



The MasterCard
Foundation

DCED Annual Meeting

Economic Opportunities for Youth

Geneva: July, 2014



Foundation Milestones

- Committed \$1B.
- Disbursed \$427M.
- Average project is \$11M.
- 92 projects.
- 46 countries.
- Over 85% of our program commitments are in Africa.



**5.6 million
beneficiaries**

Economic Opportunities for Youth Portfolio

- **22 projects** that support the transition of disadvantaged young people into employment or sustainable enterprise.
 - 5 global projects.
 - 1 Africa wide project.
 - 13 project countries.
- **\$195 million** committed to this portfolio.





Economic Opportunities for Youth Timeline

2009

Development of first Youth Learning Strategy

2010

Youth Financial Services projects as well as Youth Learning projects integrating financial literacy with training

2011

Development of “nexus” concept; launch of *Learn, Earn and Save* Initiative

2012

Increased connections between training and work; accumulation of best practices in youth focused programming; first midterm reviews

2013

Deliberate focus on Economic Opportunities for Youth as an emergent strategy for the Foundation

2014

Launch the Economic Opportunities for Youth strategy and RFP(s)



Target Youth

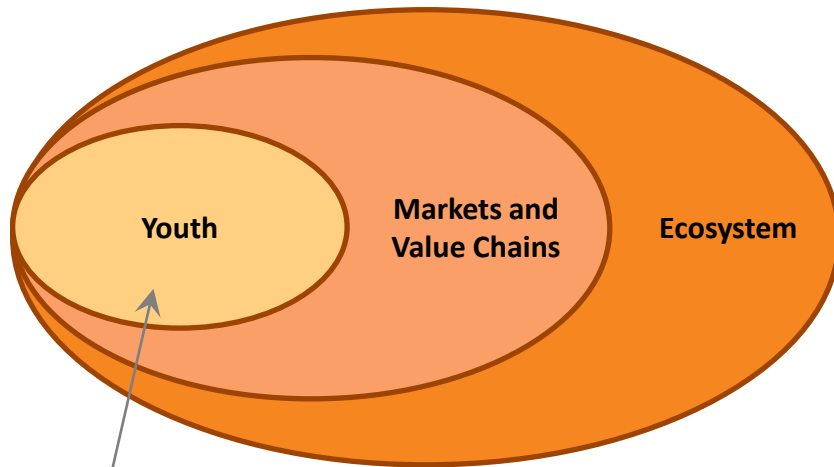
EOY targets disadvantaged young women and men ages 16-24, typically with the following characteristics:

- Low income, living on less than \$2/day;
- Out of school;
- Unemployed or underemployed;
- Moving through a transition point in their life stages (e.g., entering first job, marriage, becoming head of household, etc.).



The Foundation Has Defined its EOY Strategy and Made a Set of Explicit Choices

Core focus on Youth-centered interventions in the context of markets and broader eco-system



