Empower Youth to Engage in Responsible Investment in Agriculture and Food Systems

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- Foster youth engagement in policy-making processes
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- Empower youth to benefit from large-scale agribusiness investments

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Welcome to 'Empower youth to engage in responsible investment in agriculture and food systems'.

This course is intended to complement the series of three courses 'Creating an enabling environment for responsible investment in agriculture and food systems - Fundamentals - Analysis - Reform'.

It aims to provide guidance on youth-specific issues that should be taken into consideration when creating an enabling environment for responsible investment in agriculture and food systems.

The course is principally based on FAO's assessment and policy work to support youth's responsible investment in agriculture and food systems in Africa, with additional evidence and examples from other regions.

Who should take this course

Click on the cards below to see why each stakeholder may be interested in this course.

I want to ensure that the policies,
I design really laws and incentives to empower youth to engage in.

I want to address youth-specific issues in my programmes and foster youth involvement in responsible investment in agriculture and food systems.

I want to strengthen my capacities to promote youth engagement in responsible investment in agriculture and food systems.
What you will learn in this course

By the end of this course, you will have learned:

- why it is important to empower youth to engage in responsible investment in the agri-food sector;

- why it is essential to engage young people in policy dialogue on responsible investment in agriculture and food systems and what steps can be taken to empower youth to participate in such decision-making processes;

- what are some of the most common challenges faced by young people who want to invest in agriculture and food systems, and the main measures that policy-makers can adopt to address them; and

- why a conducive policy, legal and regulatory framework is critical to ensure that young people benefit from large-scale investments and what measures policy-makers can adopt in this regard.
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Increasing responsible investments in agriculture and food systems is essential to ensure food security for a growing population and create thriving rural communities. Boosting youth engagement in these sectors is crucial in this regard.

**Youth**

There is no universally valid definition of ‘youth’. The United Nations defines ‘youth’ as all women and men between the ages of 15 and 24. The African Union uses a broader age range (15 to 35 years).

The operational definition and nuances of the term ‘youth’ are context-specific, depending on relative sociocultural, institutional, economic and political factors. In general, and for the purpose of this course, the term ‘youth’ is understood as comprising young adults rather than children.

Youth are not a homogenous group and differences pertaining to education, social background, geographical location and gender should be taken seriously. The needs, capacities and constraints of, say, a young urban graduate and a rural farmer with a basic education vary considerably.
In many countries, the rural-urban migration of people, in search of better livelihood opportunities, has created a generation gap in the agriculture sector. The ageing of the on-farm labour force in turn reduces innovation and investment in the sector.

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**Did You Know?**

The average age of farmers is increasing globally.

In many developed countries, but also in Africa, the average age of a farmer is about 60.

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Young people can inject new energy into agriculture and food systems and be vectors of change, sustainability and modernization, capable of responding to the challenges of climate change and ensuring food security for future generations.

Yet in many rural areas, youth associate employment in agriculture with hard work and low incomes. Too often, young people are in precarious and informal employment and experience exploitative working conditions. Also, due to lack of access to land, financial services, information and market opportunities, young farmers and small-scale producers have very
limited perspectives to move from subsistence activities to flourishing and viable agrifood businesses.

Due to this difficult situation, in many countries, rural youth are raising their voices and asking governments for measures that protect and support them in building their future. Let's listen to them.

*Cclick on the flashing circles to hear what rural youth have to say*
We want to be part of decision-making processes!
We want youth-friendly agricultural investment policies!
We want a comprehensive and robust support system for our businesses!
We want to contribute to the economic development of our country and be a good example for young people who want to venture into agrifood systems!
We need access to land, education and financial support to start our own businesses!
We demand decent jobs and a brighter future!
Our land, our future! Stop land grabbing!

Governments should respond to these claims and commit to making the agrifood sector a source of decent livelihood opportunities for rural youth. This requires policies and programmes that stimulate responsible investment in agriculture and food systems to catalyse the sustainable transformation and enhancement of these sectors.

In particular, governments should create an enabling environment that:

- makes agriculture and food sectors an attractive and viable business opportunity for youth; and

- ensures that large-scale agribusiness investments benefit young people.
To be really effective, any strategy, policy or plan should be developed together with young people, and policy-makers should therefore foster youth engagement in policy-making processes.
"There are many programmes and initiatives for youth, but never any programmes and initiatives by and with youth. Policy-makers should give us a seat at their tables."
Youth should play an important role in defining measures needed to create an enabling environment that fosters their engagement in responsible investment in agriculture and food systems.

In this lesson, you will learn why it is critical to involve youth in policy-making processes and how governments can foster youth participation in these.

**Why it is important to engage youth in policy-making processes**

Open and inclusive policy-making processes help to ensure that policies are better informed, needs-based and endorsed by all those concerned. Engaging youth in decision-making is an essential precondition to enhance the effectiveness and sustainability of interventions and measures that affect them.

The United Nations strongly promotes youth engagement in policy-making. The first priority of the United Nations Youth Strategy is:

“Engagement, Participation and Advocacy – Amplify youth voices for the promotion of a peaceful, just and sustainable world.”
The "Youth Strategy acts as an umbrella framework to guide the entire UN as it steps up its work with and for young people across its three pillars – peace and security, human rights, and sustainable development – in all contexts. It seeks to significantly strengthen the UN’s capacity to engage young people and benefit from their views, insights and ideas. It seeks to ensure the UN’s work on youth issues is pursued in a coordinated, coherent and holistic manner".

