for them to qualify for better paid employment elsewhere.
- The long-cycle classroom modality is not appropriate for rural girls and young women, especially those with infants. The modality that works best for them is training in the village or nearby (box 24).
- Skills acquired through traditional apprenticeships are easily upgraded to a level adequate to a rural clientele, and graduates are more likely to remain in the village.

Box 24. Training at a local venue

First their parents, then their husbands may be reluctant to allow young girls and women to spend the night outside the home for training. These categories are thus *de facto* at risk of being excluded unless provisions are made for training at a local venue. Village-level training sessions were organized by REP 1 and 2 in Ghana. Under the two phases of PPPMER in Rwanda, 41 per cent and 61 per cent, respectively, were young women apprenticed to people in their villages. IFAD-financed projects in Senegal often allow nursing mothers to bring someone to look after their infant during lessons.

Short-cycle training

This modality is appropriate and usually more affordable for people already employed or with responsibilities that preclude their leaving home for more than a few days or weeks. The upgrading of skills of people who already have some experience may require two to three brief sessions lasting a week to a

⁸ A good proxy indicator for identifying the presence of rising incomes is the pace at which the providers of non-traditional goods and services start to establish themselves in the village (e.g. jewellers, furniture-makers, builders, vehicle mechanics, landlords of rooming houses for labourers).

month. The demand for short-duration basic training is also growing rapidly in response both to expanding rural markets for goods and services, and to the eagerness of young people (and their parents) to start earning sooner rather than later.

The trades involved do not require lengthy training (e.g. soap-making, oil extraction, use of more productive equipment for agro-processing, and personal services such as hairdressing and cosmetics). In Nigeria and Viet Nam, there is a particularly broad selection of trades requiring less than six months of training, and over half the trainees are women.

Under REP 2 and 3 in Ghana, young people with at least one year of traditional apprenticeship are offered a chance to complete their training by attending a series of brief (5-10 days) skills-upgrading courses at a project-fostered RTF or, especially for women, at a partner vocational training school. The willingness of master artisans to allow their apprentices to take time off for skills upgrading is enhanced through peer pressure (e.g. by acclaiming them in public for their willingness to serve the community) and by giving them a chance to upgrade their own skills (box 23).



©IFAD/Giuseppe Bizzarri
A farmers' son plants pepper seeds in a greenhouse in Mborucuya, Corrientes in Argentina

An innovative approach adopted in Madagascar, in Viet Nam and in Rwanda involves the recruitment of beneficiary entrepreneurs as host enterprises for apprenticeships lasting 6 or 12 months. Under PPPMER and PROSPERER, apprentices and host enterprises receive a monthly indemnity from the project. Under PROSPERER's dual training approach, periods working with a host enterprise are alternated with sessions of classroom training at a centre or school. Many of the apprentices are eventually hired by the host enterprises on a full-time basis and at competitive wages. Employment rates are high, with over two thirds of the graduates being in some form of employment (wage/salary or self-employment) six months after training. About 20-30 per cent of graduates decide to set up their own enterprises. This new approach has significant outreach potential, and the host enterprises, most of which are new or struggling operations, also benefit. In addition to access to more affordable labour without exposing themselves to accusations of exploiting their workers, they are eligible for equipment grants and/or financing to improve their workplace.

Additional incentives that should not be underestimated, particularly for younger entrepreneurs, include the personal satisfaction and enhanced social standing they enjoy as a result of their willingness to give

something back. In the more traditional rural societies, where success is often resented, they are the object of admiration.

Key messages

- Short-cycle courses are a cost-effective way to enhance the skills of people who already have some knowledge and experience, without cutting trainees off from their communities. These graduates are less likely to migrate.
- The outreach potential of short-cycle training is higher than that of long-cycle modalities.
- A noteworthy innovation is collaboration with the owners of host enterprises who have already benefited from project support for training, financial support or BDS.
- Successful young people willing to help train others are highly respected by their communities and are more likely to be perceived as equals by their elders.

Peer-to-peer training

Peer-to-peer training is defined as comprising any modality in which people with similar backgrounds or interests are brought together to learn from each other. The promotion of peer-to-peer learning mechanisms through exchanges of experience and learning routes (box 25) is an especially important aspect of projects in the LAC region.

PRODERNEA and PRODEAR in Argentina have succeeded in building on the socio-economic differences between two main categories of rural young people. On one hand, candidates for training as rural development agents mainly have a higher level of education and some management experience with farmers' organizations. On the other hand, indigenous young people are more heterogeneous in terms of educational level. This is taken fully into account by the innovative training methodology, which involves tailored support, longer training sessions and/or periodic refresher training. The differences between the two categories have become a valued resource that is stimulating mutual learning, support and complementarity among rural youth from different communities and socio-economic backgrounds.

