# Youth inclusiveness in agricultural transformation

### The case of Mali

Food & Business Knowledge Platform INCLUDE AgriProFocus

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# Youth inclusiveness in agricultural transformation - The case of Mali

#### 1. Mali's agricultural sector

Mali is sparsely populated, predominantly arid and semi-arid with a highly undiversified economy based mostly on gold and primary agricultural goods, cotton in particular. With a total land area of 1220190 sq. km, it takes eighth place in terms of the largest countries in Africa. Around 30% of this land is agricultural land, which has been relatively stable since 2003. Mali has a population of 15.8 million (Human Development Index 2015) of which 61% lives in rural areas. Over the years, there has been a slow decline in rural populations with 72% of the population still living in rural areas in 2000. This is mostly caused by unemployment rates in rural areas and the attractiveness of the cities as job providers and modernity. It is also often related to a generational clash where the youth want to escape the traditional customs and values of the villages.

In terms of agricultural land use, there are <u>significant differences between Mali's rural areas</u>. Rainfall is by far the most decisive factor for those differences as it determines the degree of dependence on livestock herding and the availability of arable land. Rainfall in Mali differs from the desert zone in the north (with under 200mm precipitation per year) to the much lusher zones in the south (with between 1000 and 1300mm of rainfall). Broadly, <u>three zones can be identified</u>, yet the north, which constitutes about half of Mali's territory, does not receive enough rainfall to support rain fed agriculture and is defined by nomadic and transhumant pastoralism with a low population density. The middle band allows for the cultivation of millet and cowpeas. However, rainfall is still low and unreliable, making agriculture alone relatively risky. As a consequence, transhumant livestock remains a principal characteristic of the zone. More to the south, there is a decreasing dependence on livestock and a broader range of food and cash crops. Millet, sorghum, cotton and maize are very common and in the highly productive southern zones, a wide range of crops are cultivated including fruits, rice, maize and garden crops.

Across the northern and the middle band, the Niger Delta is situated, a vast flood plan that is inundated for five months of the year. The zone is a major resource in terms of pasture and allows households to cultivate rice and sorghum, even in the north. The Office du Niger, as the zone is referred to, is one of the oldest and largest irrigation schemes in Sub-Saharan Africa and is the breadbasket of Mali in terms of rice production. It is a densely populated zone where pressure on land is high. The Office du Niger is also one of the only regions in Mali where large scale agriculture is taking place. The rest of the country is characterized by smallholder farming with an average of four hectares per farmer. Trade is an important link between the zones. The surplus producing southern zones provide cereals to the deficit north and export cash crops to other zones and abroad. Livestock from the north is traded in the south of the country as well as abroad (Algeria and Niger). This importance of trade underlines the fact that all households in Mali rely on the market for their food needs. As a result, food security is heavily affected by external events such as changes in price on the international market. Low cotton prices. for example, have adversely affected livelihoods in the cotton-producing zones.

#### 1.1 Development of the sector

The structure of Mali's GDP has remained relatively stable since 1990 with agriculture (next to gold) as one of the primary sectors contributing to around 40% to its national GDP. Tertiary sectors (trade, transport, and public administration) contribute approximately 20% to  $GDP^4$  and Mali's industrial sector accounts for 4%.5

Rice and cotton account for the largest part of the <u>agricultural GDP</u>. Indeed after gold, cotton is the country's largest export product, taking up around 11% of the export. However low cotton prices and stagnant production have heavily impacted cotton production in recent years in favor of rice production. There has been a recent growth in the Malian rice sector, which reflects the desire of the Malian government to become self-sufficient in rice. Despite rice being the top commodity in terms of production and value, it still accounts for the largest food import after wheat. Livestock is the third biggest <u>export product</u> within the sector accounting for 8.5% of the country's GDP. This is almost exclusively export of living animals as there is practically no industrial meat industry and relatively little value is added in the agricultural sector in general. Fish production is also considerable in the country with 40% of fish production in West Africa based in Mali, and especially concentrated in the Niger Delta. Finally in terms of jobs, the agricultural sector remains the country's largest source of employment with over 68% of the male labor force employed in agriculture and 64% of Malian women.

<sup>&</sup>lt;sup>1</sup> Agricultural land refers to the share of land area that is arable, under permanent crops, and under permanent pastures. Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow.

<sup>&</sup>lt;sup>2</sup> World Development Indicators, 2016.

<sup>&</sup>lt;sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> Economy Watch, 2016, CIA World FactBook

<sup>&</sup>lt;sup>5</sup> World Development Indicators, 2016.