"The Strategy aims to facilitate increased impact and expanded global, regional and country-level action to address the needs, build the agency and advance the rights of young people in all their diversity around the world, and to ensure their engagement and participation in the implementation, review and follow-up of the 2030 Agenda for Sustainable Development, as well as other relevant global agendas and frameworks."

From the Publication 'Youth 2030 – Working with and for young people'
Young people should be effectively involved in the definition of policies, laws, incentives and any programmes aimed at creating an enabling environment for responsible investments in agriculture and food systems.

This will ensure that their real needs and challenges are taken into consideration and addressed through the measures adopted.

"Rather than being passive beneficiaries of programmes, projects and incentives, we
Challenges that hinder youth participation in policy-making processes

Many countries have committed in principle to actively involving youth in policy formulation processes. However, the participation of youth organizations remains quite low.

The graph below provides an idea of the situation in some African countries. It summarizes findings from a series of multistakeholder capacity assessments carried out by FAO in African countries between 2017 and 2020. Experts, policy-makers and young people were asked to rate the participation of youth in coordination mechanisms and multistakeholder platforms.

Youth participation in coordination mechanisms and multistakeholder platforms
The main challenges hindering participation of youth in policy-making are:

- A. Côte D'Ivoire | 2.3
- B. Malawi | 1
- C. Mali | 3
- D. Mauritania | 1.7
- E. Mozambique | 1.8
- F. Namibia | 2.5
- G. South Africa | 1.5
- H. Tunisia | 2.3
- I. Uganda | 1.7

$o = no participation; 5 = excellent participation$
Lack of organization and coordination

Lack of consultation mechanism

Low capacity and limited advocacy skills of youth leaders
Lack of organization and coordination among youth in agriculture and agribusiness

The existence of well organized youth organizations that coordinate among themselves is a prerequisite for meaningful policy dialogue with government. Governments need to be able to identify legitimate interlocutors when designing inclusive policy-making processes.

However, in some countries, organizations representing rural youth and young agripreneurs may simply not exist, or there may only be a few, isolated small groups operating at local levels.

In most cases, youth organizations do exist, and a few may even operate at national levels. Such organizations may be well engaged, but the coordination among them can often be very limited. Conflicts among youth organizations can be a major impediment to youth participation in policy-making processes and reduces their bargaining power.
Lack of effective, meaningful and inclusive consultation mechanisms in which youth can engage

Youth groups need formal consultation mechanisms that provide them with an opportunity to engage with policy-makers.

In some cases, such mechanisms do not exist. In others, they exist, but do not exert significant influence in political decision-making processes.
Low capacity and limited advocacy skills of youth leaders

Youth leaders need the right skills to actively participate in policy dialogue. However, only a few of them possess these and the limited advocacy skills of their leaders are significant constraints to many youth organizations.

Governments and youth organizations frequently identify the strengthening of advocacy and technical skills as crucial to further youth engagement, and to enabling youth leaders to effectively defend their interests in front of other well informed and equipped stakeholders, such as the larger-scale private sector.

It is also important to consider that sometimes there is a risk of 'elite' or 'age' capture among powerful actors claiming to speak on behalf of youth in agriculture and food systems.

For example, in some cases, youth leaders invited and admitted to policy dialogues are mainly educated, urban and well organized young women and men, who may have strong connections with the political centres of power. In other cases, older women and men presiding over youth organizations may claim to speak on behalf of youth. In both cases, these ‘youth leaders’ may have the best intentions, and be willing to speak on behalf of youth in all its diversity, but their participation at the expense of youth organizations in agriculture and food systems raises questions in terms of equitable and inclusive representation.
How to foster youth engagement in policy-making processes

Governments should support youth engagement in policy-making processes by taking measures that empower them to make their voices heard, such as:

**Capacity development initiatives targeting youth organizations**

These interventions should aim to strengthen:
- the organizational capacities of youth organizations;
- the advocacy skills of youth leaders; and
- technical skills in certain topics, such as responsible investment or rural development.

**Setting up multistakeholder platforms**

Effective and inclusive multistakeholder platforms provide youth organizations with a space in which they can engage directly with policymakers and communicate their needs and priorities.

**Communication campaigns**

It is important to raise awareness among youth organizations of opportunities to engage in policy dialogue by using all possible communication channels (radio, posters and social media amongst others). In addition, communication campaigns should clarify how organizations can apply for membership or other
forms of association (for example, observer status).

>You can learn more on how to set up multi-stakeholder platforms in:

- Lesson 2 - "Transparent stakeholder engagement" and Lesson 3 - "Stakeholder mapping" of the course "Creating an enabling environment for responsible investment in agriculture and food systems: Analysis"; and
- Lesson 2 - "Establishing multistakeholder platforms" of the course "Creating an enabling environment for responsible investment in agriculture and food systems: Reform".

From their side, youth organizations should increase collaboration among themselves to establish a common strategy, a unified voice, and identified and legitimate interlocutors for policy dialogue.

"We must stay united in order for our
Let's see some examples of good practices in this regard:

**A programme to strengthen collaboration among youth organizations in Senegal**

Senegal has a multitude of dynamic and engaged youth organizations. FAO and international non governmental organization (NGO) RIKOLTO conducted a programme aimed at supporting these organizations to strengthen their collaboration on common areas of interest.

Initially, a participatory mapping exercise was carried out to identify organizations of rural youth and young agripreneurs operating at national and subnational levels, and to determine their needs.
Subsequently, these youth organizations worked on a joint agenda, with priority areas requiring the attention of policy-makers to create an enabling environment for agripreneurship in Senegal. As a result, nine technical working groups were created to advance on key strategic themes.