Box 25. A tool for peer-to-peer learning

A Learning Route is a continuous process of in-the-field training that seeks to broaden and diversify the markets of rural technical services, placing special value on the best experiences and knowledge of institutions, associations, communities and rural families Each Route is organized thematically around experiences, case studies and best practices on innovative rural and local development.

The end goal is that local participants become the trainers. Through workshops, interviews, conversations and other learning activities, the Route generates a space for individual and collective learning for visitors and hosts. Learning Route participants come up with a concrete innovation plan.

Pro-youth financial support

Lack of access to finance is a main reason why young people completing their training have no choice but to work for someone else – assuming there is work available for them in the local job market. Young people with the dynamism and inclination to go into business for themselves (and hire others) cannot do so because they lack the money or credit with which to buy equipment and raw materials or build a workplace. Most projects, with the exception of OTELP in India and DBRP in Viet Nam, carry provisions for some form of financial support to youth, especially but not exclusively to the graduates of project-supported training programmes.

Mainstream approaches

The measures for rural finance support described below are a common feature of IFAD-financed interventions and are often associated with provisions for capacity-building involving training and/or awareness raising of partner financial institutions (PFI) staff.

Provisions for encouraging PFIs to develop tailored financial instruments for IFAD's target groups, including young people, have remained essentially on paper for all eight projects in which this measure is envisaged. PROMER 1 in Senegal offered two credit lines and a risk fund, but PFIs made only two small withdrawals and remained wary of lending to any high-risk category, especially youth. PPPMER in Rwanda had better success with its credit line, because these PFIs already had experience with lending through solidarity credit groups (box 26). PAFA-Extension in Senegal foresees an in-depth socio-economic study to identify specially tailored financial instruments for all categories of small-scale producers in the various priority value chains. Young people are to be given special attention in recognition of their already important and steadily rising contributions to the success of rural organizations of farmers' and non-farm professionals.

The seven projects that focus on facilitating trust between borrowers and lenders address the problem from the opposite angle, that is, by training prospective borrowers to comply with PFI requirements. This is achieved through: (i) training in financial literacy;⁹ (ii) assistance in preparing bankable business plans; and (iii) help in preparing and negotiating loan applications. Under PAFA-Extension in Senegal, the full cost of helping young people prepare convincing business plans and loan applications will be borne by the project with a view to reassuring PFIs.

Solidarity credit groups have been highly successful throughout the world in facilitating access to credit by economically vulnerable categories. Under PROMER 1, solidarity groups had been identified as the instrument for improving access to finance by youth and women, but this proved the case mostly for women. In Rwanda, young people of both sexes are forming or joining solidarity credit groups (men's, women's and mixed).

Box 26. Solidarity credit groups

Pioneered by the Grameen Bank in Bangladesh during the 1970s, with significant support from IFAD, solidarity credit groups are helping disadvantaged categories gain access to credit throughout the world, in developing as well as developed countries. Groups of 5-6 individuals who trust each other are invited to join forces, with a view to convincing banks that they are creditworthy. They agree to vouch for each other. Under the principle of 'joint and individual responsibility', any loan that a member may default on will be paid by the others.

The procedures are reassuring to the vulnerable, but 'a waste of time' to the relatively better-off. After a period of initial training in financial literacy, group members take turns taking out individual loans for income-generating activities. Members must attend weekly meetings for loan repayments and further training. Loan sizes are small initially, but increase rapidly as each loan is repaid on schedule. Members are also usually required to save regularly. Many highly successful business people, who no longer need the group to get a bank loan, are mentoring similar groups.

Box 27. Seed capital fund in El Salvador

A seed capital fund (US\$1.27 million) created by PRODEMORO is helping rural young people set up their own microenterprises by giving them matching grants to buy small machines and equipment. The selection procedure is competitive, and potential for job creation is one criterion in screening the business plans. Applicants must: be the son or daughter of a member of a rural organization supported by the project; be aged 14-24; have completed at least three years of school; be unemployed and willing to participate in the microenterprise development training offered by Ministry of Agriculture and PRODEMORO. Half the recipients must be girls or young women. The recipients' share of the investment is often put up by their parents. Most of the business plans are for food preparation and agroprocessing.

⁹ Financial literacy training involves understanding how credit works, the rights and duties of borrowers and lenders, the importance of presenting a convincing business plan, how to apply for a loan, etc.

Loans and credits at subsidized interest rates and seed capital loans¹⁰ of various kinds are made available through eight projects. In Egypt, freehold (permanent) title to land on irrigated schemes is sold to settlers – by the Government, not the project – on easily affordable terms (30 years, no down payment, subsidized interest).

Under PRODEMORO in El Salvador, a seed capital fund is financing microbusinesses owned and run by the sons and daughters of members of supported rural organizations (box 27).

