



TOGETHER
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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 youth-led 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
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PROJECT RESULTS

Targets after 25 rounds of training and calls for proposals as per ProDoc	Targets after 14 rounds of training and calls for proposals	Results after 14 rounds of training and calls for proposals	Achievements / targets reached
<ul style="list-style-type: none"> » 300 potential and existing young entrepreneurs, 50% female, receive entrepreneurship training 	<ul style="list-style-type: none"> » 168 trainees 	<ul style="list-style-type: none"> » 500 training applicants, 32% female » 230 trainees, 36% female 	<ul style="list-style-type: none"> » Trainees: 136.9%
<ul style="list-style-type: none"> » 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 	<ul style="list-style-type: none"> » 45 loans approved » Repayment: according to pre-defined schedules, no delays 	<ul style="list-style-type: none"> » 179 loan applications, 34.6% female » 119 loans preliminary approved/ granted (28.6% female), for the total amount of around € 740,000 <ul style="list-style-type: none"> • 68 loans actually disbursed, total € 426,835 (end of June 2015) • 15 beneficiaries refused or were denied after final vetting • 36 loans are in the process of disbursement, total around € 230,000. » 57 jobs created at initial stage 	<ul style="list-style-type: none"> » 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.



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