This process resulted in a series of dialogue events with policy-makers, which allowed the youth to discuss their needs at a high level, as well as in the creation of the Federation of Young Agri-Entrepreneurs Networks of Senegal (Confédération de réseaux des jeunes agri-entrepreneurs du Sénégal – CRJAS).
The Fédération nationale des jeunes ruraux in Mali

In Mali, the *Fédération nationale des jeunes ruraux* (FENAJER, Federation of National Rural Youth) is a dynamic umbrella organization that unites *more than 5 000 member organizations* and has been active since 2005.

FENAJER is itself:

* a member organization of the National Coordination of Farmer Organizations of Mali (CNOP-Mali); and

* a recognized interlocutor in Mali’s Conseil supérieur de l’Agriculture (Supreme Council on Agriculture), which has a very broad mandate, including monitoring implementation of the country’s agricultural orientation law and the development of proposals related to the orientation law.
**The Commercial Agricultural Youth Chamber (CAYC) in South Africa**

In South Africa, the Commercial Agricultural Youth Chamber (CAYC) has a membership of approximately 1,200 youth cooperatives and 1,900 individual young farmers.

CAYC has actively engaged in advocating with policy-makers for more youth-sensitive policies and incentives. In particular, CAYC successfully lobbied the Department of Agriculture and Land Reform to establish a youth structure called Youth in Agriculture and Rural Development, which aims to respond to the needs of young people by implementing appropriate policies and services and promoting economic equality among youth.

**Young Professionals for Agricultural Development**

Young Professionals for Agricultural Development (YPARD) is an international movement that offers a widely-used platform to engage with peers from around the world to learn about their strategies.
"YPARD operates as a network; it is not a formalized institution. At the heart of YPARD as a movement are its members, who are encouraged to become active in their area, spread the news about YPARD to other young professionals, encourage a stronger voice of youth in their own organizations and share their views and ideas with other young professionals in the network."

Source: YPARD Website
In developing countries, young people face many constraints when trying to start a business in the agrifood sector. Even when they...
manage to set up their own businesses, young agripreneurs often struggle to advance and further develop them.

This is mainly due to difficulties in gaining access to:

- Financial services
- Land
- Markets
- Information and technical services

Creating an enabling environment that empowers youth to invest in agriculture and food systems requires an integrated approach aimed at advancing their access to these elements.

In this lesson, you will learn about the main factors that hinder youth from accessing each of the elements above, and the possible measures that policy-makers can adopt to solve these issues.

**Access to financial services**
"Usually, we neither have significant cash flows nor substantial savings to reach a sufficient degree of self-financing capacity, so access to financial services is fundamental for us to start and run our own business."

Challenges that hinder youth from accessing financial services

In many countries, youth still face a number of challenges in accessing financial services.

On this matter, it is interesting to consider the percentage of youth who reportedly have bank accounts in 11 sample African countries.
Youth who report having bank accounts (% of total youth)

Based on data from the Global Findex database. Most recent data available (2017).

Let's see the main factors that hamper access to financial services.
Banks usually require guarantees, to determine if a loan should be granted and under what conditions. However, young people do not usually own valuable collateral, such as real estate, home equity or other assets that a financial institution.

Agricultural producers may face negative bias in access to credit. This may in part be explained by the higher risk of agricultural investments compared with investments in other sectors and assets, such as government debt bonds.

Fees and interest rates are often too high for young people, due to factors such as:

- inadequate regulation;
In many countries, vibrant communities and youth organizations have created **institutions that support savings among youth**, sometimes with support from NGOs. Recently, many of them have explored and implemented digital solutions to enhance financial services.

In **Côte d’Ivoire**, the *Fédération nationale des organisations professionnelles de jeunesse rurale de Côte d’Ivoire* (FENOPJERCI) has developed a specific saving scheme to which members can contribute by making payments to FENOPJERCI staff or via mobile money transfers.

While these informal means of financing may be quite useful and essential for start-up entrepreneurs operating at a very small scale, business acceleration or more expensive investments will still require access to products from financial institutions.
Expanding the range of financial products and services available to young agripreneurs beyond microcredit is therefore indispensable to support the growth of young businesses.

How to foster youth access to financial services

Governments can adopt various measures to foster the access of young people to financial services. These can be grouped into two main categories: regulations and incentives.

Regulations

First of all, governments should adopt regulations that oblige financial institutions to adopt specific lending policies and to apply interest rates that remain within reasonable limits.

It is equally important to protect young people from abusive practices through strong consumer protection regulations. Such measures can include obligations for service providers to:

- disclose all information on terms and conditions in a transparent, understandable and timely manner;

- adhere to strong data protection and privacy policies, to establish internal complaints handling mechanisms; and

- establish internal policies for fair treatment and business conduct.
Incentives

Another important measure is to provide incentives, such as:

- government-financed loan schemes that can be concessional (provided on more favourable terms than market conditions) or non-concessional (based on market rates). These can be particularly important to support the growth of small and medium-sized enterprises in the absence of broad availability of commercial credit.

**The Namibian Youth Credit Scheme**

The Namibian Youth Credit Scheme (NYCS) is a youth-specific credit scheme that caters for youth at the very early stages of business planning.

The loan scheme is issued under the Ministry of Youth, Sport and Culture and targets all Namibian youth between the ages of 18 and 35. It aims to provide financial support directly to young people who do not have adequate collateral, enabling them to access loans from the mainstream banking system.