The provisions for subsidized loans under PREMODER in El Salvador could not be implemented due to the non-effectiveness of the anticipated partnership with the national agencies charged with promoting youth and small/microenterprises.

In Madagascar, Nigeria and Rwanda, a priority target group for seed capital loans at zero per cent (*crédits coup de pouce*) is young people completing a project-supported training or apprenticeship programme. In Nigeria, funds are also channelled for soft loans-cum-grants through the community development funds allocated to village governments (box 28).

In Rwanda, the loans cover 50 per cent of the investment in equipment plus a year's working capital requirements. In Madagascar and Rwanda, struggling entrepreneurs identified as deserving by their local communities are also eligible for soft loans. Under PRODERNEA in Argentina, the rotating fund for innovative activities (*fondo rotatorio de actividades innovativas* – FRAI) was reoriented in 2003 to focus on supporting entrepreneurial activities of young rural people aged 18-29.

Box 28. Credit with a grant element

Under CBNRMP in Nigeria, deserving young people from very poor families are eligible for seed capital loans-cum-partial grants through their community development fund – in the framework of a participatory CDD approach. Recipients are identified through community-based targeting. After completing their training in business management skills and credit handling, they prepare a business plan that responds to carefully studied local demand and submit it to the local community development committee for financing. The start-up loan may be in cash or in kind (e.g. a start-up package of equipment/tools). Recipients must cover 10-20 per cent of the investment (in cash and/or the value of existing premises and equipment). If they repay 50 per cent of the loan within 12 months, the remaining 50 per cent becomes a grant from the community, as an investment towards collective well-being.

Key messages

- Externally financed projects may not have the power to leverage changes in the lending policies and practices of microfinance institutions, especially the rural-based mutualistic networks whose memberships are very averse to risk.
- Approaches that focus on facilitating access to credit by building up the capacity of prospective borrowers to meet the conditions of PFIs may be more effective, and they cannot fail to have an empowering impact by enhancing the capabilities of borrowers.

Alternative approaches

Adoption of alternative approaches that can remove critical blockages – without expecting financial institutions to violate the principles of sound lending practices – is acceptable to IFAD, albeit only as an exception to the rule, to be

Box 29. Bringing credit close to borrowers

Access of vulnerable categories to finance is often hampered by the distance prospective borrowers have to travel to get to a bank or credit union. Under PPPMER 2 in Rwanda, where many regions do not yet have any financial services, the project is facilitating delivery of credit through a network of *ad hoc* proximity financial centres (*centres financiers de proximité*). These centres may be hosted in a local branch of a trade/professional organization, a decentralized financial institution, an NGO or any other reputable entity.

¹⁰ These are loans at interest rates below those charged on national financial markets, but also loans where the borrower repays only the principal (with no interest). In some cases, part of the loan is written off if the borrower makes repayment on schedule (in effect, making this a matching grant).

used parsimoniously and with all due safeguards. Any form of financial assistance that could distort financial markets should, on principle, not be envisaged in the context of a project to be financed by IFAD.

However, faced with the continuing reluctance of PFIs to lend to high-risk categories (to some extent understandable), many of the projects reviewed are experimenting with alternative ways to help poor rural people, including young people, make crucial investments. For example, in Rwanda, loans are issued to borrowers through an ad hoc proximity network of partners (box 29). In all cases, rural young people are at the forefront as active partners in testing these new approaches as members of their organizations.

Projects, whether they are financed by donors or government, are usually designed to make investments that the intended beneficiaries are unable to make on their own. These investments usually focus on physical capital as 'public goods' (e.g. roads, irrigation schemes, industrial zones, collective storage, schools, health centres, etc.). Several of the projects reviewed are adapting this rationale to the provision of full or matching grants for critically important investments in 'private goods' that are crucial to the development of a local rural economy (e.g. start-up kits to young people having completed their training in Madagascar and Rwanda or having passed their proficiency certificate in Ghana). Struggling rural entrepreneurs and those willing to take in apprentices are eligible for similar grants if they have the potential to create jobs and enjoy the backing of their communities. The rationale for these grants is that the recipients are in a position to 'prime' the development of the local economy (box 30). After having already invested heavily in building their capacity, these projects are making sure that the graduates will indeed be able to apply their skills and thereby stimulate the local economy.

Box 30. IFAD's definition of 'matching grant'

"A matching grant is a one-off, non-reimbursable transfer to project beneficiaries. It is based on a specific project rationale for particular purposes and on condition that the recipient makes a specified contribution for the same purpose or subproject. ... Within community-driven development projects, matching grants are typically used to finance social and economic infrastructure, productive assets and income-generating and livelihood-diversification activities by groups, and sometimes by individuals."

