



MID TERM EVALUATION

The Next Economy Project – Phase II – Funded by
Iceland

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ABSTRACT

To a significant extent, the TNE program exceeded its intended results at the output level and at the outcome level.

Table of Contents

List of Tables	2
List Of Figures.....	3
Acronyms	3
Executive Summary.....	4
Background	6
The Next Economy Project Phase II.	6
Country context	7
Overall Objective of the mid-term evaluation.....	7
Evaluation Methodology.....	8
EVALUATION QUESTIONS	8
EVALUATION APPROACH AND TOOLS	8
DATA COLLECTION AND ANALYSIS	8
EVALUATION LIMITATIONS	9
FINDINGS.....	10
RESPONDENT DEMOGRAPHIC CHARACTERISTICS	10
RESPONDENT AGE GROUP.....	11
RESPONDENT EDUCATION LEVEL.....	11
EMPLOYED OR OWNED BUSINESS BEFORE THE TRAINING	12
Main findings on evaluation question 1: What results has TNE achieved at the output, outcome and impact levels among young people?	12
Main findings on evaluation question 2 - To what extent and how does the TNE programme influence external actors in the ecosystem?	17
Main finding on question number 3: What improvements can be made within the current project period to have a greater impact on the lives of youth?	18
Main finding on question number 4: In which ways can the TNE program maximise sustainability?	19
Conclusion.....	21
Recommendations	22
Annexes.....	24

List of Tables

Table 1:Project outcomes, outputs and impact.....	7
Table 2:Distribution of MTE respondents.....	8
Table 3: Employability graduates across internship placement, based on TNE monitoring data 2022-3	14
Table 4: Employability graduates across job placement, based on TNE monitoring data from 2022-3	15
Table 5:Entrepreneurship graduates across target and actual number of start-ups established.	16
Table 6:Change in Income of survey respondents.....	16

List Of Figures

Figure 1: Gender of the respondents.....	10
Figure 2: Respondent Age Group.....	11
Figure 3: Respondent Education Level.....	11
Figure 4: Employed or owned business before the training.....	12
Figure 5: How useful was the employability and entrepreneurship training.....	12
Figure 6: Internship placement found	13
Figure 7: Percentage of online survey respondents who were (not) able to secure jobs.....	14
Figure 8: Percentage of respondents who were (not) able to start a business.....	15

Acronyms

TNE	The Next Economy
MTE	Mid-Term Evaluation
SOS CV	SOS Children's Villages
ToR	Terms of Reference
SME	Small-Medium Enterprises
TVET	Technical, Vocational Education Training
KII	Key Informant Interview
FGD	Focus Group Discussion

Executive Summary

The Next Economy phase II — implemented by SOS Children's Villages in Somaliland and Somalia, funding by the foreign ministry of Iceland through SOS ICELAND, has three main outcomes; helping youth earn income through decent work, assisting them in developing viable start-up businesses, and facilitating their integration into a conducive labor market. The overall objective of the Mid-term evaluation (MTE) is to determine how TNE can be adjusted in its last one year to maximize the impact on the lives and livelihood of project participants. According to the Terms of Reference (ToR), the main question the TNE team wants to see answered through the MTE is: “What can be done in the remaining time of the project to maximize the impact on lives of youth participants up to the end of the project and beyond?”

The evaluation team used a project results framework the MTE. The project’s results framework was used as basis and starting point for the evaluation team for structuring the evaluation and conducting the data analysis, providing insights into any needed adjustments to TNE's implementation work plan. The evaluation team used a mixed-methods approach, i.e. a mix of quantitative and qualitative tools. The following methods were applied:

- Document review of project related documents
- Online survey that was administered to former participants in the two locations
- In-person and online key informant interviews (KIIs) and n-depth interviews with key stakeholders.
- In-person focus group discussions (FGDs) with enrolled participants in (2022 and 2023) in Hargeisa and Mogadishu locations.

In the following, selected key findings and recommendations of the MTE are presented:

To a significant extent, the TNE program exceeded its intended results at the output level (number of trained participants) and at the outcome level. As a mid-term evaluation, it is early to assess results at the impact level. At the policy or system level, findings have shown that the SOS Somaliland has had a significant influence on government entities but there still a room for improvement. Furthermore, the project contributed to increase internship/job placement opportunities and facilitated young people’s accessibility to finance by meaningfully engaged and attracted job providers and financial institutions. In addition, to sustain the project impact, one of the highlights from the MTE findings is to further engage the local implementing partners to increase their roles in a certain level in the implementation of the project and SOS CV Somalia/Somaliland resume as the grant management role to emphasize the localization of the project interventions.

The survey findings highlighted a gap that the project design not accommodating enough the low/no education background young people as well as female project participants. therefore, future project design could be added market demanding skills appropriate for the most disadvantaged young people (i.e. TVET education and digital skills) and there should be further analysis on the root causes of gender imbalance in job placements & start up. Additionally, the match funding recipient target is very low compared to the entrepreneurship graduates, so the MTE recommends increasing number of match funding recipients and establish revolving fund pool. Finally, even though the project influenced the implementation of existing policy (i.e. Internship policy), there is a huge need for supporting the government bodies for the development and/or updating of the youth-employment related policies.

Background

The Next Economy Project Phase II.