Since 2011, general economic growth has been subject to several delays due to political unrest, weather conditions and price volatility on international markets. Food, oil and gold prices heavily impact the countries growth rates. The last crisis in 2012 considerably impacted the economy as a whole and the northern economy in particular. The northern regions and middle belt regions have been suffering the most due to limited trade routes and abandoned agricultural fields. However although Mali's economy (the agricultural sector included) is very vulnerable to external shocks, growth rates overall have remained around 4.5% in the last ten years.

Food insecurity remains a recurring problem in Mali, especially in the northern regions during the lean season (June to August). The northern regions have a deficit in production, rely on imports for their staple foods, and are most food insecure. The most southern regions by contrast produce a surplus, export cereals, and are food secure. It should be noted however that all regions are dependent on imports for their food needs. There are notable differences between regions however. The more to the south, the less dependent households are on markets as they can sustain themselves with their own production. Yet even in the south, the poorer population especially depends on the market and must use cash to purchase their food, mainly due to the fact that the poorest often do not have (enough) land. Therefore In the lean-season, food insecurity is relatively common throughout the country, especially due to higher food prices.

#### 1.2 Accessibility of land

All land in Mali belongs to the state. Land can be bought from the state, but even if you possess the land titles, at the basis it is still the state's property. However, once land titles are obtained, it becomes more complicated for the state to confiscate the land. In that case, the state will be obliged to compensate the land title owner but the owner cannot refuse the state's compensation and is thus obliged to give the land to the state. The state also recognizes customary land rights, meaning that customary practices regulate ownership and access to natural resources. Formally, any transfer of customary land rights to the state can only occur in cases serving the broader national interest and subject to fair and prior compensation. However, despite the recognition of the customary land rights, it is still the state that is the owner of the land in the end. To obtain land, agreements between individuals or communities can be formalized via the village chiefs, yet land can never be bought from communities directly. With the agreement of the community, individuals can buy it from the state. Under recent decentralization policies, the management of land and public properties has decentralized to the jurisdiction of local governments.<sup>6</sup>

While property rights are well administered, corruption negatively affects property rights in practice. This includes raising transaction costs connected to obtaining a legal title, as well as the existence of multiple ownership titles for similar pieces of land. As a result, farmers are obliged to pay corrupt officials in order to stay on their land. This is especially a problem in the areas surrounding the cities where land prices are high.

The Malian state also recognizes the importance of livestock mobility, based on the principle of consultation between pastoralists and sedentary communities and the state, the establishment of conflict management committees at the local level, and the role of the state an arbitrator in the peaceful use of shared natural resources. Implementation of these principles has proven difficult however, with few legislative measures supporting them. Conflicts between pastoralists and sedentary communities remain a challenge.

In the short-term, these land policies work in a system of land abundance. There have been few problems related to the possession of the land by the state so far. Yet in the long-term, it poses a problem mainly to poor smallholders, herders and the youth. If the state wants to confiscate land, it will always be able to do so with poor smallholders. However, the more well-off farmers are able to pay unofficial fees that allows them to stay on their land. In addition, the policies allow rich urban elites and foreign companies to obtain large pieces of land because they are able to pay the (corrupt) officials and the heavy administrative and financial burden to obtain land titles. They are able to pay the unofficial fees to village officials, which limits the possibilities for smallholders to expand or for youth to obtain land. In the Niger Delta for example, a total of 600,000 ha of land has been allocated in the past ten years to investors in large scale farming. This process has largely bypassed the official procedure established by the administration at the regional level.<sup>7</sup>

For the youth, it is important to note that land in villages is allocated on a family basis rather than at individual one. As a consequence, village chiefs are hesitant to give land to young individuals in their village as their family already has been given land. Youth is thus expected to farm on the land of the family. In the cases where youth do receive land, it will not be their property unless inherited or formally rented from the state. For women, land access is even more complex as they do not inherit land, and to formally obtain land they will always have to purchase it. Urban youth do have a real limited access to land as there is not much agricultural land available in urban areas and they have only limited links with the surrounding communities that do have land.

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<sup>&</sup>lt;sup>6</sup> Hughes, Literature review of land tenure in Niger, Burkina Faso, and Mali, 2014

<sup>&</sup>lt;sup>7</sup> Hertzog ao, land and water grabbing in the Office du Niger, 2012.

#### 1.3 Key challenges for the Malian agricultural sector

The agricultural sector is currently experiencing a series of challenges that affect the growth of the sector.

**Climate change** is expected to particularly affect those regions in between the desert in the north and the greener regions in the south. It is still unclear how climate change will affect the region however. While some argue rainfall will be insufficient and unpredictable, most models actually suggest more abundant — but also possibly more delayed and concentrated — rainfall in the future. Nevertheless, it is certain that the climate is changing and therefore forcing farmers to rethink their strategies.

