

NEO:
A Legacy of
Innovation for the Future

FINAL REPORT

A MILLION YOUTH



A MILLION OPPORTUNITIES

ABOUT THE NEO INITIATIVE

NEO is an initiative led by the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB) and the International Youth Foundation (IYF) with support from the IDB's Labor Markets Unit and founding corporate partners: Arcos Dorados, Caterpillar Foundation, CEMEX, Microsoft, and Walmart. The objective of the initiative is to improve the quality of human capital and the employability of disadvantaged youth in Latin America and the Caribbean. This is a pioneering initiative in which companies, governments, and civil society contribute resources, knowledge, and skills to implement effective and sustainable employment solutions. Launched at the Summit of the Americas in 2012, this 10-year initiative seeks to improve the employability of 1 million disadvantaged youth.

THE AUTHORS

This report was prepared by the NEO team at the International Youth Foundation.

The opinions expressed in this publication are the authors and do not necessarily reflect the viewpoints of the IDB, its Board of Executive Directors or the countries it represents. Nor do they necessarily reflect the point of view of the MIF, IYF, or NEO's corporate partners.

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A HISTORY OF INNOVATION AND PARTNERSHIP

On June 6-7, 2018, more than 100 stakeholders of the New Employment Opportunities (NEO) initiative from across Latin America and the Caribbean convened in Lima, Peru to reflect on the initiative's six-year legacy. The event provided a chance to celebrate success, but also to share learnings and engage in a constructive, insightful, and inspiring conversation about the past, present, and future of NEO.

Created and implemented in partnership among the International Youth Foundation (IYF), the Multilateral Investment Fund (MIF), and the Inter-American Development Bank's Labor Market Division, the NEO initiative was launched in 2012 to address youth unemployment and underemployment in the Latin America and Caribbean region. However, as Bill Reese—CEO at IYF—and Elena Heredero Rodríguez—Lead Specialist at the MIF—explained, the legacy of NEO, and the partnership, goes back much further.

NEO evolved from the entra21 project (2001-2011), which was also created in partnership by IYF and the MIF. At that time, entra21 was among the first initiatives in the world to tackle the issue of youth unemployment and underemployment on such a large scale and was also innovative in its emphasis on cross-sector result sharing. In fact, learnings that emerged from entra21 allowed for the creation of NEO, which approached youth employability with an ecosystem lens.

In this spirit of continuous learning for innovation, Australian Aid funded monitoring and evaluation efforts, including six research studies that were overseen by Miguel Székely, Director at Centro de Estudios Educativos y Sociales. “These thematic studies help us see the big picture,” Székely said at the event. “Through research and analysis, these studies provide an aggregated vision that helps us make strategic decisions.”

Aitor Llodio, Executive Director at Fundación para la Sostenibilidad y la Equidad (ALIARSE), presented findings from a study assessing NEO's public-private partnership model. Specifically, Llodio noted the importance of continued active participation from the private sector, and the necessity of formalizing best practices through policy so youth employability efforts can continue beyond the life of any one project, or political agenda. “The partnership model is impactful,” he noted, “but it's critical to ensure that partnerships are sustainable and lasting.”

In 2018, NEO leaves an impressive, meaningful legacy characterized by innovation and cross-sector collaboration. It was clear from the event in Peru that the stakeholders involved are ready to move the work forward.

“NEO brought a vision, a way to shake things up, and a way to look at the youth unemployment crisis with a different set of eyes.”

— ELENA HEREDERO RODRÍGUEZ,
Lead Specialist, Multilateral Investment Fund

“The entra21 initiative allowed us to figure out what worked in youth employability. It was a pioneering partnership that has influenced countries, multilaterals, and other institutions around the world to do things differently.”

— BILL REESE, CEO, International Youth Foundation

NEO'S REGIONAL RESULTS (2012–2018)



10 alliances & 16 associated projects



**310,000+ youth;
61% working 6-9 months post-training**



4,000+ employers



**239 service providers;
86% improved capacity**



US\$137m total investment

“NEO is an alliance that delivers results.”