Source: Matching Grants, Technical Note, 2012.
http://www.ifad.org/ruralfinance/pub/match_grants.pdf

The rationale for *full grants* is based on the need to ensure that graduates of project-supported training and/or apprenticeship programmes, including the poorest ones, can go on to set up businesses. The aim is thus to safeguard and enhance the long-term impact of the project's investment of time and money in building the supply of technical/professional skills in rural areas. Without the means with which to buy equipment and build a workplace, those skills will either not be used or be used elsewhere. In Ghana, the strong emphasis on training in metalworking is based on awareness that the growth prospects of small-scale farmers and agro processors are seriously hampered by the lack of appropriate and affordable equipment. The young men graduating from the RTFs or skills-upgrading for apprentices were rarely able to obtain the loans they needed to set themselves up as local manufacturers and repairers of equipment. Consequently, the project began distributing free start-up kits.

Candidates must present a proficiency certificate from a recognized institute and be sponsored by their local community (reducing the risk that they may sell off the equipment or set up their business elsewhere). Under PROMER 2 in Senegal, young entrepreneurs willing to train others (as apprentices or on an as-and-when-needed basis) are eligible for free equipment kits and/or a full or partial grant to upgrade their equipment or workplace. Other enterprises identified by local stakeholders as having real potential to create jobs are also eligible for kits.

Under PAFA-Extension, partners with a crucial role in the context of a contractual farming agreement (market linkage) will be eligible for start-up kits as well.

Matching grants (box 30) are envisaged in eight of the projects reviewed. PRODEAR was designed to rely mainly on matching grants instead of credit to finance the initiatives of producers' organizations and communities. The project has three funds: (i) *fondo de iniciativas comunitarias* (FIC, community initiatives fund) for cultural projects presented by young people; (ii) *fondo de apoyo a emprendimientos* (FAE, entrepreneurs support fund) to finance small and microenterprises; and (iii) *fondo de apoyo a comunidades*

indigenas (FACA, fund to support indigenous communities) for community-based initiatives and projects submitted by indigenous youth.

The innovative approach in Ghana – a *matching grant linked to bank lending* – pursues the twofold aim of: (i) encouraging vulnerable categories, including young people, to make a significant investment in their enterprise; and (ii) engaging the financial institutions on their own terms, that is, without expecting them to change their practices. The innovative aspect of the approach consists in the obligation that recipients of the matching grant take out a commercial loan (at market rates) to cover a substantial share of the investment. Young people wanting to create their own enterprise after completing their training are sponsored by their communities. The grant element is capped at 30 per cent of the planned investment. To qualify for it, aspiring entrepreneurs (or their families) must put up at least 10 per cent of the investment and get a commercial loan for the remaining 60 per cent from a reputable financial institution. The system, which has been in operation since 2008, has two main advantages: (i) it enhances a sense of ownership-commitment by requiring the recipients to put up what is, for them, a sizeable contribution; and (ii) PFIs, which are not expected to change their practices, are reassured by the knowledge that recipients/ borrowers will receive several months of follow-up and counselling from the project. The creditworthiness of young applicants is thus enhanced by the project and strengthened by the local community.

Pre-financing of inputs through market-linkage contracts. PAFA in Senegal has no provisions for a credit line or facilitation of access to credit by farmers.¹¹ The rationale had been that farmers' input requirements would be pre-financed by partner market operators in the context of contract farming (market linkage) agreements. The results to date have been somewhat mixed, mostly because relations between the two parties (farmers' organizations and market operators) are still in their infancy. Mutual trust is, however, improving steadily, especially where young members of farmers' organizations are being recruited and trained to provide other members with advice and follow-up on cropping practices and the quality standards laid down in the contracts.

Meanwhile, project management and several farmers' organizations are testing an innovative *cash-less input procurement approach*. This is not an 'inventory credit' or 'warehouse receipt' system (*le warrantage*), where the deposited cereals remain the property of the farmer. Rather, the cereals are an advance payment for the inputs their farmers' organization will deliver prior to the start of the next crop season. The approach takes advantage of the fact that the banks are more willing to make one large loan to an organization than several small ones to individual small-scale farmers.

The system involves three steps: (i) each member of the farmers' organization calculates his or her input requirements for the next season and hands over the equivalent value in cereals (at post-harvest prices) to the farmers' organization; (ii) as the inputs are needed a few weeks before cereal prices peak, the organization delays the sale by taking out a short-term bank loan and buys the inputs; and (iii) it sells the cereals when prices are at their peak, pays back the loan and uses the remaining profit to help defray its own costs. The farmers get the inputs they need, when they need them, and without having to deal individually with the banks. The farmers' organization is remunerated for providing a crucial service to



©IFAD/Anwar Hossain
A member of a women's group near Natrampalayam shows her contribution to the group savings account, India

¹¹ This will change when PAFA and PAFA-Extension (approved end of 2013) are merged. The rural finance support unit (*service d'appui à la finance rurale*), established by PROMER 2 and mandated to handle the credit-related operations of all IFAD-financed projects in Senegal, has now been integrated into the PMU of PAFA.

members, and the banks can make one large loan instead of many small ones. Everybody wins as long as transparency is assured, and it is the younger members who are helping members understand how the system works.