**Price volatility**, as noted before, Mali is extremely vulnerable to price shocks, both internally and externally. Due to its undiversified economy, heavy dependence on raw materials and very little value addition, price volatility greatly impacts the economy. That said, value addition in agriculture might be one of the biggest opportunities for young people in agribusiness, especially in the southern regions where there is a surplus in agricultural outputs. Internal shocks (such as the ongoing insecurity in the north) are also a risk for the sector, yet to a lesser extent as the unrest mostly takes place in the less productive northern zones.

Access to technological and modern farming techniques within the sector is also very limited with traditional farming, processing and storage techniques still dominating. In addition, compared to many other countries the amount of internet users is very low in Mali. Only 10% of the Malian population is connected to the internet<sup>8</sup> which limits opportunities to disseminate information.

Access to finance is a major problem especially for smallholders and youth. Banks are not adapted to the agricultural cycles and ask guarantees that most people cannot give.

Attracting young people to agriculture is another major challenge. While youth do recognize the huge opportunities within agriculture, their ultimate goal remains to work for the government in a public function. In their view, this provides stability, status and financial security. The desire for these jobs is deeply rooted in society with families pushing their children into these domains and where educational systems are designed for training youth for a state bureaucracy position.

#### 2. Youth (un)employment in Mali

#### 2.1 Malian youth and unemployment

Mali has one of the youngest populations in the world with a <u>median age of 16.2</u>. 65% of the population is under 24 years old, 18% is between 15-24 years of age and 12% between 25 and 34.9 Population growth is a real concern as the <u>fertility rate is 6.2</u>, the highest in the world after Niger. In 2000, the population was 11 million<sup>10</sup> and today it has risen to 15.8 million (Human Development Index 2015). By the year 2100, the population is expected to increase by at least five-fold. Fertility rates are high in the whole region so there is a strong need to increase food production in the near future.

Unemployment rates have been around 8% for the past ten years. These rates do vary across sexes and age however; where unemployment among young men between 15-24 years is around the average of 8%, and for young women it is 14%. In rural areas, unemployment rates are generally lower than in urban areas. However, these relatively low youth unemployment figures in rural areas are likely to mask a significant amount of underemployment in low productivity smallholding agriculture. The level of unemployment is also considerably higher among educated youth than less educated youth. Recent figures are missing, but in 2011 unemployment among youth (15-24) with a university degree was 33%; twice as high compared to those with only primary education (12.8%). This can partially be explained by the fact that highly educated youth have higher expectations in terms of jobs. As these expectations often cannot be met, they prefer to wait for the right job rather than settle for underpaid and/or informal employment or start something for themselves.

#### 2.2 Youth employment in agriculture

Given the coming demographic challenges and the consequential necessity to increase productivity, agriculture has the potential to absorb a large part of the youth labor force. That is, if young people were willing to work in this sector. For the Malian youth, agriculture is not an attractive avenue of employment. Having seen their parents struggle in subsistence farming, it is often considered hard work without an economic payoff. Especially among educated youth, there is little incentive to move into agriculture even though the opportunities are often recognized. Agriculture is seen as a last resort and youth tend to leave the sector once they have the opportunity to do so. Moreover, those few who do want to enter the agricultural sector face considerable obstacles. Besides access to

<sup>&</sup>lt;sup>8</sup> World Development Indicators, 2015 - Internet users are individuals who have used the Internet (from any location) in the last 12 months. Internet can be used via a computer, mobile phone, personal digital assistant, games machine, digital TV etc.

<sup>&</sup>lt;sup>9</sup> UNSD Demographic Statistics, 2014

<sup>&</sup>lt;sup>10</sup> World Development Indicators, 2015.

land as discussed before, a major obstacle for youth in agriculture is access to finance. Banks (microfinance institutions included) require collateral which is often an insurmountable barrier to disadvantaged youths who do not have savings to serve as collateral, nor possess any land or other resources. <sup>11</sup> In addition, microfinance institutions often also only offer credit for start-up capital but youth also need access to finance for operations. Another way of accessing finance could be through friends or informal credit but these also require high stocks of social capital (in terms of a broad network and a status of reliability and creditworthiness) which youths generally do not have. Lack of entrepreneurial skills is another major problem, something many NGOs, companies and government structures continue to highlight. This lack of skills combined with the lack of intrinsic motivation for agricultural entrepreneurship are the main reasons for business start-up failures and for loans are not being repaid.

#### 3. Government policy on youth

This section provides an overview of Mali's most recent government policies on youth employment, focusing in particular on policies in relation to agriculture. One of the election promises of President Ibrahim Boubacar Keita (IBK) was to create 200,000 jobs. Many of the government initiatives for the youth are based on this promise.