The loans offered range from N$ 2 000 – N$ 20 000 (about USD 100 to USD 1000). In addition to facilitating loans, NYCS provides training to beneficiaries in basic management practices.
Land loans

Land loans in Tunisia

In Tunisia, land loans (prêts fonciers) are a specific instrument under the Tunisian investment law and are accessible to all youth under the age of 40, who have graduated from university (in agriculture and related technical fields), or who have a certificate of professional competence. The land to be acquired must have potential that is currently not being fully exploited.

The total volume for each loan can reach up to DT 250 000 (about USD 85 000), with an interest rate of 3 percent and a grace period of 7 years. The self-financing requirement amounts to 5 percent for land acquisition, 10 percent for land development (including electrification), and 30 percent for the remaining components of the project.

Source: APIA Website

Loan guarantees, through which governments assume – completely or partially – the debt obligations of young people
if they default on repayments to a financial institution. In countries where financial institutions are fairly well developed and present in rural areas, loan guarantee funds can be a powerful tool to incentivize these institutions to lend to clients who may be perceived as risky, such as youth and women, and who may not have any collateral.

**Loan guarantees in Senegal**

In Senegal, the *Fonds de Garantie des Investissements Prioritaires* (FONGIP, Guarantee Fund for Investments in Priority Sectors) provides loan guarantees, with specific schemes targeting youth and women, both individually and through youth/women's groups, including for the provision of self-employment for youth.

Guarantees can be provided to both individual applicants (with an official request signed by the financial institution), as well as to financial institutions for loan portfolios.

Guarantees cover loans with a duration of up to 5 years, with a maximum ceiling of 70 percent of unpaid loans. FONGIP charges a commission fee of up to 1.5 percent for the provision of the guarantee.

**Guarantee schemes in Namibia**
In Namibia, Bank Windhoek has established guarantee schemes with the National Youth Council and the Erongo Development Foundation, whereby the latter provide guarantees for 60 percent of the financing for small and medium enterprises that cannot offer any form of collateral.

These kinds of measures can be classified as investment incentives.

**Investment incentives**

Investment incentives are targeted measures provided by a government to or for the benefit of an investor (including small-scale producers) for a new or expanded investment, with the goal of influencing the size, location, impact, behaviour, sector or other character of such investment. Investment incentives usually belong to one of the following five categories:

- Financial incentives: non-tax-based financial supports.
- Technical and business support incentives: can include facilitation services, technological packages, research and development, and extension services.
- Tax (fiscal) incentives: tax-based measures.
- Regulatory incentives: derogations from national or subnational regulations or favourable regulatory terms offered to investors.
• Other incentives: measures such as public procurement policies or the provision of technological packages which do not fit into the existing established categories listed above.

For more information on investment incentives, click here.

Incentives for young agripreneurs in Italy

ISMEA (Istituto di Servizi per il Mercato Agricolo Alimentare) is an Italian public economic body that offers a wide range of financial services for farms, with a particular focus on young agripreneurs who are recipients of specific aid measures approved within the European Union. These measures are:

• 'Primo insediamento' aims to support land transactions carried out by young people, who are setting up farms for the first time as a farm manager, by providing an interest subsidy.

• 'Più impresa – Imprenditoria giovanile' finances young people who intend to take over the management of a farm, or who have already been active in agriculture for at least two years and intend to improve the competitiveness of their business.

Specifically, ISMEA buys and resells lands averaging 20 hectares to young farmers under 30-year mortgage loans, thus ensuring young farmers’ access to farming land.
Additionally, ISMEA manages the *Banca Nazionale delle Terre Agricole*, which has a comprehensive inventory of abandoned and available agricultural lands, as well as of the natural, structural and infrastructural characteristics of the lands. The Bank advertises information, terms and conditions for the sale and purchase of such lands and sells about 60 farms a year.

In addition, ISMEA’s agrifood market and debt analyses provide young Italian farmers with transparent and tailor-made solutions.

In addition to providing incentives, it is important to ensure that these are effective, accessible and well understood. This can essentially be achieved through:
Communication campaigns

Institutions responsible for the disbursement of financial incentives should raise awareness about the availability of such incentives to the target audiences, using all possible communication channels (radio, posters, social media amongst others).

The communication should be in a language that can be clearly understood by the potential beneficiaries, considering their educational background.

*Click on the blue dot above to continue*
Effective targeting criteria

Rules of selection should be clear enough and procedures should be as simple as possible, to encourage potential beneficiaries to take up the incentives. In order to enable the efficient allocation of resources, policy-makers should carefully assess whether incentives should benefit all youth or specific sub-groups (educated vs. uneducated, male vs. female, rural vs. urban, etc.). Depending on development opportunities and socio-economic realities – including those relating to gender and education status – it may be useful to consider a certain level of granularity when determining targeting criteria. For example, Tunisia’s land loans specifically target young women and men with a university degree. This choice is justified by the high unemployment level of educated youth in Tunisia and their underutilized potential to contribute to sustainable development.

Click on the blue dot above to continue
**Synergies with other programmes**

Loans with advantageous conditions (such as low interest rates or long grace periods) can be useful incentives for young agripreneurs to invest in their businesses. Yet the efficiency of public spending in this domain could be increased significantly if loans were provided in synergies with other government and non-government programmes. In particular, **complementary capacity development**, **marketing** (such as through access to fairs) and **incubation services** could be key to ensuring that young agripreneurs do not only have access to financial services, but are also **empowered to improve the productivity and efficiency** of their businesses.

