

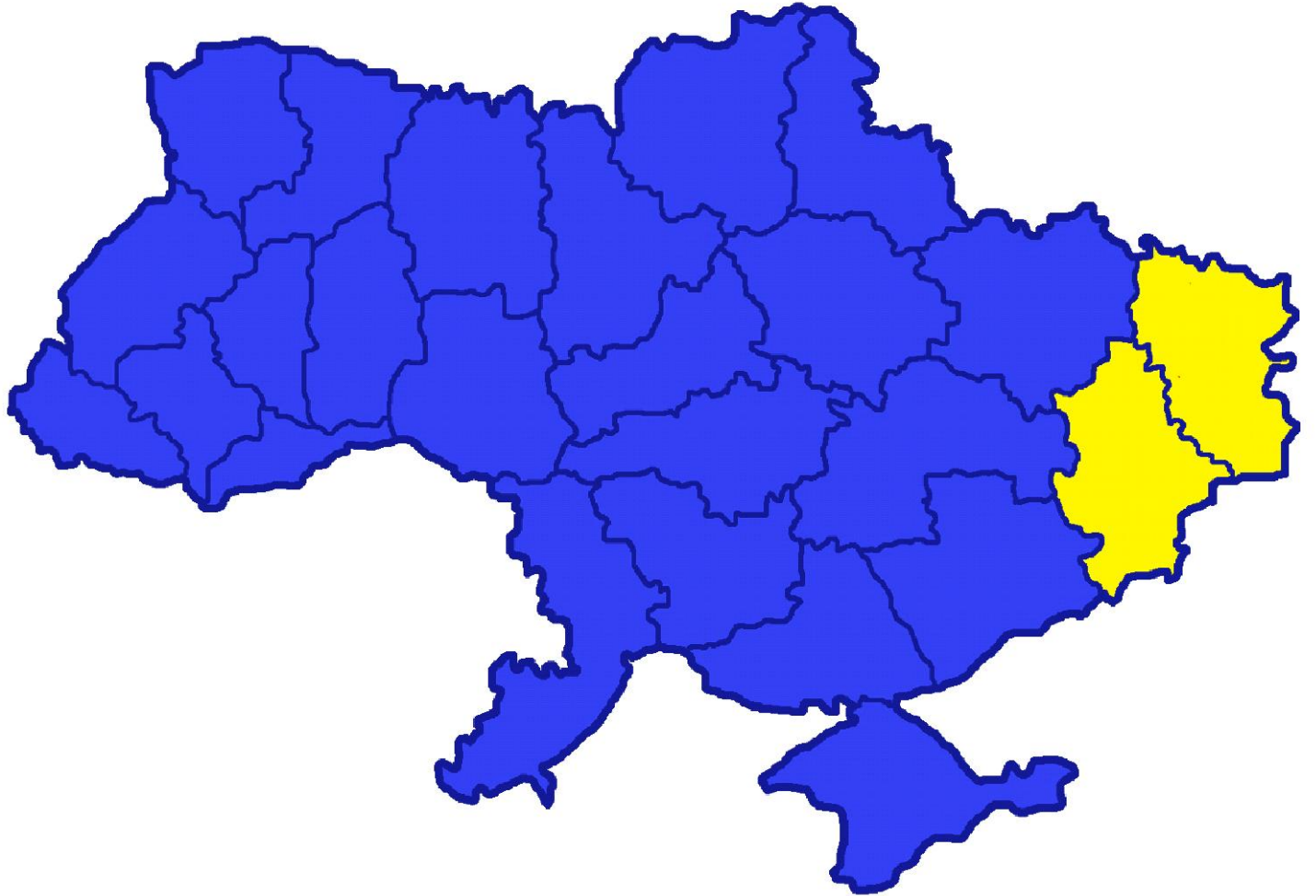
# Youth Business Ukraine – working in partnership with local actors, Ukraine, Donetsk Region