#### 3.1 Ministry of Employment, Youth and Citizenship Building

The Ministry of Employment, Youth and Citizenship Building (ministere de l'Emplois, de la Jeunesse et de la Construction citoyenne) is in charge of youth affairs and employment. In programs with rural youth, it works together with the Ministry of Rural Development. Many of the policies focus on access to education and the promotion of entrepreneurship. In 2015, the ministry launched a ten-year program for employment and vocational training aimed at providing vocational training to more than 60,000 people, especially youth (Programme Décennal de la Formation Professionnelle pour l'Emplois (PRODEFPE 2012-2021). All government structures that work on vocational training are working in name of this program. Agriculture is identified as one of the priority sectors given its important contribution to the Malian GDP. The program aims to improve the quality of the existing training and set up training centers in rural areas to provide short-term vocational training and improve farming techniques. The program is divided in different phases due to budgetary constraints, but by 2017 it is expected to train at least 82,000 people, 29,230 of which for the agricultural sector. The agricultural objective of the program is coordinated by the Ministry of Rural Development, which identifies partners to implement the program. The main executing agencies are the ANPE, the APEJ and the FAFPA (see below).

#### 3.2 ANPE and APEJ

The agency of the ministry in charge of employment is the ANPE (Agence Nationale Pour l'Emploi). In 2004, the Malian government created the National Youth Employment Agency (APEJ) as part of the ANPE to develop and implement youth employment strategies. It is a very comprehensive agency and targets youth from 15 to 40 years old. Most of the staff is also between 15 to 40 years old. APEJ works on three pillars; improving the employability of the youth; supporting entrepreneurship; and financing business plans via a guarantee fund. The first pillar is the most well-known due to its internship program. APEJ offers young graduates the possibility to fill in an internship application form in order to be matched with a private sector opening. This option however has yielded little success in providing internship opportunities for young people because APEJ has yet to develop a sustainable network of private sector partners who can offer internship opportunities. To resolve this issue, APEJ encourages youth to seek out firms in the private sector that are willing to accept them as interns. In addition, the most recent APEJ program provides internships in public service agencies, professional associations and government agencies. It is hoped that the contacts and experience acquired during such internships will lead to permanent work within the host businesses. It is thus assumed that work experience can strengthen both human and social capital. Yet evidence does suggest that such services have limited relevance for Africa where trust in government agencies and demand for labor is low, and formal public placement agencies are underused. A survey of job seekers in 11 African cities found that only 7% were registered with an employment agency. 12 A review of impact studies drawn largely from developed countries found that these services tend to be more effective for the most educated workers when demand for labor is high – a situation that does not apply to Mali. 13 For APEJ, no evaluation studies on the impact of its programs have been done. To support entrepreneurship the second pillar, APEJ provides vocational training, management skills and business plan coaching. They launch at least three calls for applications a year. In addition to training, youth are provided with financial means to carry out their activity, the third pillar. Every year they receive over 1000 business plans for which they seek financial support. They work together with banks and function as a quarantee for young people, but the fund has never been operational. In reality, APEJ prefers to provide the youth directly with financial means. In reality, this strategy has clearly shown its limits. In 2009, APEJ launched a specific call for applications for youth wanting to work with rice. The program targeted 300 young people with a degree mostly in urban areas. The beneficiaries were provided with land in the Niger Delta, technical training and a fund to start their activities. In starting with 300 people, one year later less than 100 were still engaged in the

<sup>&</sup>lt;sup>11</sup> Interview Oiko Credit.

<sup>&</sup>lt;sup>12</sup> De Vreijer and Rouband, Urban labour markets in sub-Saharan Africa, 2013

<sup>&</sup>lt;sup>13</sup> Betcherman, Olivas and Dar, Impacts of Active Labour Market Programs, 2004

initial activity as most had returned to their cities.<sup>14</sup> In fact, those that did stay in the Niger Delta were originally from the area. It turned out that beneficiaries were not willing to engage in activities in rural areas and since they were prepared for city office jobs, most people left the program after receiving their funds.

In theory, the APEJ has all the means to succeed however it is continuously criticized for its ineffectiveness and has been subject to a major corruption scandal. Indeed, in 2015 a majority of the staff was replaced and the Director General, former Minister of Women and Family, was arrested for corruption. It confirmed the suspicion that APEJ was mostly an empty shell allowing high placed officials to enrich themselves. While some checks and balances were put in place and the staff was replaced, the perspectives for the future are not much better. In the past years, the APEJ has become increasingly political. Since the President has promised 200,000 jobs to the youth, he has strategically positioned his supporters on high level positions within the APEJ. While a few years ago it was an instrument to enrich young people, it has now become a political instrument to produce impressive figures but with little activity.

