

Accelerating Youth Enterprise through Partnership

A Look at the ECYMP Project in the Eastern Caribbean

This “FIELD Brief” is the twentieth in a series produced by the Financial Integration, Economic Leveraging and Broad-Based Dissemination (FIELD)-Support Program. This brief discusses how an innovative partnership model in the Eastern Caribbean helped youth kick-start their business ideas.

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Introduction

USAID and FHI 360 share a commitment to providing young people opportunities to be more productively engaged in their communities. Enhancing the potential of youths to be more entrepreneurial results in better human and community development, such as improved health and education; reduced involvement in harmful and illicit activities; and a stronger sense of civic pride and personal responsibility.

The Eastern Caribbean Youth Microenterprise Program (ECYMP), a cooperative agreement under the FIELD-Support LWA funded by USAID and implemented by FHI 360 and its partner EcoVentures, was designed to address issues of increasing unemployment and the

resulting negative social behaviors of youth in the Caribbean. ECYMP sought to accelerate the creation of sustainable livelihoods and employment opportunities for vulnerable youth (ages 16-30) by supporting both increased employment and the establishment of small businesses by and for youth in Barbados and four Organization of Eastern Caribbean States (OECS) countries: Antigua & Barbuda, Dominica, St. Lucia, St. Vincent.

Recognizing that youth development is most effective when undertaken by local community organizations directly, the project served to build the capacity of national initiatives and local youth-serving organizations (YSO) to deliver needed services to youth. ECYMP piloted a **unique market-driven approach to youth entrepreneurship** development that sought to build the capacity of and transfer needed skills to local YSO partners implement interventions that: a) link youth entrepreneurship interventions to specific market opportunities; and b) develop linkages between youth entrepreneurs and private sector actors as a critical source of market access, technical expertise, and market information.

Throughout the program’s activities, ECYMP placed a high priority on learning, replication, and sustainability in order to extend successful results-oriented practices to other OECS countries, and beyond.

A Participatory Approach

The ECYMP approach employed a participatory methodology that supported local institutions in

the design and delivery of market-oriented youth entrepreneurship programs. This process began with a comprehensive market assessment to map existing efforts and the local capacity of systems to support youth; help partner organizations better understand the economic opportunities that can support youth; and identify the economic sectors that can create the greatest opportunities for young entrepreneurs and workers. Based on this assessment, the program then provided targeted technical assistance to support local partner institutions. In addition, ECYMP mobilized grant funds to augment technical assistance and support livelihood activities within select YSO to incentivize the public and private sectors to innovate and expand services that support youth employment or startup enterprises.

Youth Market Opportunity Assessments

When ECYMP was implemented in 2010-2012, while there had been many youth-oriented needs assessments conducted in the region, few studies, if any, had been carried out to ascertain practical market opportunities for youth. ECYMP engaged partner EcoVentures International (EVI) to conduct comprehensive Youth Market Opportunity Assessments (YMOA) in each of the five participating countries to identify specific economic sectors that can create opportunities for young entrepreneurs. The YMOA guided both the design of capacity building and technical support to YSOs and the “Accelerator Model” pilot grants to fund young entrepreneurs to start or expand enterprises

The YMOA assessment used a participatory methodology that engaged local partners as members of the assessment team. EVI trained local YSOs to perform the YMOA themselves, empowering these YSOs with the ability to identify specific youth oriented microenterprise opportunities as the markets change or new sectors grow. The assessment team met with relevant stakeholders from the public, private, and NGO sectors during a 2-week period to determine: i) economic sectors that are competitive, growing, and suitable to youth; ii) enterprise or employment entry points into identified sectors; iii) skills required for youth to successfully enter identified sectors through targeted entry points; iv) training providers that can equip youth with the skills necessary to enter identified sectors; and v) private-sector, public-sector and/or non-profit actors that can facilitate and/or accelerate youth entry into microenterprise or employment opportunities. EVI produced reports for each individual country outlining the assessment findings, which are summarized in Table I below.