*"Entry point" and a
area of strategic
focus*

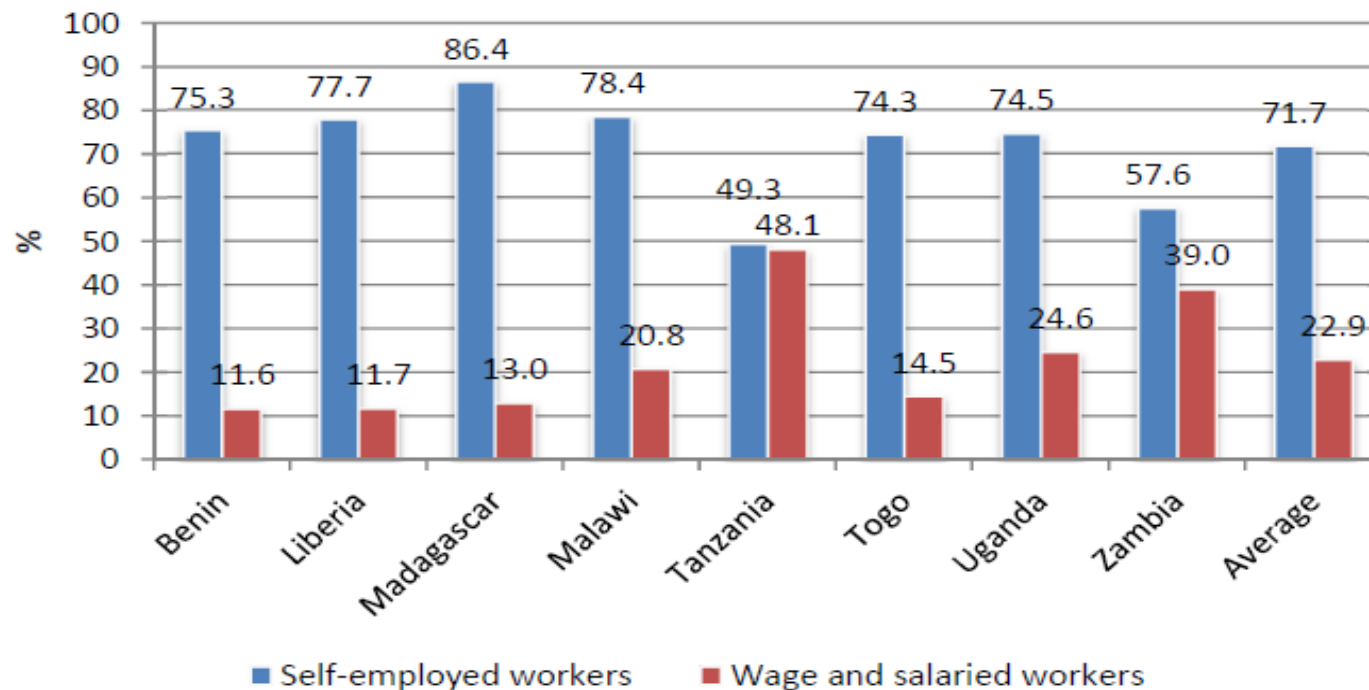
Three pillars of EOY strategy: holistic approach, country focus and priority sectors

Holistic approach to EOY	<ul style="list-style-type: none">• Complement strategies in the ecosystem• Context specific• Address both supply and demand• Combine financial services with skills training• Include youth
In chosen countries	<ul style="list-style-type: none">• Ghana, Uganda, Kenya, Rwanda, Malawi, Tanzania
In priority sectors	<ul style="list-style-type: none">• Agribusiness• Construction• Retail/Hospitality• Manufacturing



Youth in the Informal Sector

Figure 5.2 Shares of self-employed workers and wage and salaried workers in total youth employment population (%)