Key messages

- Adoption of alternative approaches that can remove critical blockages – without expecting financial institutions to violate the principles of sound lending practices – is acceptable to IFAD, albeit only as an exception to the rule, to be used parsimoniously and with all due safeguards. An excellent guide to the use of matching grants is provided by the technical note published by IFAD in 2012.¹²
- The cash-less input financing system in Senegal is attractive to banks, which are reluctant to make a multitude of small individual loans to small-scale farmers, and the farmers like it because it absolves them from having to deal directly with the banks and/or address the annual trade-off between buying food or buying inputs. There is, however, a need for farmer-members both to understand the system and to feel they have oversight rights with regard to its management.

Savings mobilization

The solidarity-credit-group approach requires members to open individual bank accounts and make mandatory regular savings deposits to those accounts. Experience has shown that most group members begin making additional deposits as their economic situation improves (a proxy indicator of progress).

In Colombia, students of the agricultural institutes (aged 15-25) were the initial targets for a savings mobilization programme to promote their entry into the formal financial system. The expectation was that they would use the savings to set themselves up in farming after graduation. The project deposited US\$36 directly to the bank account opened by each student entering the programme and made matching deposits up to a maximum of US\$249 over a period of four years. Training in financial and entrepreneurial skills was delivered through online learning via the Internet. About 4,000 young people entered the programme, half of whom are girls, and their deposits of around US\$368,000 were equivalent to twice the value of the incentive payments. More than 3,400 students took part in financial education activities, and some were able to qualify for bank loans. Despite the training, the programme was not as successful as anticipated for a multitude of reasons: inability to open a bank account due to lack of an identity card; non-familiarity with computers; unrealistic expectations; inability of young people to save; and lack of a genuine interest in farming, etc. After the MTR, the focus shifted to women, particularly those running a rural enterprise, who use their savings to pay for school and university fees. Young people are indirect beneficiaries of the scheme.

Business development services (BDS)

Lack of access to business development services (BDS) is a main reason for the failure of fledgling enterprises, even among owner-operators with good technical skills and finance.

BDS delivery mechanisms

All projects reviewed envisage young people as a priority target group for BDS delivery. However, no explicit provisions are made for adapting the services to their specific opportunities and constraints. This is attributable at least in part to the lack of updated information on rural young people.

The projects present three approaches to the delivery of BDS: one-stop centres; coaching/training by successful entrepreneurs; and non-financial services delivered on a contractual basis by individuals with the required expertise.

¹² See Matching grants – technical note (IFAD, 2012): www.ifad.org/ruralfinance/pub/match_grants.pdf

One-stop BDS centres

This approach is represented by the *guichet unique multi-services* (GUMs) in Madagascar and the business advisory centres (BACs) in Ghana. While GUMs are ad hoc offices eventually expected to become self-financing private-sector consulting firms, BACs are established from the outset as public-sector pro-business departments within district-level local governments.

The purposes and functions are otherwise identical: to help existing and new entrepreneurs obtain the information, support and qualified expertise they need in order to grow their businesses. Both seem to be successful in their respective contexts.

In Ghana, BACs were developed during the mid-1980s, within the Government's new policy for the decentralization of public administration. A typical district-level BAC is staffed by two to three professionals with university degrees in business-related subjects such as administration, marketing and management, etc. The overall goal of a BAC is to spur local income generation through the promotion of local businesses, and at the same time create a local tax base to ensure sustainability of services. The districts are allocating a major share of their Common Fund (from the central government) to cover the salaries and operating costs of their BACs. The remaining costs are borne by the regional branch of the National Board for Small Scale Industries (NBSSI), a public-sector pro-business agency. REP 3 and other projects are engaging BACs as contractual partners in the delivery of BDS to local enterprises. The standard mandate of a BAC makes no explicit reference to the need for special attention to young people. However, REP 3 is in the process of elaborating a pro-youth approach that will also involve BACs in the delivery of BDS.

In Madagascar, each of the decentralized GUMs is headed by a senior professional assisted by a contractual staff of three to five university graduates specialized in business matters, i.e. business advisers (*conseillers d'entreprise*). External service providers (*prestataires de services externes*) are called in to fill gaps in the expertise already available within GUMs. The project covers the full cost of GUMs (establishment and operation). With a view to promoting the sustainability of BDS delivery, the project has begun moving towards helping them become self-financing, private-sector businesses.