— KATHIA MEJÍA, Executive Director, Fundación Sur Futuro, Dominican Republic



CHALLENGES AND INNOVATIONS FOR THE YOUTH EMPLOYABILITY ECOSYSTEM

NEO operates in a context in Latin America and the Caribbean in which the issue of youth unemployment and underemployment is deeply-rooted and affects not only young women and men, but also employers, communities, and the larger economy.

As participants in the **Impacting the Youth Employability Ecosystem** panel emphasized, part of the problem is a long-standing skills gap between the demands of the labor market and the skills acquired by young people preparing to enter the job market. Too often, employers find that young people applying for jobs lack the relevant skills—not only technical, industry-specific skills, but also work-relevant life skills like critical thinking, communication, and the ability to work on a team.

Panelists from Peru, Panama, Mexico, and the Dominican Republic agreed that the skills gap is exacerbated by a communication breakdown among key players in the youth employment ecosystem. During an insightful discussion, they reiterated this challenge and shared solutions that have emerged in the various NEO countries.

According to IYF's Country Director Jorge Barragán, in Mexico “the NEO Mexico Alliance in Nuevo León helped promote a critical conversation between companies with positions to fill and public universities and vocational and technical training centers with qualified students who need jobs.” A similar communication challenge impeded the connection between youth searching for jobs and employers with positions to fill. “In Panama, there was little info available for young people about the labor environment,” Fabio Carranza Esquivel, Partner-Director from the company Education & Technology noted. “Young people need to understand the environment and where they fit in.”

Through the NEO initiative, innovative solutions were developed to facilitate communication and information sharing and to strengthen youth employability services in the region. In Panama, an online platform called Marca tu Rumbo connects young people to the world of employment so they can identify local employment needs, options,

“The private sector needs to provide young people with information about employment so they can make informed decisions about their futures. NEO challenged us to connect with youth.”

— JUAN CARLOS CROSTON,
Vice President, Marketing & Corporate Affairs,
Manzanillo International Terminal, Panama



“NEO helps teach empathy, solidarity, and teamwork which are important not only for school and work, but for day-to-day life.”

– Bastián Ignacio Martín González, 17,
NEO Chile graduate



and areas of growth. In Mexico, an app called Talent Mapping aligns employers with youth seeking employment, allowing employers to recognize what skills young people possess, and to invite them for interviews.

When employers connect with well-prepared youth, the whole employment ecosystem benefits. According to a study conducted by the Colombian consulting firm B.O.T., in Nuevo Leon, Mexico, employers who hire NEO youth notice a difference between them and other youth they hire. “NEO youth are better prepared,” Juan Pablo Jimenez, chief researcher, reported at the event, “and require less training, which saves cost. Moreover, the data shows they are 6% more productive.”

Going forward, Jimenez emphasized the importance of data collection and measurement of return on investment for employers of hiring NEO youth. Elena Heredero Rodríguez of the MIF agreed that for sustainability and expansion of the NEO model, “We need to speak the language of data and concrete cases to bring employers on board.”

“Given the pace of change, if we don’t rapidly scale up opportunities, we run the risk of rapidly scaling exclusion.”

— MARCIO GUERRA AMORIM, Executive Manager, Corporate University, SESI and SENAI, Brazil

TECHNICAL SKILLS FOR THE DIGITAL WORLD

During **Employer Perspectives on the Value of NEO** and **The Knowledge Economy and Opportunities for the Region’s Youth** panels, leaders from the private sector and labor market experts discussed the kinds of skills young people need to succeed in the 21st century world of work. In addition, leaders from various NEO Alliances shared some of the most innovative ways the work in each country addressed barriers to youth employment in their countries.

David Rosas Shady, Principal Specialist in Labor Markets and Social Security Division at the Inter-American Development Bank set the stage for panelists to discuss the way rapid advances in technology are shaping the labor landscape, including the kinds of jobs available and the skills needed to thrive. Building on this, Héctor Figari Costa, Microsoft's Director of Corporate, External and Legal Affairs for South America, explained that "Industries of all kinds, in the public and private sectors, have become digitalized. It's important to have projects like NEO that work to improve digital literacy." Preparing young women, who are still underrepresented in tech-related jobs, with the skills needed to succeed in an increasingly digital workplace is especially critical. Mariana Costa, Co-Founder and CEO of Laboratoria, underscored the importance of youth employment programs like NEO to ensure that young women, "especially from low income families, will play a role in designing the world."