The Next Economy phase II — implemented by SOS Children's Villages in Somaliland and Somalia, funding by the foreign ministry of Iceland through SOS ICELAND, has three main outcomes; helping youth earn income through decent work, assisting them in developing viable start-up businesses, and facilitating their integration into a conducive labor market. The project is conducted in phases, beginning with preparing the program and understanding the local labor market, followed by inspiring and skill-building activities, and finally supporting youth in starting their own businesses or finding formal employment through internships. By working with various local business incubation hubs, the private sector and government, TNE matches the ambitions and career goals of young people with the needs and opportunities in the labour market. TNE aims to support motivated young people lacking access to decent work by empowering market-demand skills training, on-the-job-support and entrepreneurship skills with coaching and mentorship support. The project training pathways consists of Core Life Skills, which funnels through into Employability or Entrepreneurship Training. Ultimately, this aims to generate jobs through matching young people to internships and supporting start-ups with matching fund and crowdfunding opportunities.

Table below summaries the TNE programme results, as per the project proposal for the second phase.

Impact statement To increase local employment opportunities for young men and women in Somaliland and Somalia	Outcome 1- Youth earn an income through decent work aligned to their skills and interests	Output 1.1 - 560 Youth in Hargeisa and Mogadishu locations have the core life skills for employability.
		Output 2.2- 420 Youth in Hargeisa and Mogadishu locations complete the employability training.
		Output 1.3- 300 youth participating in the Decent Job Placement Program in Hargeisa and Mogadishu locations internship placements
	Outcome 2- Youth earn an income through decent work aligned to their skills and interests	Output 2.1 -140 Youth in Hargeisa and Mogadishu locations have the core life skills for entrepreneurship
		Output 2.2- 100 Youth in Hargeisa and Mogadishu locations complete Entrepreneurship training.
		Output 2.3- 30 Youth start-up supported to start viable business
		Output 2.4- 10 SME's in Hargeisa and Mogadishu supported with scale up grants and business development training
Outcome 3- Youth	Output 3.1- Advocate, engage and support with duty bearer/Government in the enforcement and implementation of youth employment and entrepreneurship policies and frameworks	

	work in a conducive labour market for finding jobs and starting a business	Output 3.2- Participation of National Events and Conference (National Entrepreneurship Week, National and International Youth Days, National Employment Conferences
		Output 3.3- Engagement of private sector on youth internship, youth business (start-ups & SME's) and employment creation

Table 1: Project outcomes, outputs and impact

Country context

In comparison to Somaliland, government is very weak in Somalia. However, in Somaliland core public services are functional. The economy is highly informal, although work on business licensing has been undertaken. Both in Somaliland and Somalia the banking sector is growing. The private sector is geared towards construction (building and rebuilding infrastructure) and retail (answering primary needs) as well as livestock production. Much economic activity is also sparked or directly supported by the humanitarian sector with donors support economic engagements and development, often in the primary production and service sector. Somali youth are exposed to many problems on the ground. The private sector is still severely limited and jobs are often gained via informal channels, rather than advertisements and fair recruitment process. The educational sector is highly dispersed, with many different curricula being taught and little alignment on qualification and credentials or facilitation to the labour market. The entrepreneurial ecosystem and support services are gradually growing in size and quality, but are still far below the level that would be needed for a country with such a high proportion of young people. With limited economic prospects and ongoing security concerns, migration is also an ongoing topic for youth and is becoming more multifaceted. In addition to a continuing outgoing stream of rural-urban migrants. These internal migrants exacerbated the high rate of youth unemployment in urban areas while job opportunities highly competitive, and this limits the disadvantaged young people's chance to get a decent job.

Overall Objective of the mid-term evaluation

The overall objective of the MTE is to determine how TNE can be adjusted in its last one year to maximize the impact on the lives and livelihood of project participants (youth). According to the Terms of Reference (ToR), the main question the TNE team wants to see answered through the MTE is: "To find out the current project achievements/status and what can be done in the remaining time of the project to maximize the impact on lives of youth participants up to the end of the project and beyond?"

Evaluation Methodology

EVALUATION QUESTIONS

1. What results has TNE achieved at the output, outcome and impact levels among young people?
2. To what extent and how does the TNE programme influence external actors in the ecosystem?
3. What improvements can be made within the current project period to have a greater impact on the lives of youth?
4. In which ways can the TNE program maximize sustainability beyond 2024?

EVALUATION APPROACH AND TOOLS

The evaluation team used a project results framework to the MTE. The project's results framework was used as basis and starting point for the evaluation for structuring the evaluation tools and conducting the data analysis, providing insights into current project achievements, gaps, lessons learned and any needed adjustments to the project's remaining period. The evaluation team used a mixed-methods approach, i.e. a mix of quantitative and qualitative tools. The following methods were applied:

- Document review of project related documents
- Online survey that was administered to former participants in the two locations
- In-person and online key informant interviews (KIIs) or in-depth interviews with key stakeholders.
- In-person focus group discussions (FGDs) with enrolled participants in (2022 and 2023) in Hargeisa and Mogadishu locations.

DATA COLLECTION AND ANALYSIS

The evaluation team collected quantitative data through a survey among youth and collected qualitative data through FGDs and KIIs targeting the project stakeholders including project team, training providers, internship providers and line ministries. In addition, the evaluation team conducted a desk review of key project documentation, including the TNE's monitoring database.

Distribution of respondents, by project locations

Respondents	Hargeisa	Mogadishu
# of KIIs held	8	5
# of FGDs held	2	2
# of FGD participants	18	18
# of online survey respondents	100	100

Table 2: Distribution of MTE respondents

EVALUATION LIMITATIONS

- Although the evaluation team was from SOS Somaliland/Somalia, we hired a data collection team, but an external evaluator would have been better placed to conduct the assessment to avoid any bias. Due to a lack of budget availability, we conducted internal research.
- The project's efficiency and value for money were not assessed due to time limitations, and the questions that highlighted these topics were not included in the evaluation questions.
- The data collection method required a substantial amount of time, and the response rate from the respondents was slow, causing delays in obtaining the necessary information on time.
- The MTE was supposed to be conducted at half point of the project (one-half year), however as the project is designed the project participant support cycle takes one year to complete (Jan-Dec). Therefore, the MTE could not be conducted at its ideal time.
- The two MAs (SOS SX/SO), have full fledged M&E departments with the capacity to conduct continuous monitoring aligned with RBM. Hence, conducting any type of evaluation (internal/external) is recommended to be outsourced to an external evaluator due to limited human resource and expertise capacity.