Table I: Youth Market Opportunity Assessment Results

Country	Targeted Sectors
Barbados	Tourism Event Production; Agriculture; Agro-processing; Building Maintenance & Renovation; Environmental Services; Information Technology; Waste Management; Marketing
Dominica	Tourism Accommodation & Services; Agriculture; Agro-processing; Fishing; Livestock; Natural Health & Wellness; Construction; Information and Communication Technology
St. Vincent & the Grenadines	Tourism; Agriculture; Agro-processing; Landscaping & Ornamental Plants; Recycling; Beekeeping; Creative Arts & Services; Light Manufacturing & Mechanics; Information & Communication Technology
Antigua & Barbuda	Agriculture; Agro-processing; Tourism Attractions; Yachting; Event Management; Local Products; Information Technology; Food Services
St. Lucia	Tourism; Yachting; Agriculture; Agro-processing; Fishing; Information Technology; Health & Wellness; Recycling & Waste Management; Media & Creative Services; Solar Energy

The assessments identified very specific and, at times, sophisticated opportunities. While it is natural for youth to gravitate towards establishing businesses they are accustomed to seeing and hearing about—such as barber shops and local food stands—the market-driven opportunities identified by the assessments gave them new ideas for establishing enterprises in sectors with advanced potential for success.

Building on the assessments, EVI designed and facilitated a series of Program Design Workshops (PDW) aimed at capacity-building activities around market development as a core part of a sustainability and replication strategy with local partners. These workshops sought to engage participants in developing the action plan steps which they would employ in assisting the youth in accessing market opportunities identified, while at the same time building their capacity to operationalize market-based programs. Eight organizations and eleven staff regionally participated in the YMOA, while six organizations with between one to three staff from each have benefitted from the PDW.

Applying the Value Chain Methodology

At the core of ECYMP's market-driven approach was the recognition that it is essential to examine the entire value chain in order to identify where the most strategic opportunities lie in each sector and where there are gaps that can allow future entrepreneurs to position themselves in the most advantageous role. In order to generate improvements in the supply or quality of any product, one needs to consider all aspects of the range of steps in the chain of events from production to consumption, including both opportunities and constraints, and the demand and supply of necessary products and services. In this context, the value chain methodology helped support young people in making educated, demand-driven business process decisions. For example, a hotel that is seeking to buy local produce but is unable to find consistency of product or reliability of delivery amongst local vendors presents a key target market. A good look at the value chain helped determine if the best point of entry for new actors would be as the producer of high quality vegetables, as input suppliers who are necessary to provide start-up resources such as seeds and supplies to initiate the farmer's production, or within transportation services to facilitate more timely and safe delivery of products. Examining and understanding the whole market system can open doors to new opportunities.

Utilizing Youth Market Opportunity Assessment Results

The country-specific YMOAs allowed the project participants to identify:

- general support services necessary for young entrepreneurs to be successful;
- business models for support services necessary for young entrepreneurs to be successful;
- sector-specific support services necessary for young entrepreneurs to be successful;
- existing service providers with the capacity to deliver support services;
- existing market actors with whom young entrepreneurs may form business linkages;
- internal incentives that potential market actors may have to partner with young entrepreneurs providing new, goods and/or services into targeted sectors; and
- partnership models that generate mutually beneficial effects for young entrepreneurs and existing market actors

The Accelerator Partnership Model

The Accelerator Partnership Model was a key component of ECYMP's methodology that helps to launch youth entrepreneurs into successful enterprises. The “pull” factor refers to the market forces that can

absorb youth enterprises into a market system, and are activated through partnerships with existing market actors who can accelerate the success of new youth enterprises. The “**push**” factor, on the other hand, refers to those services that prepare young people to launch new enterprises or to support them from outside of the market system in which they operate, such as YSO. This model was not about creating opportunities, but rather linking youth to existing private sector actors and therefore **accelerating** their progress. By providing a sense of ownership and community to all parties involved, the Accelerator Partnership Model offered a business approach with a social focus.

ECYMP also recognized that effective private sector partnerships should benefit each partner in a way that responds to each partner’s internal incentives and objectives. In the case of private sector partners, the partnership should be in their best business interest. A common but detrimental mindset when partnering with youth is to consider the relationship philanthropic or charity work. It is essential to reframe the idea of buying from this person because they are a youth, and instead focus on buying from this person because they have services your business needs. At the same time, ECYMP worked with private sector partners to bring something tangible to the table as part of the Accelerator Model.

Examples of what private sector partner might provide include: technical training, commitments to supply, access to buyers’ networks, direct marketing, physical space, internship/apprenticeships, mentoring, client referrals or advice on industry certification.



