



PRODUCTIVE WORK FOR YOUTH IN ARMENIA – supporting young entrepreneurs

Context

The global financial crisis seriously shattered Armenia's economy while increasing unemployment and poverty levels. The unemployment rate of youth (aged 15 to 24 years) has risen to 39.2% in 2011. Therefore, youth unemployment must be tackled. Given the limited absorptive capacity of the Armenian public sector and of the formal labour market, and given that entrepreneurship and self-sustainable businesses greatly contribute to economic growth, job creation, structural change and innovation, youth entrepreneurship strategies must be swiftly unfolded.

Strategy

With the financial support of the Government of Austria, and together with the Armenian counterpart institutions, the UNIDO project supports youth-led enterprise creation and expansion, thus promoting sound private sector development in Armenia. The project follows a comprehensive approach providing non-financial and financial services with support during and beyond the start-up phase, and also promoting a more conducive environment particularly for youth-led businesses.

SUPPORT TO YOUNG ENTREPRENEURS

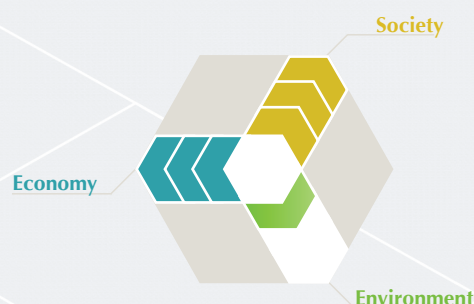
Young aspiring entrepreneurs receive direct assistance in creating/developing their own businesses through non-financial and financial services. They receive entrepreneurship training, counseling and coaching, and technical assistance. In addition, they have the possibility to access funding through the youth business revolving fund, which is established through the project and hosted by the SME DNC. Institutional capacity building is rendered as and where necessary.

OUTREACH AND AWARENESS RAISING

Media campaigns on entrepreneurship raise awareness on youth entrepreneurship as a feasible option to create employment and will prevent the apparent caution particularly amongst women towards risk-taking and profit-making. The positive effects of entrepreneurship on individual, community and socio-economic development will be underlined and in particular, successful women entrepreneurs will be showcased to encourage young women to enter into business.

TOWARDS A MORE CONDUCTIVE BUSINESS ENVIRONMENT

In order to fully profit from the positive externalities like job creation and innovation that can be expected from local businesses, current issues related to the business environment have to be addressed. Therefore, a concrete action plan and recommendations for political decision-makers at the national and regional (marz) level are developed during an Expert Group Meeting (EGM) on this topic with a special focus on youth-led enterprises, with the participation of political decision-makers, experts, and development partners.



Expected Results:

Impact: contribute to the much needed systemic change, where both public and private sector render more and better financial and non-financial support to youth-led enterprise creation and expansion. SMEs and young entrepreneurs are the most prolific in creating jobs and in innovating, therefore it is strategically important for Armenia to develop its youth entrepreneurship activities. By supporting young entrepreneurs to turn their business ideas into profitable enterprises, the project will show that funding schemes targeted towards youth create win-win situations for all involved.

It is expected that over 300 potential and existing young entrepreneurs (of which 50% women) received tailored entrepreneurship training, and up to 80 youth-led businesses and start-ups received access to funding via the youth business revolving fund, pay back their loans and that at least 55 of them will continue to grow, thus creating even more jobs for young people.

Recommendations and action plan on a more conducive business environment, which should prompt political decision-makers to positively influence the national/regional business environment, thus making it more conducive for young entrepreneurs.

At a Glance

MDGs:	MDG1, target 1B: achieve full and productive employment and decent work for all, including women and young people
SCOPE:	Lori and Shirak marzes
BENEFICIARIES:	Youth start-up entrepreneurs
DURATION:	44 months
DONOR:	Government of Austria
GOVERNMENT	
CO-ORDINATING AGENCY:	Ministry of Economy
EXECUTING COUNTERPART:	SME Development National Center