FINDINGS

In this pivotal find chapter, we navigate through the areas of interest from the mid-term evaluation. In this chapter we will focus on four evaluation questions by delving into both the qualitative and quantitative data. The four questions are as follows:

- What results has TNE achieved at the output, outcome and impact levels among young people?
- To what extent and how does the TNE programme influence external actors in the ecosystem?
- What improvements can be made within the current project period to have a greater impact on the lives of youth?
- In which ways can the TNE program maximise sustainability?

RESPONDENT DEMOGRAPHIC CHARACTERISTICS

1.1.1. Gender of Respondent

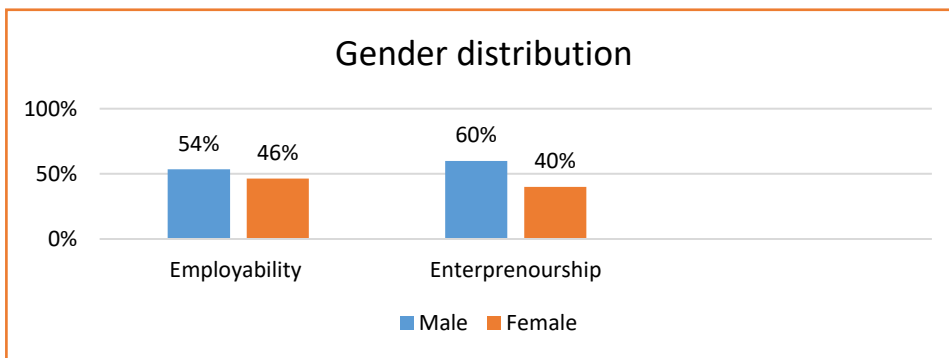


Figure 1: Gender of the respondents

As the above figure indicates that the majority of respondents in the employability survey were male, accounting for **54%** of the total. Similarly, in the case of entrepreneurship respondents, **60%** males. Although the project monitoring database indicates the admission of project participants, the gender ratio was **50/50**.

RESPONDENT AGE GROUP

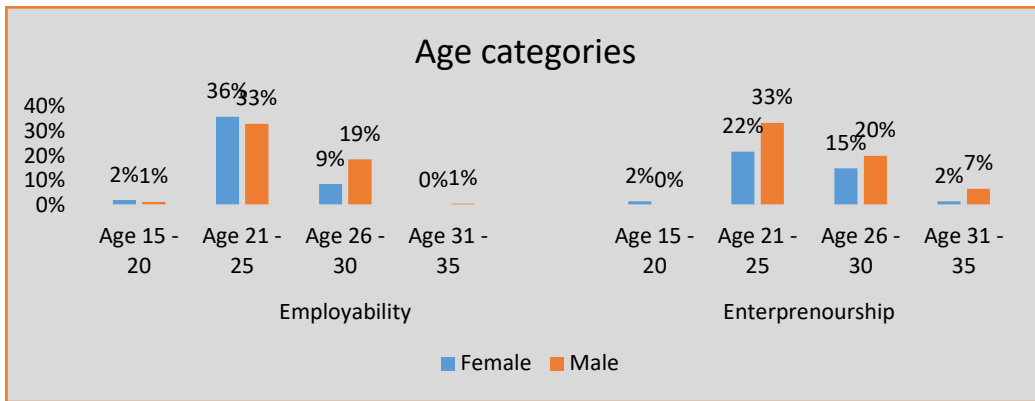


Figure 2: Respondent Age Group

According to the chart above, the majority of respondents in the employability survey (69%) fell within the age range of 21-25 years. A smaller percentage (28%) fell within the age range of 26-30 years.

RESPONDENT EDUCATION LEVEL

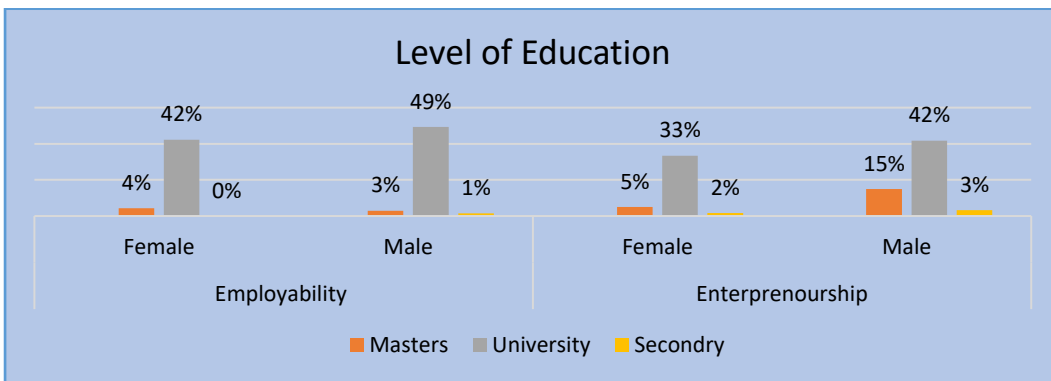


Figure 3: Respondent Education Level

According to the chart, a significant majority of respondents in both the employability and entrepreneurship surveys were university graduates. Specifically, 91% of respondents in the employability survey and 77% in the entrepreneurship survey reported having a university degree.