All panelists agreed that while technical skills are important, they are not enough by themselves to adequately equip young people for success in the labor market of today and tomorrow.

"We think about the tech revolution on the one hand as a challenge, but it can also be an opportunity for creating more decent jobs for youth."

— RODRIGO KON, Executive Director,
Fondation Forge, Argentina





“The most important thing is knowing when and how to use the knowledge you acquire, and that involves critical thinking and creativity.”

– Genesis Dilenia Peguero Reyes
(pictured far left), 18, NEO Dominican Republic graduate

TIMELESS LIFE SKILLS FOR SUCCESS IN THE 21ST CENTURY

While learning Information Technology skills—and other industry specific skills—is certainly necessary for youth in our increasingly digital world, the importance of life skills such as critical thinking, creative problem solving, conflict management, and the ability to work on a team, were also highlighted at the event as imperative for success in school, employment, and life. As Rebecca Finlason-Harper, Fundraising and Communications Specialist at NEO Jamaica said, “Employers hire for technical skills, but fire for a lack of soft skills.”

Life skills—taught through IYF’s Passport to Success (PTS) curriculum—are a major part of NEO’s legacy of innovation, and participants from the public and private sectors emphasized the importance of work-relevant life skills. In the service industry, for example, where employees must work together and interact with customers, communication skills are critical and often missing. Lyana Latorre, Senior Director of Corporate Social Engagement at Arcos Dorados, noted that, “When we train our managers—who are 24 years old on average—we focus on life skills like teamwork, interpersonal relations, and basic respect—these are core skills for work and life.” In other industries, critical thinking and creative problem solving are among the most sought-after life skills. Sérgio Cavalcante, CEO of CESAR, confirmed: “Employers need people who can design solutions based on people’s needs, and this requires creativity, critical thinking, and many other soft skills.”

In addition, teachers who received training and were certified in the delivery of PTS benefitted not only from learning how to teach life skills, but in more general ways, too. Norma Añaños, Executive Director of CAPLAB—and a seasoned teacher—shared her observation: “PTS is a pedagogy for change,” she said. “It provides a new way for training teachers that helps them become better planners and communicators.” This sort of capacity strengthening is a hallmark of the NEO partnership model, and panelists agreed that it is critically important for maximizing and sustaining the impact of NEO—and programs like it—into the future.

“The legacy of NEO is a model that can be adopted by governments and turned into public policy.”

— ZULEIKA DE PLAZAOLA, Coordinator, NEO Panama

To better understand the challenges and opportunities of expanding life skills training in the region, and beyond, Liliana González Ávila, Executive Director of QUALIFICAR and the lead researcher of a study of how life skills were implemented across several NEO countries, shared the findings at the Peru event.

“NEO equips youth with social-emotional skills that employers, and youth themselves, identify as important,” she told the audience. González Ávila also emphasized the importance of generating discussion with policy makers about the effectiveness of life skills training and noted that, going forward, fostering a community of teachers and trainers experienced with the Passport to Success curriculum and methods would be valuable in providing mentorship, assessing quality, and ensuring consistency among trainers and facilitators.

***“Soft skills—
the ability to manage emotions, adapt to change, and learn for life—
will be even more important in the future.”***

— VEROUSCKHA UCHOFEN, Regional Coordinator, FerreyCorp Association, Peru

STRENGTHENING CAPACITY FOR SUSTAINABLE IMPACT

In addition to benefitting more than 310,000 young people across the region, NEO also strengthened the capacity of 239 implementing partners and service providers in ways that will extend the impact of NEO far into the future, contributing to systems change that will outlive the duration any individual initiatives or projects and benefit countless youth.