One programme that aims to address this issue is the **comprehensive package provided in 2019 to 121 youths** by the Namibian Ministry of Sport, Youth and National Services, which **includes finance, training, coaching and mentoring**. The Funding Facility for the 121 youth-run agri start-ups is hosted by the Ministry of Sport, Youth
Finally, it is crucial to **conduct regular performance reviews and evaluations of incentive schemes**. An effective evaluation can provide support to the continuous improvement or adjustment of incentives. Some governments may find it easier to seek an external evaluation. External evaluations and recommendations can help to **provide insight into the risks and benefits of current incentives**, thereby informing strategic decision-making about potential adjustments to be made.

One good example of an independent performance evaluation is South Africa’s review of the Micro Agricultural Financial Institutions.

**The independent review of the Micro Agricultural Financial Institutions of South Africa**

The Micro Agricultural Financial Institutions of South Africa (MAFISA) aims to address the financial needs of smallholders through the provision of loans at low interest rates (capped at 8 percent). MAFISA loans are channelled through the Land Bank to selected financial intermediaries, which disburse small loans. The government’s objective is to **create synergies between MAFISA and state extension services**, which will both support producers in the loan application, and **provide technical assistance once the loan is granted**, to ensure its economic viability.
In 2013, the Government of South Africa commissioned an independent performance and expenditure review. Through this review, the Government was able to identify interventions that could further enhance the performance of MAFISA, including through:

- a more effective integration of MAFISA with extension services;
- targeted measures to ensure a more even geographical access to MAFISA funds; and
- improving the business model, which appears to be too risky for intermediaries, as it will not be profitable in the event that default rates exceed 5 percent.

The results of the review were publically disclosed, paving the way for informed debate.
"We need access to land to start our own business. Governments, NGOs and service providers need to support us in buying or leasing land, and consider the specific needs of young women who are too often marginalized."

Challenges that hinder youth from accessing land

Limited access to land is one of the impediments that prevent young people from engaging in agricultural activities. In many cases, youth only enjoy subsidiary land rights and work on the family land for little or no remuneration.

The graph below provides an indication of youth's access to land in some African countries. The data were gathered through assessments and planning processes conducted with policy-makers, youth representatives and non-state experts between 2018 and 2020.
Traditionally, young people inherited land from their parents. Nowadays, as life expectancy rates increase, they are less likely to have inherited land by the time they enter the job market.

It is also critical to consider gender-specific challenges. Even though most countries have passed non-discriminatory inheritance laws, young women may in reality still be discriminated against. Sociocultural practices, institutions and norms may reserve an exclusive right for the (oldest) male child to inherit the land of his parents. For young women, it is therefore often practically impossible to access land through inheritance.
At the same time, accessing land via the market is also complicated for young people in many countries. Population growth leads to increased density in rural areas, which in turn reduces the availability of land and thus increases its value. In the absence of appropriate financial services, it is therefore usually impossible for a young person to acquire land at market rates.

**How to foster access to land**

Possible measures that governments can put in place to advance land ownership among youth are:

- **Redistributive reforms and programmes**
  
  It is important to establish specific youth quotas. Dedicated measures should also aim to ensure the inclusion of the least privileged youth, not just of unemployed agricultural graduates.

- **Providing adequate financial services and incentives**
  
  These are essential to support the acquisition or leasing of land by young people via the market by young people.

- **Providing support in the land acquisition process**
  
  Raising awareness of existing procedures and supporting youth in the acquisition process is critical, because processes may be unclear, cumbersome, or expensive, and may therefore deter youth.
from engaging in land acquisition or leasing, even when they have the financial means to do so.

Examples of redistributive programmes with a specific youth quota

- The Malian Land Tenure Law reserves at least 15 percent of all government-cleared land to youth and women's groups.

- In South Africa, the draft Beneficiary Selection and Land Allocation Policy proposes that “no less than 50 percent allocation of agricultural farming land for smallholders under the Redistribution Programme [be allocated] to women, 40 percent to youth, and 10 percent to people living with disabilities”.

Access to information and technical services
"We need help to develop our business plans, identify market opportunities and use innovative technologies. Too often, business failures could have been avoided if we had had access to information and training!"

While access to financial services is in many cases a precondition for empowering youth to invest in agriculture and food systems, young agripreneurs require additional services to develop and expand thriving businesses. These include incubators, coaching and other
advisory services that help youth to develop, pilot and implement projects that are economically viable.

**Incubators**

A business incubator is an organization that **accelerates and systematizes the process of creating successful enterprises** by providing them with a comprehensive and integrated range of support.

Such support usually includes an incubator space, business support services, and clustering and networking opportunities. Business support services can include the provision of prospective studies, such as the identification of market opportunities, marketing support, and mentoring.

Business incubators can, but do not necessarily have to be state-owned. They may be managed by governmental agencies, universities, NGOs, or private companies, with funding from public, private and donor resources. These incubation centres are usually free of charge.

In some countries, incubators and other information and training services are provided by NGOs and foundations.
In others, incubators are driven by partnerships between the public sector, donors and technical partners.

**Incubators in Senegal**

In Senegal, the *Modèle d’insertion des jeunes dans l’agriculture* (MIJA, Model for Youth Integration into Agriculture Programme) is managed by the government’s youth employment agency, and is funded by the government with support from FAO and the Spanish Agency for Development Cooperation.

