Working with Out-of-School Youth through Savings Groups for Economic Empowerment

April 6, 2016

SMDP/Plan International Webinar Series
Savings Groups and Beyond Inclusion, Equity and Transformation
1. Do you have experience in Youth Entrepreneurship Training? If so, indicate in which skills.

a. Agriculture
b. General enterprise
c. Technical skills for self-employment or wage jobs
d. None
Two Approaches

1. Reach as many youth as possible and sustain their interest over time (*Banking on Change* in Egypt, Ghana, India, Kenya, Tanzania, Uganda & Zambia)

2. Develop youth entrepreneurship through a more concentrated approach (*A Working Future Project* in Uganda)
Approaching and Working with Youth

• Reaching youth through other youth and in their own spaces
  • Involve youth in project design at the beginning and progressively in outreach, training, technical supervision and monitoring over time
  • Engage early with community leaders and parents
  • Identify existing youth groups to start

• Use peer extension workers/trainers – especially female to encourage more young women to join
• Invest more time in initial training & supervision of ‘demonstration groups’ – initial outreach need not be rapid – before moving to scale
Group Organization and Content

Recognize common goals which are a function of:

- In or out-of-school
- Age
- Challenges faced

Groups as a forum for educational experience (especially important for out-of-schoolers)

- Savings & money management a good organizing activity but not sufficient to sustain interest
- Knowledge, skills and connections to markets and the wider world

More on this in the *Banking on Change Youth Savings Group Model*
The Banking on Change Experience

• Savings & credit
• Financial education through learning games
• Bank literacy
• Bank linkages
• Employability training
• Entrepreneurship training

January 2014
Enterprise your Life

- A ‘life skills’ approach with a flexible curriculum to respond to different levels

- Designed for youth, highly interactive, meant to develop attitudes and influence behavior

- Experiences facilitated by ‘coaches’ rather than transfer of information by trainers (both a strength & weakness)

- Does not address ‘hard skills’ like most business training curricula

- In best cases includes follow-up mentorship

- Helps young people to take their first steps in income generation
## Content - Enterprise your Life

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Some Highlights – Banking on Change

- **245,763 people joined 11,725 new youth savings groups**, of which 67% are female and 54% are below 25 years old.

- **Our hypothesis was correct: youth CAN save.** We’ve seen an average savings of $69 per member per year, with 16% return on savings at share out.

- **Savings are increasing** - The amount saved per youth member has been steadily increasing and typically increased 31% between the first and second cycle (from $1.00 a week in the first cycle to $1.31 a week in the second).

- **Youth Savings Groups are popular** - We’ve learnt that it takes longer to form youth savings groups than adult ones but once youth are convinced, they appreciate their savings groups, as shown by 89% group attendance rates [benchmark is 80%]
Enterprise Highlights

• **In-depth trainings has set Banking on Change apart** from other financial inclusion programmes and have been effective and essential – although it’s important to adapt trainings to appeal to youth (one size does not fit all) and carry out refresher training to help instil learning.

• **Enterprise your Life training is successful** – it has been delivered to over 100,000 young people and has shown an 43% uplift in knowledge, indicating it’s relevant and accessible.

• **116,936 small businesses have been started** by members since 2013 (just over half by youth). 97% of all members’ businesses are profitable, and 67% have been sustained for over 6 months.

• **1,335 village agents recruited and trained** during phase 2, of which 74% have been youth and will remain in the community
Knowledge Gains From Enterprise Training

- Uplift in knowledge increases as members get younger
- Uplift in knowledge greater for men than women

Those without an IGA display greater uplift in knowledge after enterprise training more than those with an IGA

Have an IGA?

- YES: 22%
- NO: 57%
Purpose of A Working Future Project

To support employment and improve the economic empowerment of 12,000 youth in Tororo and Kamuli in Eastern Uganda

Target Group: Youth aged 15-25 years majority of whom are out of school.