In Rwanda, **individual entrepreneurs** are recruited and trained to provide BDS to other entrepreneurs under the supervision of a corps of rural business advisers based at the regional level (*conseiller d'entreprise rurale*, CERs). CERs are seconded to the project and supervised by the Rwanda Cooperative Agency. PROSPERER in Madagascar has taken similar steps, and existing entrepreneurs are helping deliver BDS under PROMER 2 in Senegal. CBNRMP in Nigeria is fostering a new category of entrepreneur-cum-mentor called the N-Agripreneur (box 31). These experiences corroborate the willingness, even eagerness, of successful individuals to give something back. In the more traditional rural societies of the developing world, there is a strong social expectation that a successful individual will share his or her success, for example, by building a school, paying for something badly needed by the community, taking in a relative in need (especially a young person) and/or mentoring others. Individuals who do not share their success are subject to very strong social pressure, which may result in hostility and social exclusion.

Box 31. N-Agripreneurs in Nigeria

CBNRMP in Nigeria has adopted an innovative market-linkage approach laid down in the national Youth Employment in Agriculture Programme (YEAP). The approach envisages the fostering of a new category of entrepreneur-cum-mentor called the N-Agripreneur. These are dynamic university graduates who own and run medium-scale enterprises at different stages of their value chain. As leading advocates of innovation and local economic dynamism, they are expected to promote rural development as intermediaries between small-scale market-oriented farmers, mostly youth, and large-scale agro-industries and wholesalers. Part of their mandate is to deliver BDS to producers, especially young people interested in agro-based activities (e.g. farming as a business, small-scale processing, input supply and marketing).

Individual professionals were engaged by PROMER 2 in Senegal to deliver non-financial services to businesses in order to assure a higher level of expertise than had been provided by local people employed as proximity advisers during PROMER 1. In 2010, the professionals won a significant increase in fees, to levels far beyond what local clients could be expected to pay after the project ended.

Project management decided to go back to recruiting and training local literate youth to deliver BDS. The level of expertise is slightly lower but adequate to the local clientele, and they are less likely to leave when the project ends.

Key messages

- Sustainability prospects are excellent for the BACs as public-sector agencies, provided that local governments remain willing and able to cover at least part of the costs. They are moderately good for the GUMs, albeit only if their services are affordable to clients.
- An unexpected spin-off effect of both approaches to the delivery of BDS through one-stop centres is their potential for opening up attractive employment opportunities for university graduates, including young people from rural areas.
- The recruitment and training of local people as proximity sources of BDS is cost-effective in situations where local enterprises are in their infancy, but their capabilities should be upgraded to match the evolving BDS requirements of local businesses.

BDS content

In Madagascar and Rwanda, the graduates of project-supported training or apprenticeships who want to set up their own businesses enjoy *de facto* priority access to BDS, but the modules are those used for everyone, i.e. no account is taken of what is perceived to be the particular vulnerability of young people (inexperienced, immature and not trustworthy by the banks and other sources of financing). As mentioned earlier, traditional apprentices are even less likely to be exposed to sound management or business skills, because their teachers, as master artisans, do not normally have this knowledge themselves. Apprenticeships, including innovative modalities involving host enterprises, focus mainly on technical as opposed to managerial skills. PROSPERER in Madagascar provides support both to apprenticeships and to partner vocational institutes.

The delivery of BDS in Madagascar, Rwanda and Senegal involves the use of modules developed by ILO for training prospective and existing entrepreneurs in basic business skills. Originally developed for an urban/peri-urban setting in the WCA region, the basic module (GERME 1) was adapted to a rural setting by PROMER 2 in Senegal, in close collaboration with ILO (box 32). PROMER 2 is in the final stages of developing a user manual, to be published in 2014, for building rural enterprise in Senegal.

Box 32. ILO modules for business promotion

The International Labour Organization (ILO) has developed three modules for promoting small and microenterprises: managing a business, promoting trade organizations, and business-plan preparation based on a diagnosis of real potential. The GERME module (*gérez mieux votre entreprise* - better manage your business), focuses on improving managerial skills, adopted a participatory approach grounded in the real world of trainees. PROMER 2 in Senegal worked closely with ILO to adapt the module to a rural setting in which literacy rates are lower and the issue of solvent demand is a particularly thorny one.

The second module, called PACTE (*partenariat pour des actions concertées par des transferts et des échanges* - partnership for joint actions through transfers and exchanges) focuses on development of social capital by fostering/strengthening the ability of professional organizations to defend the interests of their trade (e.g. bakers, metalworkers) and to provide information, training and advisory services. The module helps entrepreneurs organize meetings to discuss and work out ways to undertake collective action (identify problems, reach consensus on how best to address them and work out a plan of action).