EMPLOYED OR OWNED BUSINESS BEFORE THE TRAINING

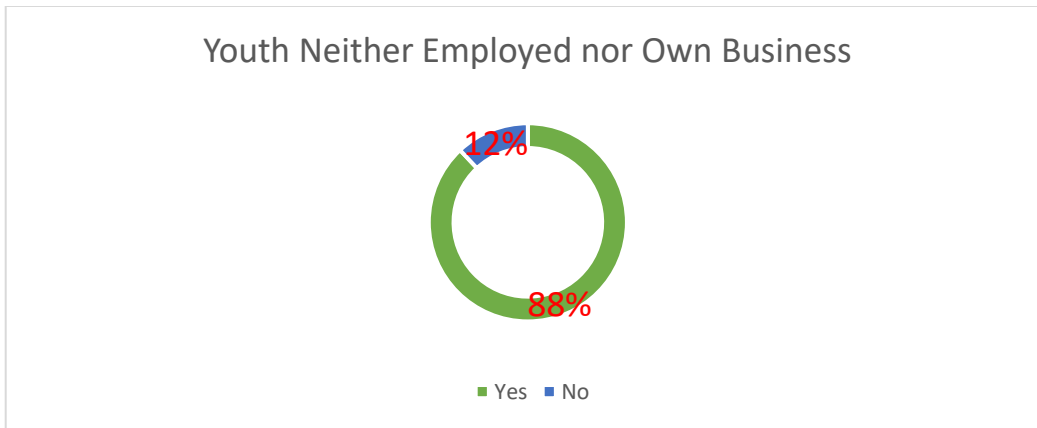


Figure 4: Employed or owned business before the training

In the MTE survey, 88% of respondents reported not having any jobs or owning a business before being admitted in to the program.

Main findings on evaluation question 1: What results has TNE achieved at the output, outcome and impact levels among young people?

Generally, the TNE project has achieved its intended results at considerable level in 2022-3 implementation. Almost all online survey participants in Hargeisa and Mogadisho mentioned that the training received was useful, as shown in figure 5 below. In the FGDs, participants of the entrepreneurship and employability streams mentioned that training materials and facilitators were helpful in providing entrepreneurial and employability skills and knowledge. Furthermore, participants in the employability FGDs mentioned that the TNE employability training has changed their mind-set on how they search for jobs. Similarly, those in the entrepreneurship stream reiterated the importance of the training in allowing them to understand the best practices in starting a business.

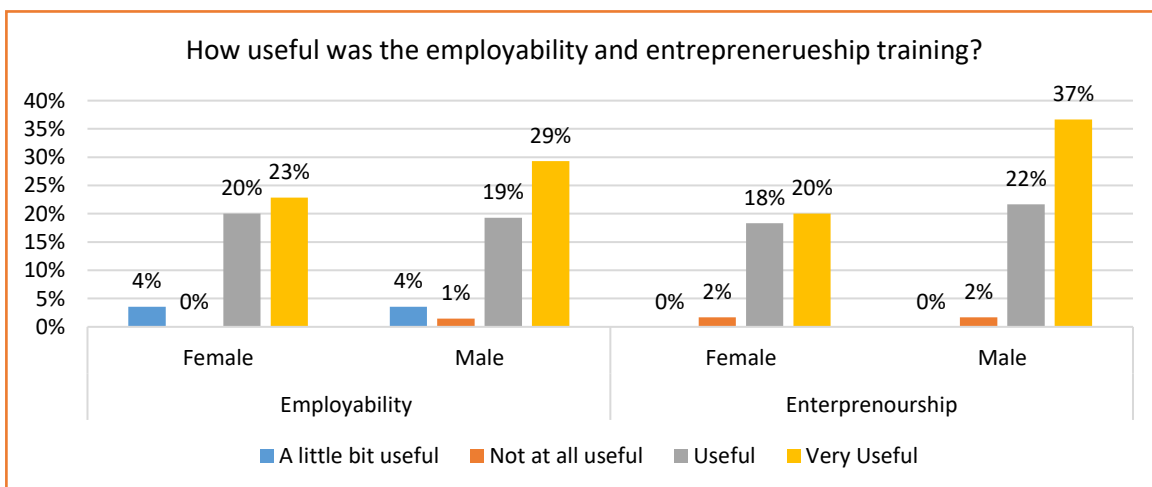


Figure 5: How useful was the employability and entrepreneurship training

The above chart shows that 52% responded employability training were very useful, and 39% responded useful, while 8% responded a little bit useful and 1% not at all useful. Whereas 57% responded that entrepreneurship training was very useful, 40% useful, and 4% a little bit useful.

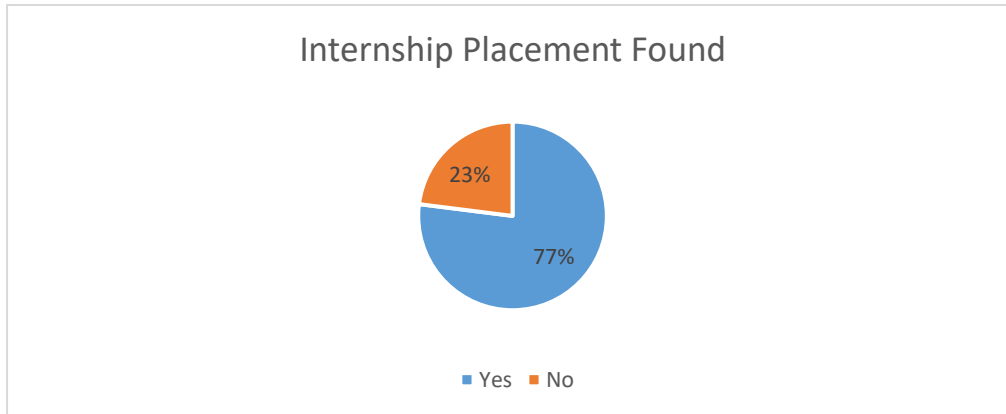


Figure 6: Internship placement found

On internship placement during the employability stream, 77% of the respondents participated in internship placement, whereas 23% of respondents did not. When compared to the mid-term project internship targets to the actual project internship placement reached, there is a significant difference.