#### 3.3 FAFPA

The FAFPA (Fond d'Appui à la Formation Professionnelle et l'Apprentissage) is a semi-public fund that is financing vocational training and educational activities. There is a specific tax that each employee pays, the so-called *tax de formation professionel*, which is directly transferred to the FAFPA. Every individual that has contributed to this tax can apply for this fund to finance his studies. Because young people have not contributed to this tax (yet), a part of the funds are transferred to the APEJ via the ANPE. However, young people can also apply for training directly at the FAFPA. Such direct applications do not work on an individual basis but rather asks groups of young people to identify their educational needs, after which they will receive a list of all the institutions that can help them. After receiving this list, the group itself is then responsible for the selection of the institution. Wherever they are accepted, the FAFPA will pay 90% of the tuition fees. To apply for this fund however, the entire group must be member of an association recognized by the state. This can be a youth association or an agricultural association, for example. This is rather flexible criteria as it is relatively easy to create an state recognized association in Mali. The FAFPA only provides technical training. The FAFPA is considered as a highly effective organization that enables many Malians to pursue their studies.

#### 3.4 Conseil National de la Jeunesse

The Conseil National de la Jeunesse (CNJ-Mali) is the government's main interlocutor on matters of youth. It is represented in almost all government structures and regularly consulted. The Conseil represents the youth's voice in the government and facilitates access for young people to government agencies like the FAFPA and APEJ. The representatives of the CNJ-Mali are elected every two years by the Malian youth. Every region has a representative and in the bigger cities, each neighborhood is represented. The CNJ-Mali is largely funded by the government and has very close ties with the President's office. As a consequence, it is not an autonomous body and must follow government lines to a larger extent.

On paper, the CNJ, FAFPA, APEJ and the ANPE represent a very strong institutional cycle in providing technical training, skills on entrepreneurship and funds to start-up activities. In reality however, results of the separate organizations are mixed and not able to work together in an efficient way. While the FAFPA is highly appreciated, the APEJ functions as an empty shell. The difference is most often attributed to leadership. FAFPA has benefitted from series of strong leaders that were able to position the organization as being highly effective and with no corruption scandals. The APEJ has been used as a political and financial instrument and its results have suffered. The ANPE seems to be in between as that while it used to be very much appreciated for its activities, since a recent change in management results are going down and the yearly budget of €1.5 million euros has been spent in seven months. The cooperation between the structures is also very limited. Officially, the FAFPA only provides technical training. Training on entrepreneurship is provided by the APEJ. Yet recently the FAFPA also started coaching on business plans and entrepreneurial skills. While not officially recognized, this has been done to avoid working with APEJ as their limits are well-known.

<sup>&</sup>lt;sup>14</sup> Interview Idrissa Ba, 4/11/2016

<sup>&</sup>lt;sup>15</sup> Interview Georges Akibode, 12/11/2016

#### 4. Private sector, NGOs and other actors

There are many local, national and international initiatives in place for youth, most of which focused on training both soft skills and technical skills. For this research alone, over 50 organizations have been identified working on youth entrepreneurship with a particular agricultural focus. These includes six government structures, 15 NGOs, four private sector initiatives and three international governmental organizations. The following section focuses on the role international organizations, NGOs and the private sector play in Mali with regards to youth employment, particularly in the agricultural sector.

#### 4.1 International governmental organizations

International governmental organizations (IGO) refer to those with governmental membership, which therefore excludes the NGO sector. Generally, IGOs take a holistic approach in focusing on both training and providing equipment and/or funds. They have large budgets, closely collaborate with the government and intervene in almost all regions of the country. They normally do not implement the projects but instead look for partners that do it for them. In Mali, the World Bank and the IFAD are the most important actors on youth entrepreneurship in agriculture. UN Women also intervenes in the sector but has smaller programs and focus on women entrepreneurship only.

### 4.1.1 Projet de développement des compétences et emploi des jeunes (PROCEJ)

Launched in 2014, PROCEJ is a US\$63 million program financed by the World Bank, executed by the Ministry of Employment, Youth and Citizenship Building. It aims to support education and training for employability and private sector led job opportunities for youth.

The program has two main components: education and training for employability; and private sector led job creation for youth. To maximize impact, PROCEJ has chosen to focus on three economic sectors and value chains: agroindustry with focus on fruit and vegetables and animal products; construction sector; and mining services.

Through the education and training for employability component, the project will support more effective formal education and training. They directly support schools and training centers to improve their curricula, create higher enrollment capacities, train teachers and provide equipment. They also work on an apprenticeship program for youth that are not enrolled in the education system. Training centers are identified that will partner with SMEs so that students get to place theory into practice immediately. Apprenticeships take up 80% of their time in the workplace and 20% of their time is spent in training at training centers. This part of PROCEJ is implemented by the FAFPA and by the end of 2015, about 670 youth have already benefited from the program. For the second pillar of private sector led job creation, entrepreneurship for the youth is promoted and SMEs are strengthened. PROCEJ provides coaching on developing simple business plans, bringing in some start-up capital and facilitate access to micro-credit. They mostly work via business plan competitions. The first competition was launched in August but it is expected that a call for applications will be launched every two years, and finance about 500 plans for about US\$5000. PROCEJ also provides matching grants to help high potential local SMEs grow. For these grants, PROCEJ funds about 50 to 70% of the needed investment.