NEO's Quality Assurance System, available in Spanish, Portuguese and English, provides members of the alliance with a systematized way to review, assess, and take intentional actions to improve their own processes and practices related to youth employability and career guidance services. Using NEO's internationally validated quality standards, members of the alliances have developed and implemented improvement plans. In the Dominican Republic, for example, the alliance utilized NEO's quality standards to create offices to assist with job placement, training, and internships, held workshops to equip staff with new methodologies for working with young people, and developed labor management manuals that were validated by the Ministry of Education. Similar



achievements occurred in Panama and elsewhere. In Jamaica, the alliance created a working group to assess the youth employment landscape, and based on their findings developed four proposals with recommendations. The information contained in these proposals contributed to a national youth policy that recently passed in Parliament. NEO's policy-shaping potential was also noted by Colombia Coordinator Gustavo Londoño Rengifo, who shared that, "The Colombian government sees NEO as a model that can be replicated."

PARTNERSHIPS FOR POWERFUL, LASTING CHANGE

As Martha Herrera González, Director of Corporate Social Responsibility at CEMEX, noted, finding solutions to big systemic challenges like youth unemployment and underemployment requires active support from a multi-stakeholder alliance.

Honored during the event were members of NEO's Steering Committee and sponsors, including Arcos Dorados, Australian Aid, CEMEX, CNI-SESI, the Caterpillar Foundation, Fondation Forge, Microsoft, PepsiCo, and Walmart. The engagement of these organizations has been critical to the success of the initiative, and representatives at the event took the stage to receive well-deserved recognition.

Going forward, continued and active involvement from partners like these from all corners of the employment ecosystem will be needed. Sometimes, partnerships only last for the duration of an initiative, making it difficult for impact to ripple into the future. However, when asked about the NEO initiative, Hugo Ñopo Aguilar, Senior Researcher from GRADE who was responsible for a NEO study examining job placement strategies, expressed confidence: "The commitment of NEO partners to contribute to sustainability is very high."

Also recognized were the organizations and individuals who led the ten NEO country alliances. Their leadership of the alliances and the resulting innovations put them at the frontier of knowledge about successful partnership for youth employability.

Perhaps the greatest reason to be confident and hopeful about the future, however, has to do with young women and men who are not only the beneficiaries of the NEO alliance, but powerful assets and agents for change.



“Young people can create powerful change. If we water the hearts of our young people, they will bloom.”

– Sheila Cordero, 19,
NEO Dominican Republic graduate



YOUNG PEOPLE AND THE FUTURE OF NEO

“If a country doesn’t invest in its youth,” Keisuke Nakamura, Acting General Manager of the Multilateral Investment Fund, said at the close of the NEO event, “it doesn’t have a future.” Young people were a big part of the conversation at the NEO event, taking the stage to share their experiences, challenges, and dreams.

From securing a first job, to starting an innovative business, to leading companies and organizations into the future, young women and men across Latin America and the Caribbean are eager to work, and they possess the potential and agency to make amazing contributions. They just need the opportunities and resources to make it happen. Gladys Janeth Acasiete López, a 21-year-old NEO graduate from Peru, explained that, “NEO is about young people recognizing their abilities and potential. I’ve grown and discovered a lot,” she said, “and I hope to pass this along to other young people, too.”

While there is still work to be done in the region—and around the world—to assist young people to create the futures they desire and deserve, **NEO: A Legacy of Innovation for the Future** affirmed that members of the public and private sectors and civil society are up to the challenge. Like everyone at the event, Susan Reichle—IYF’s President and COO—drew inspiration from two days of honest, serious discussion, and from the young people themselves. “Youth like Sheila, Gladys, Bastián, and Genesis making their voices heard and speaking about why this is important,” Reichle said, “make me sure that the impact of NEO will last, and grow, far into the future. They’re amazing.”

As the young people taking part in the NEO event demonstrated, more than simply being the beneficiaries of programs like NEO, young people have the interest and ability to be an active part of finding a solution to the problems—like unemployment and underemployment—that affect them the most. Often, all they need are the opportunities and resources to unlock their potential.



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