“We had challenges securing internship for all the participants particularly female participants” (SONYO staff).

Employability stream participant who has completed the TNE programme in 2022 and first half of 2023 also confirmed

“Some of the challenges of getting an internship placement was that they could not find a company that would absorb them as interns and while others said they already had jobs, and that they would not want to take an internship” (FGD participants).

Employability graduates across internship placements, based on TNE monitoring data from 2022-3

Location	# that completed employability training (2022-2023)	Target for internship (2022-2023)	Actual for internship (2022-2023)	% of actual internship placement total completed training	% of actual internship placement vs targets actual
Hargeisa	Total: 175	100	106	61%	106%
	65 M				
	110 F				
Mogadisho	Total: 186	100	123	66%	123%
	101 M				
	85 F				

Table 3: Employability graduates across internship placement, based on TNE monitoring data 2022-3

What is notable from the above table, that TNE is not targeting to place all graduates from the employability pathway in internships. It is worth highlighting that both locations surpassed the target set for internships (Hargeisa 106% & Mogadisho 123%).

Percentage of online survey respondents who were (not) able to secure jobs.

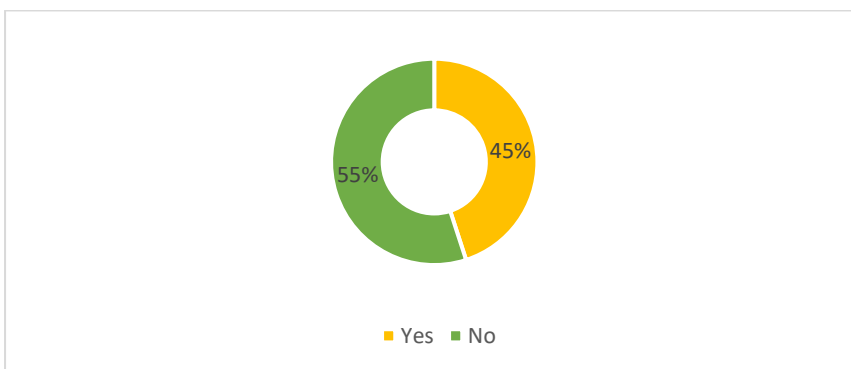


Figure 7:Percentage of online survey respondents who were (not) able to secure jobs

This Pie chart shows that 45% of respondents had secured decent jobs, whereas 55% of respondents had not found job following internship. On securing jobs after the employability training, almost all of the FGD participants who completed the TNE project in 2022 and 2023 said, they have applied jobs but not selected. However, during the interview they were optimistic that they will be able to secure jobs in the near future.

Employability graduates across job placements, based on TNE monitoring data from 2022-

Location	# that completed employability training (2022-2023)	Target for job placement (2022-2023)	Actual for job placement (2022-2023)	% of actual job placement vs total that completed the training	% of actual job placement targets vs actual
Hargeisa	Total: 175 65 M 110 F	57	55	33%	96%
Mogadisho	Total: 186 101 M 85 F	56	61	30%	108%

Table 4: Employability graduates across job placement, based on TNE monitoring data from 2022-3

Similarly, the targets for the job placement of the employability training graduates was exceeded (Hargeisa 96% and 108%) according to the TNE project monitoring database.

Percentage of online survey respondents who were (not) able to start a business, disaggregated gender.

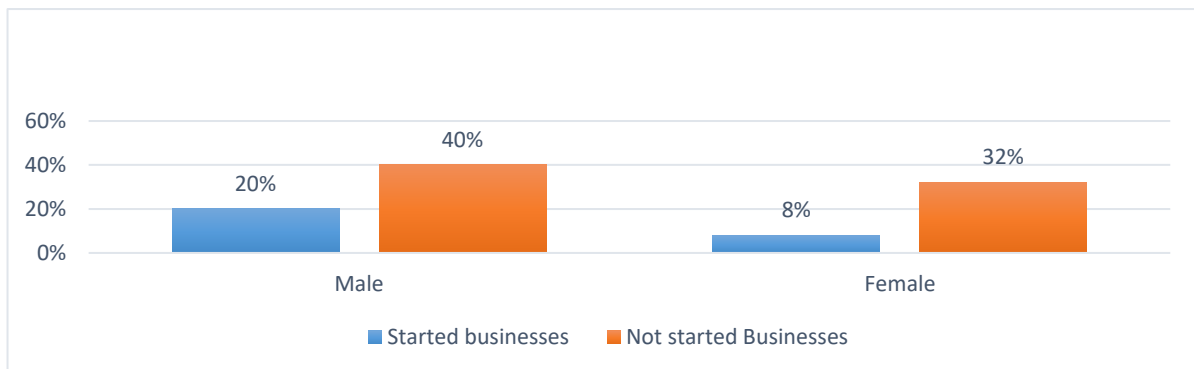


Figure 8:Percentage of respondents who were (not) able to start a business

In the online survey was administered to project participants in the entrepreneurship stream, 72% (40% male & 32% female) were unable to start businesses, while 28% were able to. Of those who had already launched a business, 8% were women and 20% were men.