The six MIJA platforms offer **comprehensive incubation services**, **including model farms**. One key outcome is its success in empowering young agripreneurs to organize themselves into a self-help association, the *Réseau africain pour la promotion de l’entrepreneuriat agricole* (RAPEA), which provides technical support services to start-up agripreneurs, fosters knowledge sharing and facilitates collective action.

**Incubators in Tunisia**
In Tunisia, Pépinières d’entreprises agricoles (agricultural incubation centres) are managed by the Agricultural Investment Promotion Agency (APIA), often in collaboration with universities.

The incubation centres offer office space, experimental pilot plots, training and coaching. Some 100 university researchers, 50 technical coaches, 33 bank staff and 20 economic and finance specialists support young agripreneurs in developing and refining their projects, helping to improve their management skills over a period of 24 months.

Even beyond this mentoring period, formerly incubated youth can come back to the premises to exchange and network with peers.

Subsequently, APIA supports incubated youth in marketing their products through participation in fairs and public events, as well as in identifying of financial resources, including access to APIA’s investment subsidies and partnerships with the Banque tunisienne de solidarité (BTS) and other banks.

Between 2009 and 2016, more than 100 projects were funded by BTS and others through APIA’s partnerships.
Young agripreneurs also require coaching services that enable them to **learn from experienced entrepreneurs**, develop their 'pitches' and help them to make their businesses sustainable.

Some countries, like Tunisia, have dedicated networks of coaches, who are certified by the Agricultural Investment Promotion Agency.

One example of advisory services is the *Chisparural* platform in Guatemala.

*Chisparural*

The web/mobile platform *Chisparural* enables rural youth to access up-to-date information, in order to improve their productive, marketing and networking activities.

Users can find **youth-friendly digital content on agriculture and entrepreneurship**, including information on training and funding opportunities, success stories of young agripreneurs, practical tools and learning resources such as webinars.
Jóvenes rurales en acción

Somos tu puerta al ecosistema emprendedor y al mercado digital. ¿Quieres exponer gratuitamente tus productos, fortalecer tus talentos y tener mejores oportunidades para emprender con éxito en esta era digital? Nosotros te damos todas las herramientas.

Lee Más

Access to markets

"We need support to sell our products and
Young people face particular challenges in accessing national, regional and international markets due to the small quantity of produce that they are often able to sell, as well as their limited bargaining power and marketing skills. However, **strengthening youth’s access to markets is critical**, to enable them to sell more produce at higher prices.

Governments can actively support youth’s access to markets through a series of measures:

- **Empowering youth through public procurement**
- **Organizing fairs and exhibitions**
- **Supporting labelling and traceability schemes**
Over the past few years, many young entrepreneurs have also launched their own businesses to facilitate farmers’ and processors’ access to markets. One such example is Happy Grocers from Thailand. Governments can support these emerging businesses by providing packages of

Some countries have set specific quotas for young entrepreneurs in their public procurement policies. For example, Kenya’s public procurement law passed in 2015 reserves 30 percent of all government tenders for youth, women and persons with disabilities. Providing capacity development to young agripreneurs that helps them to make their bids competitive. In South Africa, a government agency, Gauteng Enterprise Propeller, supports young entrepreneurs in preparing competitive bids.

Fairs and exhibitions can help to showcase produce from young agripreneurs. Such events can be powerful ways for young agripreneurs to increase visibility and gain clients. Tunisia’s Agricultural Investment Promotion Agency regularly organizes fairs in the different regions of the country and supports young people in participating in foreign and international fairs.

Tunisia’s Agricultural Investment Promotion Agency regularly organizes fairs in the different regions of the country and supports young people in participating in foreign and international fairs.

The transformation of agrifood markets and shifting consumption patterns has led to a continuous increase in quality and food safety standards, as well as an increased demand for traceability. Governments can facilitate access to quality and traceability labels, such as geographical indications, through streamlined processes, support to producer organizations and training for young producers. In addition, governments can facilitate access to food safety quality control through preferential fees for early-stage young investors, who may not yet be able to pay standard fees.
financial and technical support incentives and hence foster youth-to-youth-led supply and value chains.

Happy Grocers

Happy Grocers is a social start-up founded by young entrepreneurs in Thailand, with the aim of creating a market for small organic farmers and connecting them directly to customers in Bangkok.

Consumers can trace where their food comes from, and be assured there is no plastic packaging. The youth-led start-up also uses educational marketing as a means of raising awareness about food system sustainability among consumers through farm visits and food workshops, as well as traditional and social media.

In Thailand, working in agriculture is stigmatized due to the limited opportunities that such jobs generally offer for earning sufficient incomes. Through their business, the founder of Happy Grocers are trying to change the social image of agriculture and farmers.
BANGKOK’S SUSTAINABLE GROCERY STORE

Next day delivery at 5:00PM-8:00PM. Order by 8:00PM. Free delivery for $600+ orders.

SHOP NOW
Empower youth to benefit from large-scale agribusiness investments

"Policy-makers have the responsibility to ensure that we benefit from the opportunities generated by large-scale agribusiness investments, instead of experiencing further marginalization and exclusion."
Many governments wish to attract large-scale agribusiness investments in agriculture and food systems to enhance technology transfer, employment opportunities, food security and fiscal revenues.

Such investments can bring substantial benefits to young people, but at the same time may entail significant risks for them.

In this lesson, you will learn about potential the opportunities and risks of large-scale agribusiness investments for young people, and possible measures that policy-makers can adopt to create an enabling environment for responsible investment, which protects young people and empowers them to benefit from opportunities.