PROCEJ intervenes in six out of the ten regions in Mali, but aims to expand throughout the country whole once the security situation in the north improves. In its objectives and approach, PROCEJ is very similar to the APEJ, yet the main difference is PROCEJ's obligation to meet certain targets within six years as it is a World Bank program after all. APEJ on the other hand is an ongoing government agency and has no such concrete targets to meet. PROCEJ has had a slow start and has not delivered many results yet. The slow start is mostly due to a long feasibility study in the beginning where a delegation from PROCEJ travelled to several African countries to learn from similar initiatives in the region. This approach has been criticized by its partners. However after a series of only moderately satisfied World Bank evaluations, PROCEJ seems to have really started their activities with the launch of the business plan competition.

## 4.1.2 Projet de Formation professionnelle, Insertion et appui à l'Entrepreneuriat des jeunes Ruraux (FIER)

FIER is a program financed by the IFAD, the International Fund for Agricultural Development, a specialized agency of the UN dedicated to eradicating rural poverty in developing countries. The FIER program aims to allow young people in rural areas to develop their businesses in their village of origin. Contrary to the failed APEJ project in the Niger Delta which targeted educated urban youth, FIER focuses exclusively on youth that already live in rural areas. Due to its rural focus, most of the projects are in agriculture or transformation. The majority however is in agriculture because it is usually the urban youth that engage in transformation and commercialization and they are not included in the FIER project. Youth in targeted villages have the opportunity to indicate what businesses they would like to develop and FIER offers education and funds in the form of a (subsidized) microcredit loan to carry out the business proposal. After the training, the beneficiary is monitored for at least one year and will receive coaching and

<sup>&</sup>lt;sup>16</sup> Interview CNJ. 28/10/2016.

<sup>&</sup>lt;sup>17</sup> Interview Hely Coulibaly - FIER. 12/10/2016

continuous training. If the person has been able to pay back his loan during that period, 80% of its loan will be reimbursed. FIER was started in 2014 and has operated for eight years, yet it is still in the starting phase and has not delivered concrete results. FIER is active in all regions in Mali except for Kidal due to the security situation in that region.

#### 4.2 NGOs

There are many NGOs active in skills training for youth, and many of which focus on agriculture in particular. Local, national and international NGOs provide schools, vocational training and skills training. International NGOs especially are hesitant to engage in financing activities, often due to previous experiences. Several NGOs indicated that offering financial means does not guarantee more success. On the contrary, it also attracts youth that are not willing to engage in agriculture at all. 18 By offering the training alone, only the really motivated youth are targeted. This does mean however that their problems in terms of finance do persist. Examples of NGOs that offer these training program are LuxDev and Helvetas. Both organizations have agricultural schools in place where young people follow courses on agriculture and can immediately place theory into practice. To receive training with LuxDev, having access to a piece of land is therefore an requirement. In working with different methods, the schools aim to provide youth with technical skills on agriculture, to those already in agriculture and to those not yet active. LuxDev targets youth from 18 to 25 years old in the Segou region that already have access to land. Over the course of two months, the youth alternate between school (two weeks) and their own field (two weeks). LuxDev helps them to obtain legal titles for their land and accompanies them to the bank to apply for a loan. Helvetas, which is active in Segou and Sikasso, has a similar program providing youth with technical skills in different value chains for six weeks. While Helvetas used to provide the students with a loan in the end, this part of the program is currently under review and students will be accompanied to banks to apply for loans. SwissContact funded by the Danish embassy has a slightly different approach from Helvetas and LuxDev as it calls upon Malians themselves to identify their educational needs. The program is not limited to agriculture, but in practice many of the applications come from people working in the agricultural sector.

#### Box 1. SwissContact - PAFP IV

PAFP IV (2014 - 2017) is a project financed by the Danish embassy and executed by SwissContact. The program is aimed at the economic integration of 40,000 people and the development of expanding economic sectors by means of vocational training leading to a qualification. Instead of offering a fixed curriculum on a particular topic, SwissContact provides personalized training to people that have themselves identified their educational needs. They work in several phases with key questions:

- Are you unemployed and you would like to start an economic activity?
- Are you already working, but you would like to improve your skills?

Phase 1: Contact the regional council or the SwissContact focal point in your region.

Phase 2: An advisor will work with you to analyze your needs and decide on your training program.

Phase 3: With the help of your advisor, you identify a trainer or training center.

Phase 4: You submit your vocational project to SwissContact for observation.