Entrepreneurs graduates across target and actual number of start-ups established, based on TNE monitoring

Project Location	# that completed entrepreneurship training (2022-2023)	Target for business start-up (2022-2023)	Actual business start-ups (2022-2023)	% of actual business start-ups vs total that completed the training	% of business start-up targets vs actual
Hargeisa	Total: 35 21 M 14 F	12 youth (6 m & 6 f)	12 youth (8 m & 4 f)	Total: 34% 28% M 42%F	Total: 100% 133% M 67%
Mogadisho	Total: 55 29 M 26 F	Total: 12 6 M 6 F	Total: 12 7M 5F	Total: 22% 21% 23%	Total: 100% 116% M 83% F

data from 2022-3

Table 5:Entrepreneurship graduates across target and actual number of start-ups established.

According to the TNE's consolidated mid-term project monitoring data, more than half of the participants in entrepreneurship training and online crowdfunding did not get the project match-funding seed grant due to the project's initial design. This is also included in TNE's 2022 narrative reports: the total number of participants who launched start-ups was 24 youth, which is the target number of the project.

Concerning the income change of the respondents in Hargeisa and Mogadishu, there was an appreciable change in the income of respondents across the employability and entrepreneurship streams, as can be seen in below table.

Change in income per month of online survey respondents, before and after the TNE employability and entrepreneurship training.

Employability and Entrepreneurship Participants		
Income (in USD)	Before training	After training
Less than 100	167	119
Between 100 and 200	23	31
Between 201 and 300	5	25
Between 301 and 400	3	12
Above 400	2	13

Table 6:Change in Income of survey respondents

According to the survey, the project participants' income status after the training shows a significant change. In general, the percentage of income improvement of the respondents (moving from one class to another) 24.5% (48 respondents).

How equitable and inclusive is the programme and what barriers exist?

In Mogadishu and Hargeisa, the ratio of female to male participants admitted to the project was equal, or slightly more female participants. However, as the project monitoring data shows, lower proportions of women are finding jobs or starting businesses compared to men. Also, the online survey provides some insights into some of the reasons why a lower proportion of women are finding jobs or starting a business: in both locations, female respondents mentioned that they could not secure a job placement yet because they were planning to get a job suitable for their skills and experiences;

“Salaries on job offers were too low; and the jobs are male dominated which is culturally not favorable work environment for women e.g., car shops & spare parts” (Female FGD participant).

In the two locations, female respondents to the online survey mention that they could not start a business

“We need additional capital on top of our crowdfunding money to start fame-related business such as Beauty Salons and Cosmetics shops” (Female FGD participant)

On the online survey administered project participants in the employability and entrepreneurship stream, in employability 15% of respondents reported some sort of disability and 4% of entrepreneurship participants reported disability. Although the project design and the current participants are perfectly matched, the most disadvantaged young people (Low literacy or no education) have a minimum chance of participating and benefiting from the project interventions as indicated in the project admission criteria and the nature of the training program.

Main findings on evaluation question 2 - To what extent and how does the TNE programme influence external actors in the ecosystem?

The TNE project have worth-saying influence on the external actors and the ecosystem of youth employment. At the project level, there are activities such as job fairs and conferences where partnership building foster relationships between implementing partners and private institutions and prospective government agencies. At the policy level, in Hargeisa, SOS Somaliland and its implementing partners influenced the implementation of the National Internship and Employment policies. This partnership initiative has allowed for more internship placements in Hargeisa. However, there is no evidence of how implementing partners in Mogadishu are influencing the policies that support youth development. In addition, the partnership engagement has been able to engage government bodies such as Ministry of Trade, Industry and Tourism, Ministry of Youth and Sports, and Ministry of Employment, Social Affairs and Family (MESAF).

“At the individual and environmental levels, there is a notable influence on the work of other actors in the ecosystem by providing support for companies or encouraging them during

business engagement meetings and job fairs as to why they must hire interns, or by simplifying or creating appropriate micro-credit conditions for young entrepreneurs. We also train businesses and organizations by identifying their gaps and developing a customized training course using the TNE curriculum that will help them stay profitable and innovate. This process also enhances their ability to hire young people from the TNE program.” (TNE Coaches).

Most importantly, the partnership engagement provides an opportunity for an ongoing one to one session with business mentors and young entrepreneurs. The one-to-one session involves general advice on business registration, access to finance, opening an account, seeking funding for entrepreneurs, information on training availability and arranging inspirational sessions.

Nevertheless, like this huge ecosystem interventions need to have an adequate budget allocated to engage and influence the policy environment to build a long-lasting and conducive youth employment systems that will work beyond the project's lifetime.

“The youth employment policy frameworks existing in the project context are limited due to the country’s financial capacity for development or updating existing policies, therefore there is a room for supporting in policy enforcement and development of missing policies” (SONYO Manager).

Main finding on question number 3: What improvements can be made within the current project period to have a greater impact on the lives of youth?

To further enhance the project implementation and improve the interventions to maximize the impact, the mid-term evaluation considered few areas including directly getting the response of the program graduates for the last two years (2022 & 2023): Firstly, it is crucial to enhance the practicality of the training, incorporating hands-on exercises and real-life case studies will allow participants to apply these skills in practical scenarios. Additionally, offering extra networking opportunities through events or mentorship programs can facilitate connections with industry experts and fellow trainees, providing valuable relationships and opportunities for learning. Moreover, Participants evaluated the support provided by their coaches in identifying employment goals and rated it positively and extending the duration of mentorship and coaching sessions is recommended. Longer-term support will enable participants to receive sustained guidance and assistance throughout their journey, equipping them with the necessary skills and knowledge to overcome obstacles and achieve their goals.

“The coach really assisted me build a strong resume and directed to job posting sites that I did not even know that they exist before I joined the program”. (FGD participant)

On the other hand, the respondents claimed that the program should be improved in terms of building enabling ecosystem through policy influence, partnership and engagement to private sector to increase the job and internship opportunities and reach.