Potential opportunities of large-scale agribusiness investments for young women and men

Let's take a look at the main benefits that large-scale agribusiness investments in agriculture and food systems can bring to young people.

Click on the flashing circles in the illustrations below to learn more
Decent work

Agribusiness projects can create decent employment opportunities for youth, especially in poor and remote areas.

Decent employment can be defined as work that provides a living income and reasonable working conditions, as well as an adequate degree of employment security and stability.

Work should be remunerative and dignified and should enable people to provide for themselves and their families.

Workers should be able to perform their tasks under safe conditions and have voice in the work place.
Training and coaching

Agribusiness investment projects can also strengthen the capacities and employability skills of youth.

For example, agribusiness enterprises can provide youth with paid internship opportunities, on-the-job training and mentorship programmes.

By providing such support, agribusiness investors can both develop and retain valuable and talented human resources, and give young women and men a chance to develop their skills so as to find decent employment elsewhere if needed.

In countries where school enrolment rates are low, agribusiness investors can contribute to strengthening the basic skills of young workers.

In other contexts, where school enrolment rates may be high, even in secondary and tertiary education, training and coaching may be useful to provide young women and men with practical work skills, in addition to theoretical knowledge acquired at school and university.
Access to markets

Agribusiness investors can work directly with young farmers and entrepreneurs through **outgrower and procurement schemes**.

Outgrower schemes, also known as contract farming, can be defined as binding agreements through which a firm ensures its supply of agricultural products by individual or groups of farmers.

Agribusiness investment can also engage with young entrepreneurs when procuring goods, works and services, such as those needed to maintain offices and equipment.

These contractual arrangements, often referred to as 'inclusive business models', may bring tangible benefits to youth, provided they are responsible and include equitable and sustainable business relationships.
Access to finance

Agribusiness investors who engage with young women and men through outgrower schemes can enhance the access of youth to a series of services, including financial services. FAO differentiates between two types of value chain finance:

1. **Internal value chain finance**, which takes place within the value chain: for example when an input supplier provides credit to a farmer, or when a lead firm advances funds to a market intermediary.

2. **External value chain finance**, which is made possible by value chain relationships and mechanisms: for example, when a bank issues a loan to farmers based on a contract with a trusted buyer or a warehouse receipt from a recognized storage facility.


Potential risks of large-scale investments for youth

Let's now consider how large-scale investments in agriculture and food systems can harm young people.
Click on the flashing circles in the illustration below to learn more

- Loss of land
- Lack of decent jobs
- Hazardous work
Loss of land

In most countries, youth do not own the land they farm.

Usually, they are workers on family farms or have customary use rights.

Intergenerational farm transfers can be long processes and children of landowners may have increasing responsibilities in managing farmland without actually owning it for many years.

As a result, when agribusiness investors acquire land from communities or individuals, youth may not be consulted, as they often do not formally own or control land.

Land transfers that are not based on young people's active involvement can therefore jeopardize their future, especially if loss of land is not compensated by decent employment or other livelihood opportunities.
Lack of decent jobs

In some cases, agribusiness investors may promise decent work opportunities for young people that do not materialize, or only provide seasonal and precarious jobs.

This risk is particularly high when agribusiness investors have unrealistic expectations or misperceptions of the level of skills of local youth. The skills of rural youth may be lower than expected and not match the expectations of the investor.

When this phenomenon is generalized, experts refer to it as 'undereducation' – the incapacity of young people to access decent work in the labour market with their existing skills and qualifications.
Hazardous work

Another significant risk is the exposure of younger youth to hazardous and other inappropriate working conditions.

Younger youth – young women and men between 15 and 17 years – can work full time as long as this does not threaten their health and safety, or hinder their education or training.

Young people under the age of 18 are not allowed to do dangerous work, or work in dangerous or unhealthy conditions which could result in illness, injury or death. This is known as hazardous work.

To learn more, you can take the FAO e-learning course Promoting youth employment and reducing child labour in agriculture.

How to create an enabling environment for large-scale agribusiness investment that empowers youth

Policy-makers can adopt various measures to create an enabling environment for responsible investment in agriculture and food systems
that benefits young people and does not harm them. Their intervention should focus on the following elements:

- Increase the availability of relevant data on youth
- Strengthen the investment approval process and investment contracting
- Enhance policy, legal and regulatory frameworks
- Provide targeted incentives
- Improve education and training programmes
Let's look at each element in more detail.

Increase the availability of relevant data on youth

Governments should collect, analyse and make publicly available data on education, including primary, secondary and tertiary enrolment rates, as well as on youth unemployment and underemployment. Ideally, these data should be disaggregated by region, gender and specific age categories. Data collection could be a concerted effort involving multiple partners, including government, research institutes, the private sector and NGOs.

Such data will help investors, investment promotion agencies and other relevant stakeholders understand the specific needs and capacities of youth on prospective investment sites.

Strengthen the investment approval process and investment contracting
Governments should take specific measures to ensure that investment approval processes are youth-sensitive, and that youth-specific issues are being addressed as part of the due diligence process. This will ensure that risks and benefits are thoroughly assessed, expectations clarified and commitments integrated into contracts.
By clicking on the Start button below, you will find checklists with examples of aspects to consider in an investment approval process, which take into account specific issues related to young people and aim to foster investment projects that benefit them.
Participation

- Have youth been actively involved in consultations on the planned investment project?

- If, in your country ‘seniority equals authority’, have separate consultations with youth been held to ensure that they can express their interests and concerns freely?

- Have youth been involved in participatory environmental and social impact assessments?