Phase 5: You submit your project to the <u>Regional Council</u> to get it financed. They will analyze your project and once accepted <u>finance 90% of your project</u>.

Phase 6: After the training, your trainer will follow-up to see how you are putting your new skills into practice.

The beneficiary will identify his own needs and will identify the person or institution that can help him reach his goals. Additionally, the funds to finance the vocational projects are provided for by SwissContact but the Regional Council manages the funds. The Regional Councils are elected representatives of the mayors in each region. They are responsible for the development projects in their region. As the Council only finances 90% of the project, the beneficiary is expected to contribute at least 10%.

The program is not focused on youth exclusively but from the 40,000 people it aims to train, 10,000 are youth. The program intervenes in four Malian regions: Ségou, Sikasso, Mopti and Tombouctou.

USAID has initiated a similar program in which people are asked to identify their needs as well. The program includes a major project on livestock (L4G - Livestock For Growth) in Mali's Mopti region, which aims to support

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<sup>&</sup>lt;sup>18</sup> Interview Helvetas and SwissContact

young livestock farmers (15-35 years old). The project works with platforms where farmers and future farmers can become a member. Through these platforms, farmers can communicate their needs and organize their own (learning) activities, which are then supported by the L4G project. Such activities can include visits to other farms or trainings on certain skills or new methods. Currently, there are two platforms for women and two platforms for men and each have at least 90 members.

Few programs focus specifically on financing agricultural programs. FARM, a project financed by the Canadian government, is one of the exceptions focusing specifically on agriculture and rural financing. The FARM project provides capacity building for agricultural producers and participating financial institutions, in addition to introducing loan insurance and crop insurance programs. <sup>19</sup> They specifically focus on youth with aims to improve access to finance among youth. The program started in the end of 2015 and will be ongoing until 2020. As one of the few organizations focusing on finance, it has a huge potential to be successful in Mali, however only recently have they started to produce results. Their slow start was mostly due to high turn-over in personnel and some institutional decisions which is also seen in their approach towards youth. To target youth, FARM exclusively works via FENAJER (see below), a youth in agriculture organization that is represented minimally in the field. Given the weaknesses within the structure of FENAJER, the focus seems to have shifted towards strengthening FENAJER as an organization rather than providing them with financial access.

Despite a large variety of programs for youth, the Malian youth feels not so supported. They are unable to find the agencies and programs that work for them. For this reason, SwissContact also established youth orientation centers together with APEJ. They recognize the difficulties many young Malians have in deciding what they really want to do and finding the right initiatives that can support them. The centers located in Bamako, Segou and Mopti offer career advice and help young people identify their needs and opportunities. Although the projects are still in the pilot phase, 2,500 youth have already benefited from the centers, plus 14 advisors that are currently working there, and all since June 2015.

#### 4.3 Incubators

In the past year, there has been a large increase of incubators and some with a specific agricultural focus. Incubators help new and start-up companies develop and grow by providing them with services such as management training and coaching. They are dedicated to the start-up phase of a company. Most incubators in Mali started because of a lack of entrepreneurial skills and a need to create jobs rather than wait for jobs to be given.20 Entrepreneurship is often considered too risky and unstable and the youth therefore prefer government jobs offering lifelong stability. Incubators aim to support young people with innovative ideas that may or may not have the skills and financial means to start-up. They select a number of ideas after a call for proposals and help the selected entrepreneurs translate their ideas into a business. They work on business plans, identify possible investors and sometimes invest themselves in the start-ups. Initiated and largely funded by ICRISAT, TETELISO is a specific agricultural incubator. During a yearlong incubation period, young people are offered skills, trainings and land to start their own business. AJA is an NGO and one of the oldest Malian incubators, one that also has a specific agricultural center where young people can experiment and learn new techniques. They recruit 50 young people directly in villages via a yearly call for applications. Besides training they also help their students launch their businesses and put them in touch with banks with whom they have partnered. They have a guarantee fond with those banks. Other incubators such as ImpactHub and Createam (funded by the phone company Orange) focus on entrepreneurship in general and not specifically entrepreneurs in agriculture. ImpactHub joined a consortium of several NGOs in the NextEconomy program funded by the Dutch embassy for €3.5 million in three countries (Mali, Niger, Somalia). The program consists of two main tracks: Make it Work and Grow Your Business. With the Make it Work track, youth are trained to start their own business or to find a decent job. Grow your Business track is focused on accelerating start-ups to the next level in a five-month incubation period. Incubators are a relevant and new phenomenon, and except for AJA they all began this year yet their impact has yet to be examined. It should be noted that the target group for incubators is focused almost exclusively on educated youth with creative and innovative ideas. Since most ask for a financial contribution to be incubated, they tend to work with the youth that come from the middle-class and higher income families. Only when they work together with NGOs such as ImpactHub do they also offer training to less educated youth.