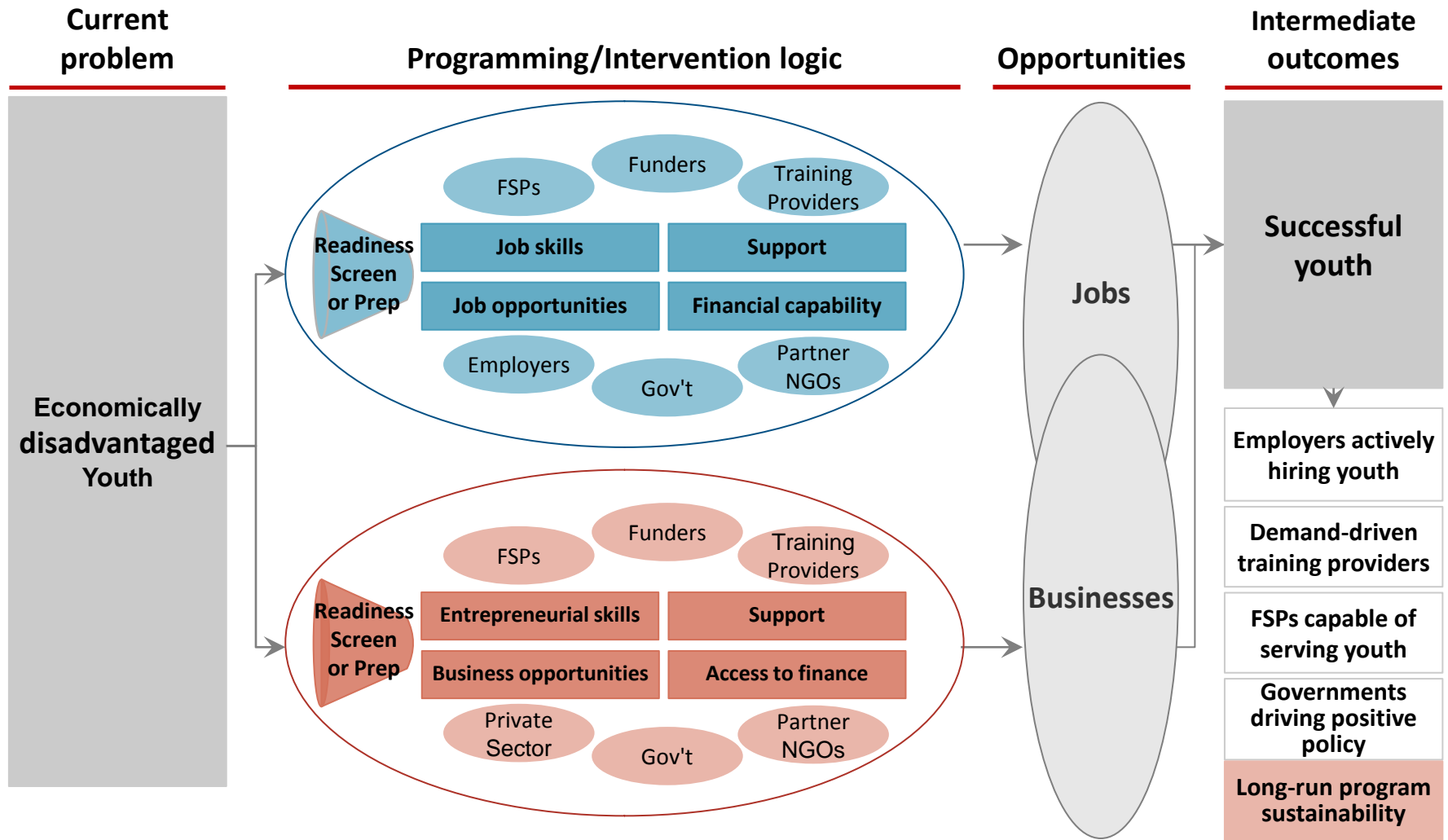


Source: SWTSS, 2012–13 (see table 2.1 for reference year by country).

High-level View of the Proposed EOY Theory of Change (TOC)



The MasterCard Foundation





Country Selection Process

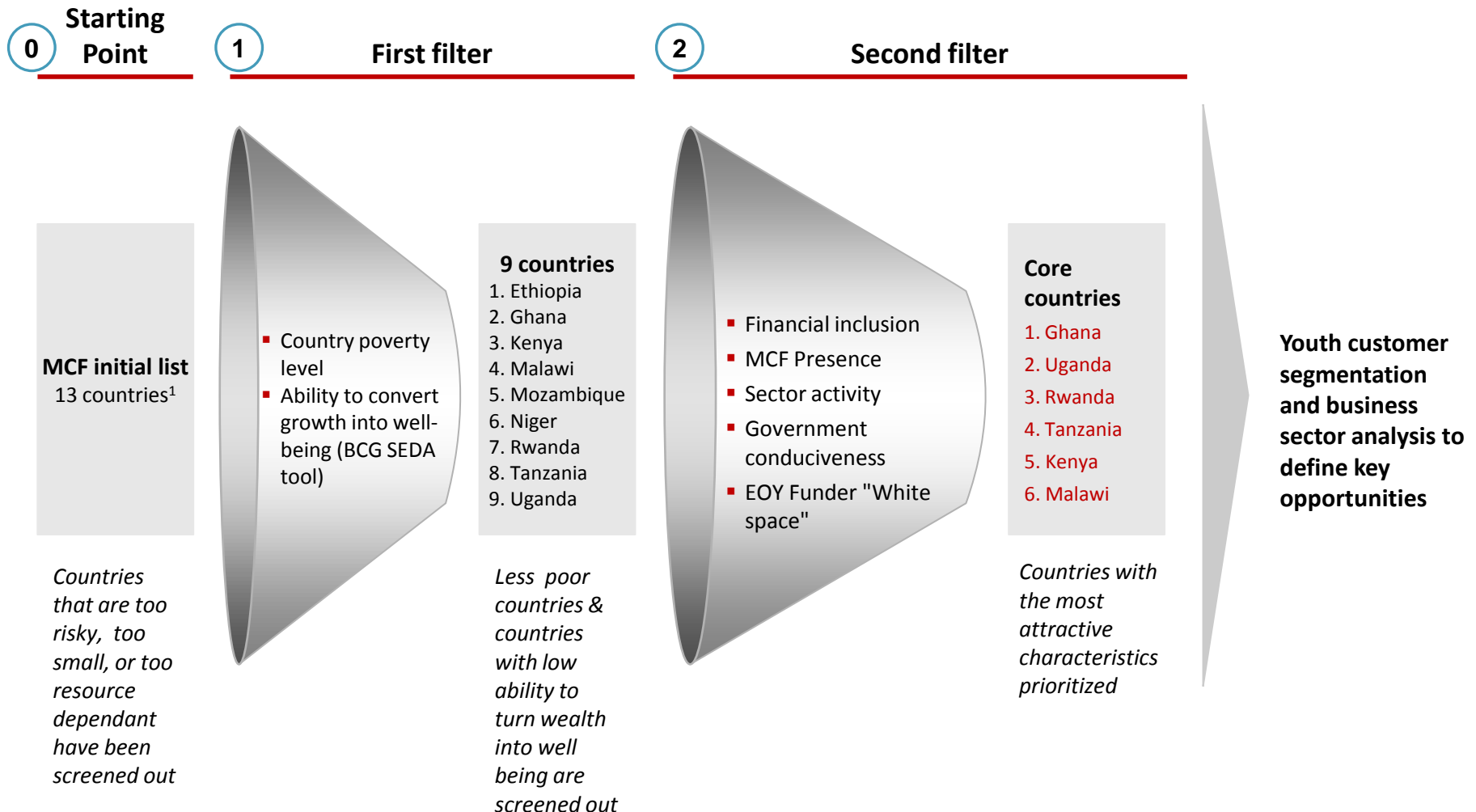
The Economic Opportunities for Youth strategy will initially focus on six priority countries: **Kenya, Malawi, Rwanda, Tanzania, Ghana and Uganda.**