- Has an assessment been carried out in collaboration with youth to determine their training needs and livelihood aspirations?
Land tenure rights

- Do youth in your country usually use land of their kin or community without being entitled to any tenure rights to the land they farm?

- If yes, have youth been involved in land rights mapping and have they been consulted about possible land right transfers?
Employment and education

- Do most youth on or around the project site derive their livelihoods from agriculture or related activities?

- Is the school enrolment rate in or on the project site low (e.g. less than 50% for secondary education, and less than 70% for primary education)? If yes, does the project provide training and education opportunities for young employees?

- Will the project promote job mobility for young workers through on-the-job training, coaching and mentoring schemes?

- Does the investment project reserve a specific percentage of decent employment opportunities (including permanent jobs) to young workers?

- If the project is likely to recruit younger youth as wage labourers, are measures proposed to mitigate risks of increased school dropout?

- In gender-related discrepancies were identified in access to education, will trainings take into consideration the specific needs of both young women and young men?

- Will the investor provide childcare facilities and lactation rooms for young mothers?
Outgrower schemes and other forms of procurement

- Does the investor plan to establish outgrower schemes?
- If yes...
  - will a specific percentage be reserved for young farmers?
  - will youth receive adequate training and support to comply with quality standards and for handling of equipment and seeds?
  - will the investor provide financial services and if so, under what conditions?
- Does the investor plan to engage with youth-led businesses for procurement?

Careful regulation of investment contracts is also important. For example, governments can establish that when investment contracts involve governmental authorities, specific provisions aimed at fostering youth employment and employability should be stipulated. These could include:

- a specific number or percentage of employment opportunities to be created for young women and men (ideally specifying permanent and seasonal on-farm and off-farm jobs);
There is evidence that public institutions are increasingly seeking to engage with youth-owned or youth-led enterprises as part of their procurement policies. Some governments have even set quotas of government procurement for businesses run by youth. Similar targets could be set for private agribusiness enterprises.

**Enhance policy, legal and regulatory frameworks**

Governments should ensure that the overall policy, legal and regulatory framework is sensitive to the needs of youth, protects their rights and does not contribute to exacerbating existing vulnerabilities.

For example, it is **important that labour laws establish minimum standards in line with decent work requirements**. Also, the two International Labour Organization (ILO) Conventions on child labour –
ILO Convention No.138 on Minimum Age and Convention No. 182 on the Worst Forms of Child Labour – should be effectively implemented.

Provide targeted incentives

In addition to rigorous youth-sensitive due diligence on proposed investment projects and a subsequent incorporation of recommendations into contracts, governments may provide incentive schemes to stimulate youth employment.

The provision of incentives can be particularly useful when investors are likely to incur significant costs for youth-specific measures, which may deter them from providing these benefits or – if these are mandatory – making the investment at all. For example, the provision of internship, training and coaching programmes may be associated with significant capital expenditures, which can reduce the profitability of the investment. In these cases, governments can provide support through the provision of incentives, such as specific tax credit schemes.
Improve education and training programmes

Massive government investments in education are needed to provide young women and men with education that will help them to acquire the skills and capacities needed to find decent employment on the labour market, or to engage in entrepreneurial activities that allow them to sustain themselves.

In parallel, it is important to encourage investors' commitment to training and education programmes that gradually increase the skills of

Incentive for youth employment and training in Côte d’Ivoire

Côte d’Ivoire has set up a specific tax credit scheme for companies that create internship and apprenticeship positions for young people. This can reach up to XOF 500 000 (USD 883) per person trained in a year.

If the company hires the trained youth, it may benefit from further advantages that aim to stimulate job creation, hence promoting sustainable employment opportunities for youth.
local youth.
Thanks for completing the course!
Please answer this questionnaire to test your understanding.

This test is for self-assessment purposes. Test results will not be recorded.
You will receive a score at the end of the test. If your score is less than 75%, we recommend that you review the course.
What is the measure that policy-makers should adopt to foster youth engagement in policy dialogue?

- Set up multistakeholder platforms
- Conduct communication campaigns
What should youth organizations do to increase their bargaining power?

- Coordinate among themselves
- Improve the advocacy skills of their leaders
- Align their positions with those of more powerful stakeholders
Creating an enabling environment that empowers youth to invest in agriculture and food systems requires an integrated approach aimed at advancing their access to financial services, information and technical services, land and...
Can you match each element on the left with the related measure that can foster it?

- Access to land: Loan guarantees
- Access to markets: Redistributive programmes
- Access to financial services: Public procurement policies
- Access to information and technical services: Incubation centres
What can a government do to guarantee a lower loan interest rate for young people?

- Provide concessional loan schemes
- Provide non-concessional loan schemes
- Provide loan guarantees
- Strengthen consumer protection regulations
- Enhance the financial literacy of young people
One factor that hinders youth access to land is the difficulty of accessing financial services.

True

False
The adoption of outgrower schemes by large-scale investors can foster youth access to...

- land and markets
- markets and financial services
- land and financial services
It is important that business incubators are state-owned.

○ True

○ False
Tax credit schemes can be used to...

- foster youth access to financial services
- foster youth access to land
- foster youth access to training programmes and decent employment
What are two principal measures to ensure that youth benefit from decent employment opportunities offered by large-scale investments?

- Enhance the policy, legal and regulatory framework
- Conduct education and training programmes
- Provide incubation services
- Engage youth in policy dialogue
- Provide incentives to increase large-scale land acquisitions
The following documents and web resources were referenced in developing this course:


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