“Facilitating and creating connections and networks between the young people and the job/internship providers and local banks to find decent jobs or access to startup capital”. (FGD participant).

Furthermore, another recommendation for improving the program implementation is to integrate the TNE program with existing programs to create synergy and maximize impact.

“Mainstreaming the program model into universities as a way to expand its reach and ensure that more students can benefit from the program. In addition, the youth from other cities who have the employment challenges.”. (MESAF KII Representative).

Establishing sustained partnerships with banks was identified as another area for improvement. Such partnerships would provide participants with access to financial resources and support for their entrepreneurial endeavor, increasing their chances of success.

“Young people have difficulty accessing micro-credit institutions owing to unfavorable loan terms, which impedes youth start-up or scale-up investment. Also, there is an opportunity to lobby for banks to simplify or create loan terms that are suited for young people to encourage self-employment efforts.”(IRISE Manager).

Main finding on question number 4: In which ways can the TNE program maximise sustainability?

The sustainability of program results beyond the duration of The Next Economy program was a key topic of discussion. Informants discussed the strategies and measures taken to ensure that the program's outcomes continue to have a lasting impact. Several key strategies were highlighted for consideration. First, informants emphasized the importance of program localization. This includes incorporating local knowledge, cultural considerations, and contextual factors into program design and implementation. Adapting the program to the specific context and needs of local communities would increase its relevance and long-term impact. Another recommendation was to mainstream The Next Economy model into universities and other educational institutions and provide for the university instructors a ToT training on delivering the TNE curriculum. By mainstreaming the program's content and principles into formal education systems, more young people can benefit from the program's training and resources, ensuring the sustainability of its impact. Partnerships with financial institutions was also suggested.

*“I personally, believe that the next economy program has opened my eyes to the job market, which I had no idea, and not studied it in the university, nor high school”.
(FGD participant).*

In addition, the TNE best practices, lessons learned and the model itself should be integrated to the SOS CV youth-related future programming.

To emphasize the continuity of the program impact, the project support and advocate for building a strong synergy between the training providers and local banks/job providers to takeover the project interventions even after the end of the TNE project.

Conclusion

To a significant extent, the TNE program exceeded its intended results at the output level (number of trained participants) and at the outcome level. As a mid-term evaluation, it is premature to assess results at the impact level, knowing fully that it takes time to grow a business after successfully kicking it off and lasting to adequate time for measuring the success of the business and shifting young people's mindsets to become entrepreneurs, as well as the internship to job placement for young people in the employability stream will take sometimes due to the highly competitive job market.

By collaborating with other like-minded programs (i.e, TNE Netherland), The project has been able to influence the public and private actors, affecting youth employment in the target areas. Contextually, these sites have set new standards for generating a circle of influence for these ecosystem members. At the policy or system level, findings have shown that the SOS Somaliland has had a significant influence on government entities but there still a room for improvement. To increase internship/job placement chances and create access to finance, the project contributes line ministries to build conducive employment ecosystem and attract potential job providers and investment institutions by organizing nation-wide activities such as job fairs and national employment conference.

The support and guidance provided by the program's coaches played a crucial role in assisting young individuals in their employment goals and navigating the labour market. On the coaching sessions, TNE has initiated several methods of providing coaching support at different points in the life of the project. However, young people indicated the number of coaching session received is limited.

To sustain the project impact, one of the highlights from the survey findings is to further engage the local implementing partners to increase their roles in a certain level in the implementation of the project and SOS CV Somalia/Somaliland resume as the grant management role to emphasize the localization of the project interventions.

Recommendations

- **Project match funding:** according to the MTE findings, number of entrepreneurs awarded with project match funding compared to the graduates are relative very low (Hargeisa 34% and Mogadishu 21%). Therefore, the target number of match funding recipients should be increased in the future. To establish a pool of revolving fund (30% grant & 70% loan) which also increases the sustainability and accessibility of youth entrepreneurs to a long-term scale up investments. On the other hand, instead of providing uniform startup capital, the MTE recommends to base the amount of capital by the type of business and the business plan.
- **Policy environment:** although the project influenced the implementation of existing policy (i.e. Internship policy), there is a huge need for supporting the government bodies for the development and/or updating of the youth-employment related policies.
- **Extend mentorship/coaching duration:** Prolong the duration of mentorship provided to program participants. Mentorship is a valuable resource that offers ongoing guidance and support to individuals as they navigate their professional journeys. Extending the duration of mentorship will enable participants to receive continuous guidance, advice, and encouragement as they progress in their careers or business ventures.
- **Partnerships with banks:** Establish strategic partnerships with banks to provide financial services and support to program participants. Partnering with banks can open up opportunities for participants to access financial resources, such as loans, credit lines, or investment options. This collaboration can play a crucial role in empowering young entrepreneurs, enabling them to secure funding for their business ventures and ensure their sustainability.
- **Female program participants (Employability/entrepreneurship):** as the survey indicates there is considerable difference in the gender ratio for the employment and startups due to several factors mentioned. Therefore, there should be further analysis on the root causes and based on that develop a tailored-support for the female participant.
- **Participant Income Change:** as the program design, the participant income is not recorded during the admission, which makes it difficult to compare the participant income change at evaluation and impact measurement stages.