AN ECYMP YOUTH ENTREPRENEUR DISPLAYING HER WARES

Table 2: Who Gets What

Private Sector Partner Provides	How Private Sector Benefits
Must bring something tangible to partnership that will in some way support enterprise or employment opportunities for young people	Must be tangible business benefit that makes it in companies' own interest to pursue market partnership being offered by project
How Young People Benefit	Youth Support Organization Role
relationship with private sector partner must be mutually beneficial and not push young people into exploitative relationships with private sector partners	provides strategic support to young people, the private sector partner, or a supporting organization in order to decrease (buy-down) the risk of the market partner or of the new enterprises and create a broad demonstration effect for how market linkages can strengthen livelihoods for youth

One Youth's Perspective

"It was always my passion, my dream, to be a successful business woman and I never gave up." Ismela Henry, A Touch of First Class Laundromat

Growing up on St. Lucia's coastal town of Soufrière, Ismela Henry was accustomed to the yachting and tourism industry. Approximately 4,000 yachts arrive through the Soufriere Marine Management Association's (SMMA) mooring zones every year, bringing in more than 12,000 passengers annually. Ismela's dynamic personality and previous work at the Soufrière Port allowed her to develop relationships with boat captains and tourists, often arriving after spending weeks at sea. A recurring question in her daily interactions with the tourists was, "Where can I find a laundromat?" Currently, the closest laundromat is a 40-minute drive from Soufrière. The ECYMP Market Opportunity Assessment for St. Lucia specifically noted laundry services as a microenterprise opportunity in the yachting sector related to onshore services development in Soufrière.



Ismela recognized the business opportunity for a laundromat in Soufriere to serve clients from yachts, small hotels and restaurants, and local residents. However, despite her enthusiasm for investing in a laundromat, she was unsuccessful in securing a loan from the local banks. Without access to funding, she resorted to offering laundry services operating out of her home, using her personal washing machine, hand washing delicates, and line drying clients' clothes.

The SMMA partnered with Ismela to submit an application for an ECYMP Accelerator Grant to supply the resources to start her business. Serving as the accelerator, the SMMA will provide market access to yacht clients through advertising space and will also refer clients to the newly established laundromat. Additionally, Ismela approached a local loans facility, BELFund Inc., to leverage funding from ECYMP. As a second private partner and accelerator, BELFund offers loan access, skills training, and mentorship to Ismela. Together, SMMA and BELFund offer institutional support for Ismela to become self-employed and fill a niche in the tourism industry in Soufrière. To complete the Accelerator Partnership Model, both private partners also receive a tangible business benefit that makes the partnership mutually worthwhile. In this case, SMMA will benefit from the development of a professional laundromat as an additional service to attract yachts and increase business. As an accelerator, BELFund stands to benefit in fulfilling its mandate and establishing another youth microenterprise in St. Lucia.

A Accelerator Grant of \$10,000 was awarded to Ismela and her partnership team to help bring her services to a ready marketplace. The funds are currently being used to procure equipment, materials, and cover some start up costs necessary for the laundry service. A Touch of First Class Laundromat is set to open this winter with a profitable and sustainable business model. Ismela Henry will soon see her dream come true as she establishes herself as one of the few young self-employed women in Soufrière.

Cross-cutting Technical Assistance & Capacity Building

One-on-One Technical Assistance:

ECYMP also established a competitive process to provide YSOs with technical assistance in developing more effective and appropriate youth microenterprises. This type of application process turned out to be new to many YSOs and one that fell outside of their typical duties and responsibilities. Tailored **one-on-one technical assistance** was provided by partner EVI to assist YSO with refining ideas and strategies for projects and in preparing the concept papers for submission. ECYMP noted the substantial improvement from the first to final drafts submitted after YSO received technical assistance from EVI.

Entrepreneurial Skills Training:

In addition to previous workshops mentioned above, EVI presented experiential, participatory entrepreneurship and workforce development training tools through a **Training-of-Trainers Program**. Curricula for a Marketplace Simulation and an Agri-Market Simulation were designed to deliver learning to semi-literate (define in footnote?), vulnerable youth using fun, simulation-based methodologies. The topics included critical life skills including empowering youth to visualize a better future, financial literacy, entrepreneurship and employment, as well as savings-focused financial mechanisms. Recognizing the lack of a broad entrepreneurial culture in the region, a key focus of the training tools was to develop creative entrepreneurial thinking using youth-friendly methodologies.



PARTICIPANTS AT AN ECYMP WORKSHOP GOT A HANDS ON EXPERIENCE

Organizational Development Training:

The ECYMP team recognized that the partner YSO needed support in a number of organizational development areas, and engaged FHI 360's USAID-funded Capable Partners Program (CAP)¹ to conduct training to strengthen the operational and technical capacity of the YSO. CAP conducted a rapid assessment of the organizational capacity of each of the grantees; provided training to grantees in key areas of need; and presented an overview of resources that the grantees can access to support organizational growth. The four-day **Organizational Development Training** included the following:

- Organizational Development;
- Project Cycle Management;
- Project Design and Budgeting;
- Project Implementation;
- USAID Rules and Regulations, with a focus on Procurement; and
- Organizational Sustainability and Resources for NGOs.

