



OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.

TOGETHER

for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as "developed", "industrialized" and "developing" are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact <u>publications@unido.org</u> for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at <u>www.unido.org</u>



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.

PROJECT APPROACH

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 a conducive business environment for youth-led businesses and sound private sector development in Armenia; which is an integral part of inclusive and sustainable industrial development (ISID).

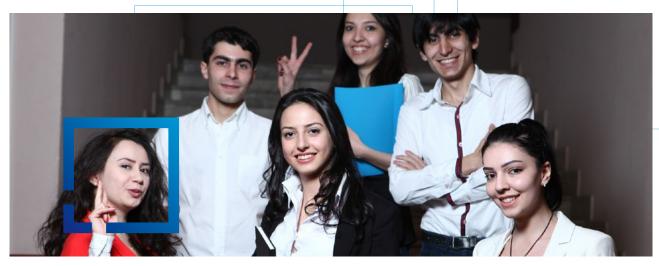
The project follows a comprehensive approach providing non-financial and financial services with support during and beyond the start-up phase. The project aims to demonstrate that youth are credit worthy and capable of turning loans into profitable businesses thus contributing to the much needed systemic change, where both public and private sector render more and better financial and non-financial support to youthled enterprise creation and expansion.

PROJECT IMPACT

• **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, counselling 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 Development National Center (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.
- **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.



For more information on the project contact: ituyouth@unido.org For more information on UNIDO: www.unido.org/ituyouth

PRODUCTIVE WORK FOR YOUTH IN ARMENIA SUPPORTING YOUNG ENTREPRENEURS



PROJECT RESULTS

» 300 potential and existing		proposals	
young entrepreneurs, 50 % female, receive entrepreneurship training	» 168 trainees	 » 500 training applicants, 32% female » 230 trainees, 36% female 	» Trainees: 136.9%
 » 80 potential and existing young entrepreneurs receive access to funding via the youth business revolving fund and pay back their loans » 55 of them will continue to grow, thus creating 100 additional jobs 	 » 45 loans approved » Repayment: according to pre-defined schedules, no delays 	 » 179 Ioan applications, 34.6 % female » 119 Ioans preliminary approved/ granted (28.6 % female), for the total amount of around €740,000 68 Ioans actually disbursed, total €426,835 (end of June 2015) 15 beneficiaries refused or were denied after final vetting 36 Ioans are in the process of disbursement, total around €230,000. » 57 jobs created at initial stage 	 » Granted /approved loans: 264 % » Repayment: Out of 68 actually funded by the end of July 2015, four (4) cases of delay were detected. In all cases full guarantee amounts have been compensated to the bank from the Revolving Fund, but no loan loss is registered, loans are being recovered » Jobs created: 57 already observable at start-up stage, more new jobs by the same businesses expected at growth stage (particularly by recently funded businesses)

PARTNERS

• Ministry of Economy, SME Development National Center

PROJECT BENEFICIARIES

• Youth start-up entrepreneurs aged 18 to 35 years with special attention to young families and young women.



For more information on the project contact: ituyouth@unido.org For more information on UNIDO: www.unido.org/ituyouth