- **Partnerships with Universities:** Strengthening partnerships with universities to mainstream the TNE modal is a crucial step towards ensuring the sustainability of The Next Economy program. By collaborating with universities, the program can make the training more accessible and scalable to a larger population of students.
- **Localize the program:** Tailor the program to the specific needs and context of local communities. This involves understanding the unique challenges and opportunities in different regions and adapting the program accordingly.
- **Program Inclusive for Most Disadvantaged young people:** as the TNE program intervention is designed to empower youth with skills (e.g. University graduates 91% of the respondents) while young people with relatively lower literacy level or no education have limited change to join and benefit from the program. Hence, future project design could be added market demanding skills appropriate for the most disadvantaged young people (i.e. TVET education and digital skills).
- **Project Intervention Need and Relevance:** There is a significant demand gap between the high rate of the project applicants and the admission target in the targeted locations. In addition to that, youth who have similar living conditions (to project target) in neighboring cities frequently approached the project team/training providers to access the project service support. The MTE recommends to take into account these huge need in this year and future interventions.

Annexes

1. Project Proposal



THE NEXT ECONOMY

How African youth make it work.

Project Title	The Next Economy (TNE), Youth Employability and Entrepreneurship Skill Training – Phase 2
Country, Locations	Somalia, Hargeisa and Mogadishu
Project duration	36 months (1 st January 2022 to 31 st December 2024)
Project Overall Objective	To create local employment for young men and women in Somalia and Somaliland
Total grand budget	751,943 euros

LARGE INTERNATIONAL CORPORATES, SOCIAL BUSINESSES AND WORLD'S LEADING CHILD CARE ORGANIZATION JOIN FORCES IN AN AFRICAN INITIATIVE TO INSPIRE, TRAIN, COACH FACILITATE AND ENABLE SOMALI YOUTH TO; START THEIR OWN BUSINESS AND PREPARE THEM, IN COOPERATION WITH THE PRIVATE SECTOR, FOR A 'DECENT JOB'

INTRODUCTION

The African continent is on the rise. Although experiencing a relatively rapid economy growth during the past 15 years, the economic opportunities are not yet translating into opportunities for its youth. Being the world's youngest continent, the large majority of the 420 million youth seem not to benefit and experience great difficulty in transitioning into formal decent employment. Although youth unemployment figures are relatively low in Sub-Sahara Africa, these numbers do not provide a realistic perspective on the actual situation of African youth. With a large majority of youth having to contribute to household incomes, they cannot afford to be idle. Inducing employment in the in-formal sector (accounting up to 80% in some countries), 70% of the youth in Sub Sahara Africa are under-employed and considered to be part of the "working poor".

*"The employment challenge is therefore not just to create jobs in the formal sector, important as that may be, but to increase the productivity of the almost 80 percent of the workforce who will be in the informal sector, thereby addressing the underemployment associated with work in this sector. The size of the youth bulge in Africa and the current structure of the economy mean that the majority of this generation's workers will remain in the informal sector for the duration of their working lives."*¹

To substantially contribute to the youth employment challenge, actions should therefore both be geared towards generating additional employment opportunities by youth themselves through self-employment and

¹ Youth Employment in Sub-Sahara Africa, Africa Development Series, World Bank, 2014

2. Project Reports

ANNUAL PROJECT REPORT

January - December 2022



Member association:	<i>Somaliland and Somalia</i>	Funding PSA(s):	<i>SOS ICELAND</i>
Programme:	<i>Next Economy Project</i>	Reporting period:	<i>January - Dec, 2022</i>
Programme units:	<i>Youth Empowerment</i>	Report compiled by:	<i>Abdirahman Hassan</i>
Start of activities	<i>1st January 2022</i>	End of activities	<i>December 31, 2024</i>
Validated by IOR			

4. Project Log Frame

Results framework									
Programme	The Next Economy Phase II - Youth Employability and Entrepreneurship	Date	28.09.2023	Baseline	Target (2022-2024)	Targets 2022	Results 2022	Targets 2023	Results 2023
Results chain	Indicator	Source of Verification [SoV]	Baseline	Target (2022-2024)	Targets 2022	Results 2022	Targets 2023	Results 2023	
Impact	To increase local employment opportunities for young men and women in Somalia								
Outcome 1	Youth earn an income through decent work aligned to their skills and interests	% of young people found long term decent jobs/work aligned to their skills and interests.	Evaluation Report	0	170	57	54	56	62
Output 1.1	560 Youth in Hargeisa and Mogadishu locations have the core life skills for employability.	# of young people graduated from life skills for employability	Activity Report and attendance sheet	0	560	187	195	187	190
Output 1.2	420 Youth in Hargeisa and Mogadishu locations complete the employability training.	# of young people graduated from life skills for employability	Activity Report and attendance sheet	0	420	140	176	140	185
Output 1.3	300 youth participating in the Decent Job Placement Program in Hargeisa and Mogadishu locations internship placements	# of young people who found job placement	Registration sheets, Internship agreements	0	300	100	106	100	123
Outcome 2	Youth developed a viable start-up business that sustains themselves and SME scaled up.	# of youth who completed entrepreneurship skills created jobs for themselves (self-employed)	Evaluation Report	0	30	10	10	10	12
		# of SMEs received scale up grants and business development services		0	10	4	4	4	4
Output 2.1	140 Youth in Hargeisa and Mogadishu locations have the core life skills for entrepreneurship	# of young people graduated from life skills trainings	Reports, Attendance sheets	0	140	46	55	46	45
Output 2.2	100 Youth in Hargeisa and Mogadishu locations complete Entrepreneurship training.	# of young people graduated from entrepreneurship trainings	Reports, Attendance sheets Training action plans	0	100	33	47	33	43
Output 2.3	30 Youth start-up supported to start viable business	# of Youth start-ups business supported	Quarterly Reports, Business plans, Grants provided	0	30	10	12	10	10
Output 2.4	10 SME's in Hargeisa and Mogadishu supported with scale up grants and business development services	# of SME supported	Reports Training action plans Grants provided	0	10	4	4	4	4

5. MTE ToR



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