The third module involves trainees directly in analysing solvent demand for their business and in formulating a sound business plan.

Source: PROMER 2, Livret de Capitalization (2013).

In Madagascar and Rwanda, post-technical training in management and business skills is offered to learners attracted by self-employment. Under REP 3 in Ghana, the same training opportunities are made available to graduate trainees/apprentices under a different component.

Follow-up and strategic recommendations

As the experiences described in the projects reviewed are very context-specific, no attempt is made to recommend any given approach or practice. Rather, the aim is to present the range of experiences acquired over the past two decades, which project designers can consider and customize on the basis of the reality at hand. Many of the lessons learned are already incorporated into the designs of the new generation of pro-youth projects approved in 2013.

International age range

The international age range of 15-24 years is over ten years narrower than that adopted by the youth policies of most developing countries. Moreover, rural societies, which are usually more traditional, may have even broader definitions. From the operational point of view, designers of pro-youth projects to be financed by IFAD should follow the example of the latest generation of projects and continue to focus on helping the relatively older youth, or 'young adults' (aged 25-35), grow their existing businesses – on the grounds that they will be in a position to start hiring others sooner rather than later. From the political point of view, IFAD and its partners should be aware of the implications of differences in terms of age range and should make decisions based on their own objectives.



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Farmers husking corn in Pacuan, on Negros Island in the Philippines

Age is a useful, but insufficient yardstick

Age is a useful, but insufficient yardstick for measuring and comparing outreach to young people. Its effectiveness as a targeting instrument is weakened by the tendency of governments to adopt age ranges so broad as to include practically everyone. The variability of the ranges applied may also be a cause of misunderstanding, i.e. speaking at cross-purposes. While age as a criterion remains useful for M&E

purposes, it is not sufficient for pro-poor targeting: the young people to be targeted through an IFAD-financed intervention should be understood as part of a broader target group of poor rural people, and special attention needs to be given to the especially vulnerable situation of rural girls and young women within that broader group.

Youth analysis, beyond age range

A sound and reality-based understanding of the pre-project situation within which rural young people actually live and work is crucial to the selection and tailoring of the actions most likely to help them contribute to their own development and to that of their families and communities. A detailed target group profile also provides the indicators needed to monitor and assess the effectiveness of these actions. The measurability and comparability of a project's performance and impact can be enhanced at the design stage: first, by defining who are to be targeted as young people (e.g. age, sex, level of education and responsibility, access to assets) and, second, by providing as complete an analysis as possible of their opportunities and constraints, strengths and aspirations. In addition to age, the information needs and approaches to targeting young people are identical to those already used by IFAD in targeting other vulnerable categories. Should it not be possible to obtain updated information for a detailed profile at the design stage – for example, where the local socio-economic situation has been disrupted by natural or manmade disaster – designers should make provisions for the establishment of a baseline situation as soon as possible and for particularly close supervision and support by IFAD headquarters and/or the country office.

Holistic approach to supporting youth

Only a holistic approach to supporting youth can address the full potential of young people as direct stakeholders in the development of rural economies. Such an approach includes: empowerment, literacy/numeracy, training in professional and life skills, financial support and the offer of BDS.

Rising pressures on arable land are reducing the absorptive capacity of the farm sector while rising incomes from farming are expanding local solvent demand for goods and services. Young people who have received at least some education are eager to respond to this new demand, but like their elders, they lack the means to do so (entrepreneurial knowledge and skills, credit, advisory services). In addition, the pace at which the living standards of farm families can improve is conditioned by the extent to which they have access to affordable goods and services in terms of both price and opportunity costs. In accordance with the principle of comparative advantage, the design of a holistic approach should take full account of and envisage strong partnerships with any other projects and stakeholders present in order to complement them and fill gaps. The idea is to partner with those best able to deliver.'

Moreover, what will attract young people is not only the profitability of agriculture but also the basic services and the amenities that local cities can provide. This will require local investments to improve rural infrastructure, enhance the connectivity of rural area, for young people to be able to use ICT, and the devolution of authority to local governments.

Empowerment

Empowering rural young people as stakeholders in their own right is a powerful and relatively low-cost instrument for the development of family, community and country. This makes it possible for a category traditionally perceived as dependent on others to become a direct player. As agents of change, young people are shouldering many of the new roles and responsibilities involved in development, ranging from the simple dissemination of information and guidance on project support, to the actual delivery of advisory services and support. The new spaces thus created for and by youth are enhancing their standing within their families and their communities, and they are increasingly involved in decision-making and in representing their communities or organizations. These prerogatives were once reserved to their elders. The intensity of the new intergenerational collaboration is strongest wherever the young people to be empowered are identified and sponsored by local leaders and populations. At the project level, the trust put in youth can be made effective by involving them in all decision-making (Country Programme Management Teams, steering committees) at all stages of the project cycle.