These countries were selected based on a systematic analysis of:

- Demonstrated need, as indicated by the number of disadvantaged youth.
- Presence of Foundation resources.
- Growth in key youth-relevant economic sectors.
- Attractiveness of the enabling environment, financial inclusion policy, economic vibrancy and political stability.
- Presence of active actors in the ecosystem, including government and donors who are committed and dedicated to the EOY space.



Country Selection



1. Cameroon, Ethiopia, Ghana, Kenya, Madagascar, Malawi, Mozambique, Niger, Rwanda, Senegal, South Africa, Tanzania, Uganda



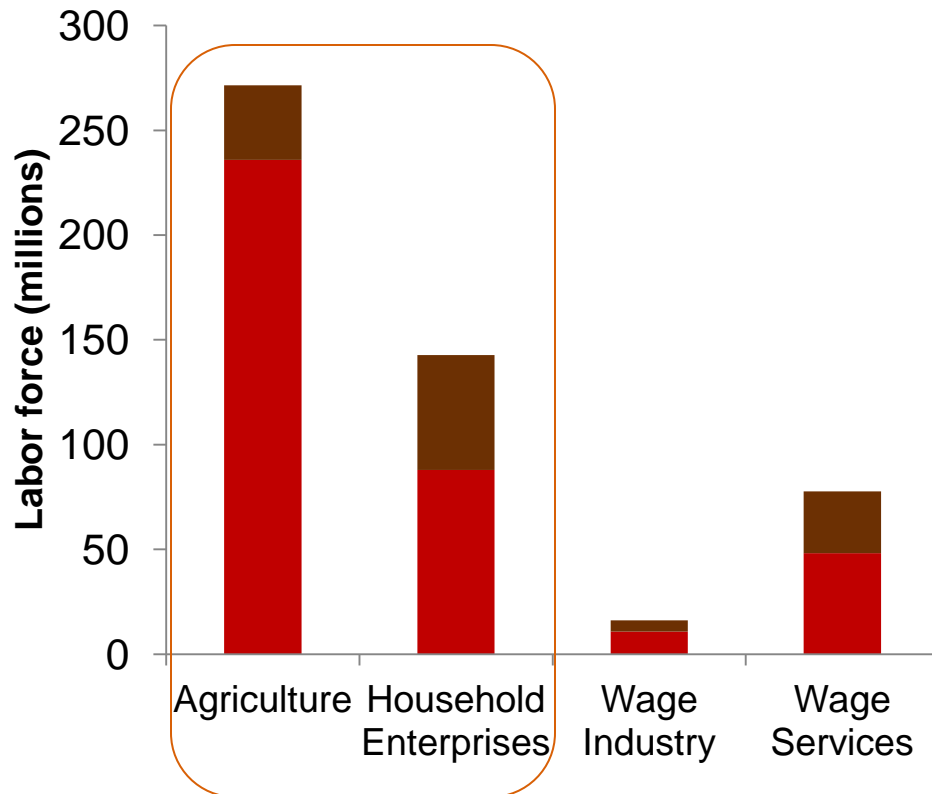
Sector Selection

- The Economic Opportunities for Youth Strategy has identified **Agriculture/ Agri-business, Construction, Retail Hospitality and Manufacturing** as key sectors.
- This was informed by:
 - Identified national growth sectors.
 - Absorptive capacity for large numbers of low-skilled youth.
 - Quantitative analysis of employment in key sectors.
 - Detailed perspectives on opportunities in priority sectors.
 - Key insights from sector analysis.

