

FACT SHEET

What is NEO?

NEO (New Employment Opportunities) is an initiative dedicated to improving the quality of the workforce and the employability of poor and vulnerable youth in Latin America and the Caribbean. Launched at the Summit of the Americas 2012, NEO is committed to reaching one million vulnerable youth throughout the region by 2022.

NEO is led by the Multilateral Investment Fund (MIF), a member of the Inter-American Development Bank (IDB) Group, and the International Youth Foundation (IYF). Its founding corporate partners are Arcos Dorados, the Caterpillar Foundation, CEMEX, Microsoft, and Walmart. The IDB's Social Sector has a key role in bringing government agencies into the partnership.

As of the end of 2014, US\$98.3 million had been approved for NEO projects: US\$18.8 million from the MIF, and US\$ 79.5 million from partners. Among partners, the Government of Australia and USAID have contributed with resources to achieving NEO objectives.

Why NEO?

YOUTH UNEMPLOYMENT: The Latin American and Caribbean region has 148 million young people between the ages of 15 and 29, who make up 40% of the working-age population. Yet one in five youth is neither working nor studying; the youth unemployment rate is two to three times the adult unemployment rate; and, of those who are working, 60% are in informal jobs. In addition, 50% of those who do complete high school lack the basic competencies that jobs require.

UNPREPARED WORKFORCE: At the same time, the region's companies are experiencing serious challenges in finding and retaining the employees they need to grow and succeed. A 2013 Manpower survey found that 41% of firms reported difficulty finding qualified workers, and 80% said that job candidates lack basic life skills.

Simultaneously addressing the youth unemployment and skills gap problems requires a multi-pronged approach. NEO is a pioneering alliance that is bringing together businesses, governments, and civil society organizations and their resources, knowledge, and skills to provide effective and sustainable solutions.

By 2022, NEO will:

- Train and counsel one million poor and vulnerable youth between the ages of 16 and 29
- Mobilize 1,000 companies to offer internships and positions to young people
- Strengthen the capacity of 200 job training providers
- Ensure that at least 50% of youth trained are women

As of the end of 2014, three years after its launch, NEO had approved projects that, when they have completed their execution, will:

- Reach over 382,000 youth
- Mobilize 2,000 companies to offer internships and jobs to poor and vulnerable youth
- Strengthen the capacity of 159 service providers
- Have women account for 50% of the youth trained

NEO is working on the following projects:

REGIONAL: Walmart is scaling retail training in Brazil, Argentina, Mexico, Chile, and El Salvador. Programs are coordinated by IYF and Carana.

REGIONAL: The Caterpillar Foundation supported training and job placement services in metal-mechanical, welding, and hydraulic systems, IT, and others in Brazil, Mexico, Panama, and Peru. IYF coordinates this EquipYouth initiative.

MEXICO: Under the leadership of CEMEX and FEMSA, the COMUNIDAR Foundation is coordinating a multi-stake holder alliance in Nuevo Leon State to strengthen upper secondary technical education and job training, and create one-stop-shop job centers for vulnerable youth.

DOMINICAN REPUBLIC: EDUCA and the country alliance are overseeing a project to improve technical and basic skills training and establish job placement offices for polytechnic and out-of-school students.

COLOMBIA: Coordinated by the Caja de Compensación Familiar (COMFENALCO), the alliance complements a billion-dollar government investment in Uraba, an area long afflicted by conflict and poverty, by training youth in the skills needed to help develop the region.

PANAMA: Coordinated by the Private Sector Council for Educational Assistance (COSPAE), the country alliance focuses on training curricula and information systems for youth entering the high-growth sectors of logistics, tourism, and construction.

PARAGUAY: The Development Information and Resources Center Foundation (CIRD) is coordinating the country alliance to update labor market needs, training curricula, and employability systems for high-growth sectors including machine tools, construction, shipbuilding, and tourism. The project will also benefit youth with disabilities.

BRAZIL: The Serviço Social da Indústria (SESI) is leading a project to develop a free online educational platform for youth that will strengthen basic math and literacy competencies as well as technical and life skills.

REGIONAL: The Forge Foundation is coordinating with companies in Argentina, Mexico, Peru, and Uruguay to offer internships and formal jobs to disadvantaged youth, supporting their transition from school to work.

EL SALVADOR: Coordinated by Catholic Relief Services, “Youth Pathways” offers a path out of violence and social exclusion for at-risk youth through a comprehensive methodology.

For a list of the more than 100 institutions and partners supporting NEO, please visit www.youthneo.org.

For more information on NEO, please contact: • MIF: Elena Heredero elenah@iadb.org • IYF: Susan Pezzullo s.pezzullo@iyfnet.org • IDB: Laura Ripani laurari@iadb.org or visit www.youthneo.org