Capacity building

Capacity building is a key element of most development projects. It is crucially important that the concept be understood as covering not only the acquisition of knowledge and skills, but also what is needed to ensure that the latter will actually be put to the best possible use. The most common reason for which a graduate of a training programme cannot start a business is lack of access to finance, and the most common reason for failure in business is non-availability of quality non-financial and financial advisory services.

Regardless of the context or situation, the pillars of capacity-building are: (i) technical/vocational skills development; (ii) financial assistance; and (iii) BDS for start-up, consolidation and growth. Each and every situation is specific, requiring designers to make trade-offs, as in the following examples:

- *The accessibility of diverse types of training.* Training is not gender/age neutral, nor is it affordable to everyone. A project's offer of training modalities has significant repercussions on the inclusion of vulnerable categories. While long-cycle training at a centre (12 months, often several years) can be expected to produce a high degree of proficiency, it is also the most costly to projects and to families. This modality is *de facto* less accessible to: (i) young women and girls; (ii) young people from poor families; and (iii) 'older youth' and adults with obligations towards family and community. Short-cycle training at a centre is accessible to most people, including young women with someone at home (e.g. a co-wife or a daughter) to take over domestic and child-care responsibilities. It is also popular among young people because they need not wait several years before starting to earn their own living. Finally, short-cycle training at a local venue is virtually the only way for rural girls and most nursing/lactating mothers to gain access to training.
- *High-end vs. adequate expertise.* The level of expertise required by prospective clients varies according to the level of their own development. The mix of training opportunities offered by a project must be based on realistic assumptions and forecasts in terms of local demand for goods and services. A project that focuses exclusively on high-end proficiency levels will not have achieved its objective of placing those skills at the service of local producers and consumers if the latter cannot afford them and/or if the graduates migrate to find higher wages. The latest generation of IFAD's pro-youth projects is enhancing effectiveness and long-term sustainability by focusing on upgrading the skills and equipment of existing service providers who already have some factors of production (workplace, equipment) and responsibilities towards family and community. The level of expertise acquired by attending a series of skills-upgrading courses will meet most if not all requirements of local producers and consumers, and graduates are less likely to leave after completing training.

Combining forms of financial assistance

Under the updated IFAD Rural Finance Policy (approved in 2009), projects must not distort national financial markets in any way, e.g. by issuing loans at interest rates lower than those normally charged by existing financial institutions, or by providing grants that can result in the crowding-out of financial institutions.

However, the Fund also recognizes that well-designed matching grants can help remove specific barriers to market entry for certain target groups, technologies or service providers, and can potentially stimulate market development and make markets work for poorer people. This is particularly true for young people, who are likely to be viewed as high-risk clients by existing financial institutions. A full or partial grant, with or without a matching contribution from the recipient, may be the only way graduates of a project-supported training programme can gain access to the resources needed to create their own enterprises.

Adjusting the offer of BDS to the needs of prospective clients

Most of the rural enterprises in developing countries are run by small-scale owner-operators who do not have access to the advice they need in order to maximize their earnings by rationalizing production and sales. New entrepreneurs, most of whom are young people, are at a particular disadvantage due to their lack of hands-on experience. On the other hand, young people can develop comparative advantage very

quickly if they are provided with suitable tools. They are often more able than their elders to appropriate new ideas and instruments, becoming agents of change while developing their own businesses or finding employment. The offer of BDS must thus be based on an in-depth analysis of both the markets for goods and services (demand, competition, etc.) and the location-specific knowledge, skills and capabilities of the future providers of those goods and services. Support to capacity development of existing service providers should also be foreseen.

Institutional analysis

The experiences of the projects reviewed provide a wealth of insights into how heavily the trade-offs among different approaches will be conditioned by the strengths and weaknesses of the proposed implementing institutions and/or agencies. The clearest example is provided by the contrast between the powerful farmers' organizations working with PAFA in Senegal and the fledgling organizations fostered by the projects reviewed in other countries. The actions and measures appropriate to the former are not likely to be within the capabilities of the latter. In both cases, however, albeit to varying degrees, many success stories can be attributed to the extent to which younger members were empowered to play an active role as stakeholders in their own right.



©IFAD/Susan Beccio
After an appropriate training, Nguyen Thi Hoai Anh has set up her own clothing manufacturer in Long Tri village, Binh Phu town, Tra Vinh Province, Viet Nam

No cookie-cutter solutions

Careful attention must be given to the similarities and, especially, the differences among countries that may eventually result in success or failure. The search for a one-size-fits-all solution must be abandoned in favour of adaptation and flexibility at all stages, from design to implementation and evaluation. Any proposal must be firmly guided by IFAD's overriding objective of investing in rural people, including the younger generations.



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