Funding: SIDA and the private sector

Objectives
• Increased access to and utilization of financial services by 400 youth-led Savings Groups in Eastern Uganda
• Support youth in Eastern Uganda to acquire entrepreneurship, life and technical skills leading to establishment of 800 youth-led producer groups, 600 micro franchises and 240 job placements.
• Increased private sector involvement to support the employability of youth in Eastern Uganda.
Youth Savings Group in Eastern Uganda
Why engage youth in Agriculture Value Chains?

• An assessment of the employment landscape in Uganda supported by Accenture in 2012 concluded that agriculture presented scalable opportunities for employment.

• This was followed by a youth assessment commissioned by Plan and done by Restless Development in Eastern Uganda where young people affirmed that they would be interested if such enterprises provided short term returns.
• This was the basis of developing the Project Models i.e. Producer Group Model, Micro franchising and job placement.

• A further market assessment commissioned by Plan identified fruits and vegetables as highly profitable and viable to engage young people.

• Once the models were firmed out, we developed value propositions that we used to engage the various stakeholders in the private and public sector to support the project. Through scoping we identified KK Fresh Produce Exporters Limited that was willing to work with us on the hot pepper and chili value chains and also Mukwano Industries on a non agricultural micro franchising initiative.
Trainings offered to the youth

- 12,000 young people we trained and nurtured to form 410 savings groups.
- 7,351 youth, 60% females, trained on entrepreneurship.
- 4,011 youth, 57% females trained on financial literacy
- 4,743 youth, 30% female trained on agronomical practices for producing hot pepper and green chilies with KK Fresh Produce Exporters Limited. This comprises of 108 VSLA groups and 205 individuals.
- 272 youth, 40% females trained on micro franchising and engaged with Mukwano industries to distribution fast moving household goods. The training focused on product knowledge, practical marketing skills and provision of company branding materials.
Poll Two

1. Have you been able to show evidence of economic impact in your youth entrepreneurship programs?
   
   a. Yes
   b. No
Emerging results

- With an investment of USD 860 in production of hot pepper, the youth realize over USD 3,500 in gross income from an acre of land over a period of 8 months.

- By December 2015, participating youth who had opened up 385 acres had earned USD 17,535 from export of hot pepper and green chili.

- The youth are selling to the export company as individuals but the project is now building their capacity to establish formal producer groups that will engage with the company in future.

- The company truck either picks the produce from collection points in the field in eastern Uganda or the youth take the products to Kampala to the company's offices.

- 100% of the youth trained on entrepreneurship are still running their businesses. At least 46% are involved in at least 2 enterprises while 14% are involved in 3 or more businesses.

- There is increased participation of female youth in starting and running IGAs thus enabling them to contribute to the well being of their households.

- A number of other youth are involved in agri-business enterprises such as buying and selling of coffee and assorted fruits and vegetables as well as second hand clothes on the local market.
Continued

• There is improved cohesion and unity among youth-led groups and youths doing business jointly as a result of the role-plays and team work sessions in entrepreneurship training. Youths have started joint businesses while others have initiated family businesses and family saving.

• The mid term evaluation revealed positive changes in attitudes and practices towards young peoples’ employment, increases in monthly income by 451% and in monthly savings by 294%, increased asset accumulation; and enhanced sense of self worth, self confidence, and aspiration for a better future.

• The increased participation of the youths in entrepreneurship activities has had a positive effect on the loan usage of the youths in the Savings groups. This has been observed in the in the number of loans (from 1,953 in September, 2014 to 3,305 in March, 2015) despite the dry season.
Negative Effects

• Because of reliance on rain fed agriculture practices some youth farmers sustained losses during the dry season as they did not have irrigation technologies.

• Delivery and purchase of wrong agricultural seeds in some cases discouraged some farmers to engage in the producer group model.

• There is inconsistency in the supply of Mukwano products. This coupled with the inflating prices has given competitors like BIDCO a chance to occupy the market. Many youths are dropping out and opting for BIDCO products.

• Some youth that had been introduced to micro franchising of solar products supplied by Barefoot Power Uganda Limited could not sustain the business because such products were highly priced and could not easily be afforded within the rural community.

• The electioneering period and a possibility for post election instability affected the activities of the youths especially doing micro franchising. Many youths were skeptical at stocking due to threats made from the politicians.