Building Partnerships Training:

ECYMP also engaged The Executive Minds Inc.² to design and develop a **Private Sector Partnership Toolkit** to provide practical resources and guidance to YSOs and entrepreneurs for creating and sustaining mutually beneficial partnerships with the private sector. The practical toolkit included tips and

¹ <http://www.fhi360.org/projects/capable-partners-program-cap>

² <http://theexecutiveminds.com>

templates for preparing various communications to develop relationships with impact. It trained the reader to think from the perspective of the potential partner and inspires them to approach the relationship with confidence. The Private Sector Partnership Toolkit, which was provided to each participant, included the following practical sections

- Initiating the Partnership Relationship
- Relationship Building
- Partnership Proposals & Agreements
- Marketing YSO Value
- Partnership Support Documents
- Press Relationships with the Partner in Mind



PARTICIPANTS HAPPY TO RECEIVE THEIR TOOLKITS

A key exercise presented to build confidence is the concept of *attracting* versus *selling*:

Selling Mindset: How can I persuade the potential partner to buy into my project?

Partner's Perception: "You want something from me."

Attracting Mindset: How can I show the partner the opportunity and benefit of my services so that they will engage?

Partner's Perception: "You bring value to me."

Lessons Learned

Implemented on an accelerated schedule, ECYMP faced notable challenges given the short timeline of the project (18-20 months), changes in field staff, and natural disasters, given the Caribbean's vulnerabilities during hurricane season. Many lessons were learned from the experience, which are briefly discussed below.

Throughout the course of the program, several valuable trainings were offered to assist YSO that support market-driven youth workforce and entrepreneurship development. The assessments of the organizational capacity of the YSO included in the Organizational Development Training would have had a greater impact towards the initial stages of the program. Similarly, learning the rules and regulations of USAID funding would have been instrumental in preparing them to develop concept papers and applications. Additionally, having a better sense of the current capacity of the YSOs would have allowed the project to anticipate forthcoming issues and adjust the training schedule to better serve the participants' needs. Likewise, the building partnerships training would have been more valuable earlier in the process as well. Equipping the YSO and youth entrepreneurs with the Private Sector Partnership Toolkit before they initiated partnerships with the private sector would have prepared them with the tips and tools needed to establish relationships with confidence.

In addition, taking time from work and personal commitments to attend training sessions and workshops was a challenge for many individuals. Some YSOs could only commit to attending portions of trainings or they would send different representatives to participate on alternating days. Some lessons and applications might get lost when the attendance of sessions is broken up between different

individuals. This practice also made it difficult for the trainers to know each participant's starting point in the program which can impede the pace and progress of the trainings. Therefore, program should seek to hold shorter trainings, or ensure buy-in from participating YSOs' leadership to ensure complete attendance (or something—how to address the challenge.)

It is also important to differentiate amongst partnering YSOs based on their services and objectives, for example BELFund, a YSO with experience in funding youth microenterprises would be engaged differently than other YSOs whose core functions include training and business development support, receiving different types of trainings and having different subagreement structures under the USAID program design. Specific focus should also be placed on strengthening the partnerships and referrals among these agencies to create more sustainable linkages and benefit the youth and their businesses in the long-term.

Conclusion

Despite ECYMP's short period of performance, the program resulted in substantial impact for the participating youth entrepreneurs in the Eastern Caribbean region. The grants fund included awards for technical assistance to establish a youth entrepreneurship resource room at Dominica Youth Business Trust and preparation to develop a youth business incubator; the expansion of a resource room at Barbados Youth Business Trust; and the development of a youth entrepreneurship training component for Marion House in St. Vincent. Additionally, ECYMP directly supported building the capacity of 125 individuals in 57 organizations across the five countries.

The methodology that was successfully used by ECYMP presents a market-driven participatory model with a youth perspective, one that can readily be adapted for use in other contexts and regions. The key elements of the program's design—market assessments with active participation by stakeholders, technical assistance matched with accelerator grants, and all of the necessary building blocks for effective and strategic private sector partnerships—combine to leave behind an array of alliances and enhanced local capacity to create positive, sustainable opportunities to maximize enterprise opportunities for young people.