#### 4.4 Youth organizations

Within Mali, the rural youth themselves are making an effort to get organized in order to increase their ability to access funds. These are often small initiatives started by a group of friends all working in agriculture within a certain geographical area. They are organized often in an association or cooperation. They normally only have an online presence on Facebook, which makes it relatively difficult to identify all of them. One of the largest youth organizations with a presence in the whole country is FENAJER (Federation National des Jeunes Rureaux). The organization aims to organize all youth active in agriculture. It is supported by several NGOs that work with youth in agriculture like FARM. Given their strong presence in Bamako, they are easy to reach out to and have access to a large amount of active young farmers, a target group NGOs are eager to work with. In reality however, FENAJER struggles to reach out to their peers outside the capital. They are not very well-known in the regions while in Bamako

<sup>&</sup>lt;sup>19</sup> Interview Mariam Togo – FARM. 18/10/2016

<sup>&</sup>lt;sup>20</sup> Interview Diarra – TETELISO. 25/10/2016

they are very present. FENAJER has a strong hierarchical structure, which strongly resembles the L4G platforms. Yet there is no cooperation between the FENAJER and L4G.

#### 4.5 Private sector

There are few private sector initiatives in Mali that focus on youth in agriculture in particular. There are some general agricultural programs. The large telephone company Orange invested in a mobile application which allows farmers to gain information about market prices in the whole country. Orange is also working on a weather app which predicts rainfall. In 2014, the MasterCard Foundation finished a program on finance for youth, the "Advancing Integrated Microfinance for Youths" program. This project worked on the chronic need for finance for risk management and life cycle events by providing youth with access to financial services and strengthening of their financial skills. Young people were stimulated to become a member of a Youth Savings Group or open a group savings account and participate in financial education sessions. At the end of the program, there was evidence that participants had increased their savings or had invested in livestock. Results of the program demonstrated that youth were more able to save for bigger life events such as marriage. In addition, some gender differences were found in terms of what young people saved. For girls, both the livestock and marriage grew in importance while for boys it was livestock and emergencies. The program ran from 2009 to 2014. Recently gold mine companies also started to engage with youth in agriculture. RandGold started two different agricultural projects in their mining areas. In Kayes, a mining area, they started an agricultural business school with 50 youth and a curriculum of farming techniques and entrepreneurial skills. They first year they receive a technical training on agriculture in general. They receive a theoretical training and put theory in practice on the test fields at the school. The training is very elaborate ranging from fish farming to vegetable gardening. After a yearlong training, the students enter in the incubation period. The students are divided into groups, given land and are to start their own farm. Those that made a profit after one year are given their own plot of land in a former mine area. Recently, the students finished their training and are now about to start their own farm. It is not yet clear what the incubation period will look like as that is currently under development. The students receive a scholarship of €40 per month during the two-year period. Agriculture in the mining areas is a real challenge. In these areas, young people can make large sums of money in a very short time while working in the mines. Agriculture is thus hard work that is highly unpopular and with little economic payoff. While RandGold did initially not want to pay their students to enroll in their program, they learned from experience that it was a critical criterion to keep youth engaged. In the Sikasso region, RandGold is closing a mine and aims to start a large agricultural business center, but what this would look like and what they want to do exactly is very unclear. In reality, the company has difficulties finding the right partners to implement their ideas and limited knowledge about agriculture themselves.

#### 5. Conclusion

A large variety of organizations offer skills training in agriculture. Yet access to finance remains the major challenge. The large programs funded by international organizations and government agencies do have financial services that can be accessed by youth, but corruption is a real threat as was seen with APEJ in 2015. Banks are hesitant to provide loans to youth and often require guarantees that young people cannot give. Thus while agriculture does have the potential to provide many young people with future employment, lack of financial means greatly hinders the development of youth enterprises.

Another major challenge many organizations encountered was how to keep the youth engaged in their agricultural activities. Many youths follow the trainings but do not pursue the agricultural activities once the training period is over. There is a flawed assumption that for young people any job is better than no job, and that they therefore are willing to engage in agriculture. No matter what the target group, the success of a youth employment program depends on whether the intended beneficiaries actually aspire the type of jobs offered. Any program or policy should be based on supporting those that do have real aspirations; this might mean a focus on quality rather than on quantity. It would be wise to support a small group that has real aspirations rather than focus on the amount of young people launched in agriculture. This also means that there might be an opening in changing youth aspirations. Entrepreneurship and agriculture in particular has a very low status. The perception of agriculture as a way of life rather than a viable employment opportunity largely results from an educational system that prepares the young generation for public sector jobs. Programs for youth in agriculture should thus be addressing the image-issue of entrepreneurship in general, and in agriculture in particular. Young Malians need role models showing that the agricultural sector is a real viable path for future employment.