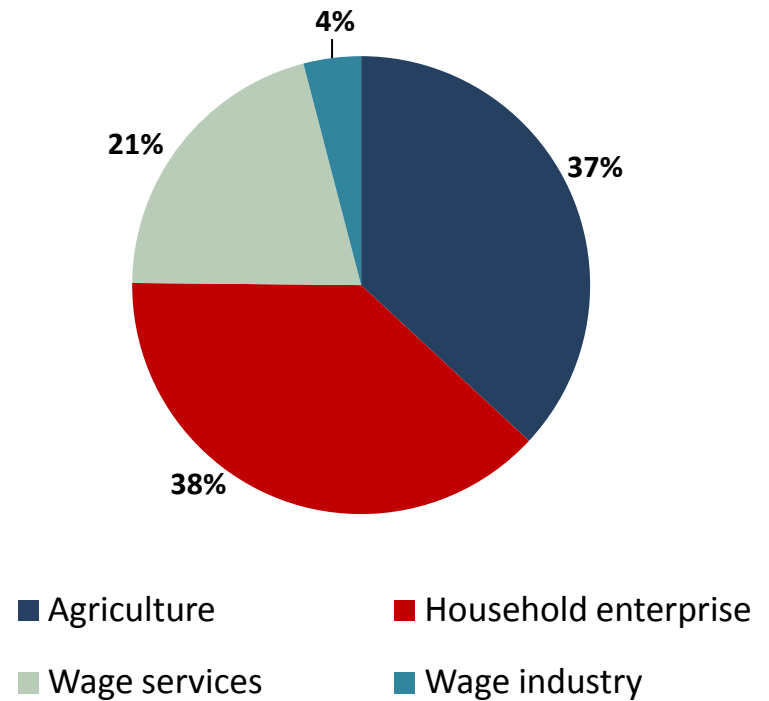


Projected Employment Growth

Projected net new jobs in 2020 compared to 2010



Gross job flows between 2010 and 2020 (percent of new entrant individuals)



Source: Louise Fox, *Youth Employment in Sub-Saharan Africa*, The World Bank February 2014.

■ 2010 ■ New Jobs in 2020



The Impact We Hope to Achieve

- Enable greater numbers of young people to start and expand enterprises, secure employment, improve productivity or continue further training.
- Identify effective, holistic models that support the transition of vulnerable young people to employment and enterprise development.
- Demonstrate economic capability of young people to government and private sector.
- Program at a strategic level, rather than a series of disconnected projects.
- Incentivize partners to implement models that align with our strategy and learning.
- Aggregate and measure consistently to inform our learning framework and build evidence.
- Align with and leverage existing country efforts by government, donors and other actors.



Sample Projects

TechnoServe

- 2011 – 2015, Kenya, Rwanda, Uganda, \$11.5 million, Phase II, \$26M, 48,000.
- 3-month training, 9-month aftercare focused on agri-business.
- More than 9,500 rural young people have completed the program.
- 74% have secured employment or started micro-enterprise.
- Median incomes have increased 150%.
- Savings have increased 59%.
- Direct government engagement in Rwanda.

Harambee

- 2013 – 2018, South Africa, \$11 million.
- 6,000 youth placements made in 3 quarters.
- 40 employer partners in 5 sectors
- Market-based and demand-led approach.
- Relevant work readiness competencies and match young people to their first job.
- Sectors for placements are: Financial services call centres; Retail & Hospitality; International BPO call centres; Artisanal & technical jobs .



Key Learning Questions

- What do different segments of youth need most to be successful and fulfilled economically?
- Which components and in which combinations are required for a sustainable and scalable holistic EOY intervention model?
- What are key employer needs for entry-level labour across priority sectors and where are the most critical pockets of youth-appropriate entrepreneurial opportunity?
- How does the holistic EOY model effectively change the long-run economic trajectory of participants?
- What specific policies, infrastructure, technology and private sector environments are most successful in supporting youth economic opportunity?



Questions

1. How can we better design and enable projects and programs to go to national or regional scale?
2. How can we ensure greater engagement from the private sector and financial service providers to address demand-side challenges?
3. What role can philanthropic agencies play in bi- and multi-lateral coordination and policy dialogue?