



## Youth-Led Procurement- A Youth in Action Approach

The active participation of youth and their ownership of the process- as an approach- is key for successful youth livelihood programming. Youth in Action is using this approach to support youth in identifying and exploring livelihood opportunities through a combination of non-formal educational and practice-oriented learning experiences, which increases their access to the labor market and provide them with livelihood opportunities, they choose themselves. This is achieved through a learning phase where the young women and men develop a set of skills necessary to successfully engage in market-oriented decisions and opportunities that includes building literacy, numeracy, financial literacy, life skills and entrepreneurship skill. Then, youth enter the action phase where they choose a livelihood pathway of choice (vocational training,

apprenticeship, returning to school and setting up a small business. These choices are supported by mentorship, peer-to peer support and a small grant, which is accompanied by the

**Youth-Led procurement component.** Youth-led procurement (YLP) supports youth with the transfer of a small cash grant to purchase materials or services needed to pursue a livelihood development opportunity. In Ethiopia, YiA focuses on the enterprise pathway which means the focus is on small business income generation. The small cash grants are to be used to contribute to set up of business ideas. Youth in Action team undertook a rapid cash transfer Feasibility and Risks Assessment (FRA) in order to determine whether the use of YLP was appropriate to their context. The FRA looked at various delivery mechanism options to transfer the livelihoods grant to the youth. The options considered included transferring cash through saving accounts in a Microfinance Institutions (MFIs), banks, direct distribution by the implementing partner, and use of saving and credit cooperatives or village saving and loan associations. The outcomes of the assessment showed that the use an MFI was the most cost-effective and the most appropriate delivery mechanism. In addition, it promoted more linkages between the young participants and more formal financial institution with potential access to other services in that institution. A partnership was established with a local MFI called Amhara Credit and Saving Institution (ACSI), where the youth open savings accounts and the small grants are distributed into these accounts. Youth can then access their funds through ACSI local branches in the communities. During this process, youth are supported by YiA's local implementing partner, the Professional Alliance for Development (PADet) in close collaboration with SC's YiA team. Prior to the disbursement of funds to the youth, PADet facilitates the setup of a procurement committee in the different communities where YIA operates. This committee is made up of local experts from the local agriculture office as well as community members and administrators involved in local trade and businesses. The role of the committee is to provide the youth with technical support/ advice regarding the quality and quantity of goods to purchase for their businesses as well as prices and specific market locations. Below are the steps involved in the distribution of livelihood grants to youth:

- 1. Approval of youth business plans by master trainers**
- 2. PADet officers develop distribution lists that include youth personal data, parent or care giver's data and the amount to be transferred.**
- 3. SCI validates the action plan and budget and transfers the required amount to PADet account**
- 4. PADet shares distribution lists with ACSI zonal branch and transfers funds to their accounts.**



**5. ACSI zonal branch transfers funds, distribution lists and amount of grant to its local branches**

**6. Youth collect cash from the local ACSI branch**

**7. Youth identify markets and determine dates for purchase with the purchase committee**

**8. Youth purchase goods from the Market**

**9. PADet and SCI carry out post distribution monitoring**

From the YLP study that was conducted, it was observed that majority of parents contributed to the youth start up business capital. Family members have provided both cash and material support to their children's businesses. The study showed that 66% of the parents have provided matching grants to their children. Once youth have purchased what they need to begin implementing their business idea, PADet and SC monitor the businesses and provide mentorship support. In addition, part of the YLP process uses a post distribution monitoring tool that looks at key important areas of the YLP process and follow-up. This includes the time it takes the youth to collect their small grant from the MFI, how the cash has been used and the overall perception of the community about YLP. Not only does the YLP address the lack of access to credit for youth's businesses, but it also constitutes a programmatic and operational tool that allows more flexibility for YiA participants in the purchase of livelihoods goods/services; incurs less logistic and procurement charges, allowing a greater retribution of funds to beneficiaries; and supports the local economy by ensuring that the required good/services are purchased locally. It also provides the participating youth with a sense of responsibility and ownership over their project, and ultimately turns them into actors of change rather than simply recipients of aid.