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Trento,  
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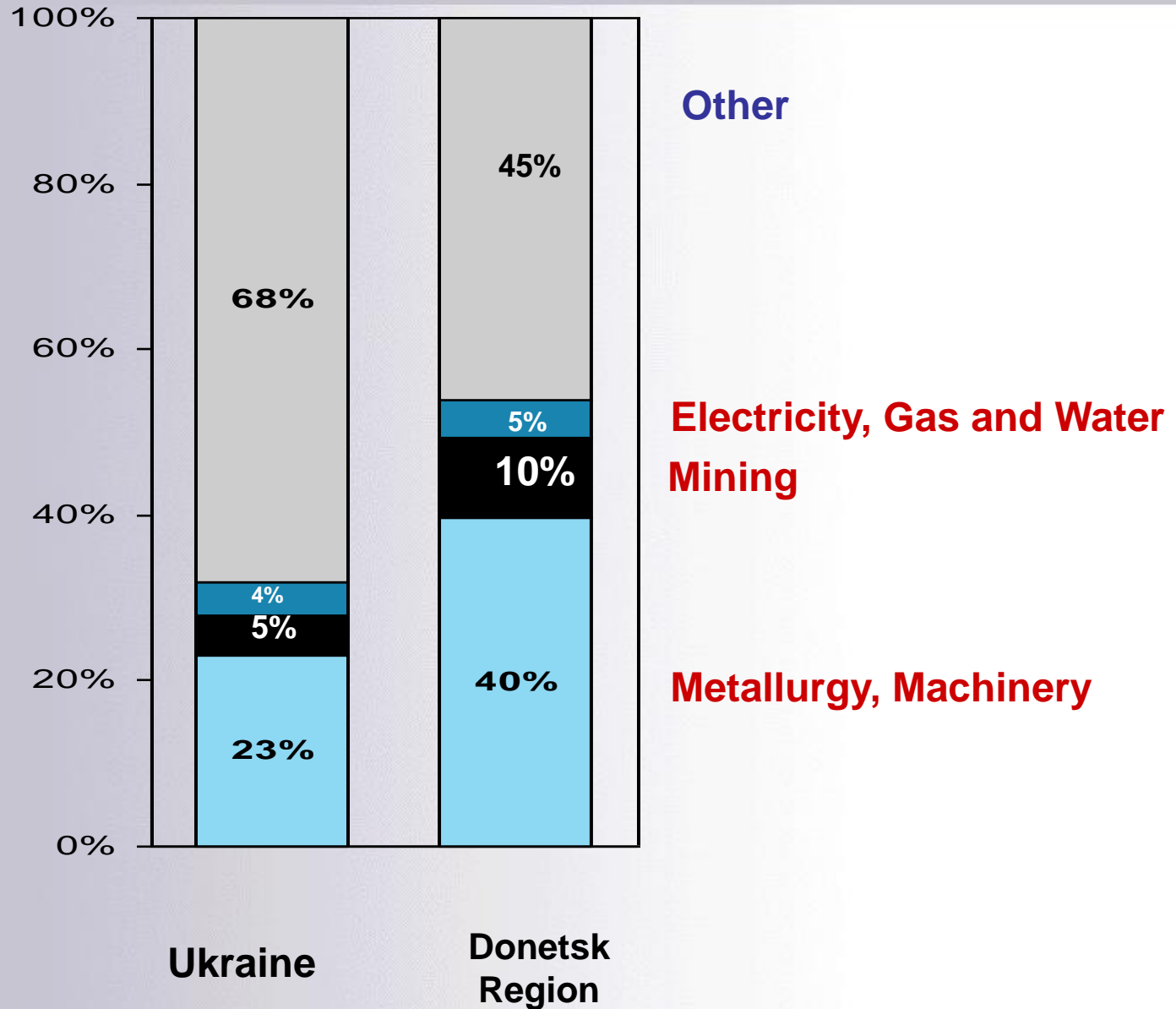


Ukraine comprises 27 Regions. The population of the country is 46 million people, 4.5 million living in Donetsk Region and 1.8 in Lugansk Region





# Structure of National / Regional Economy



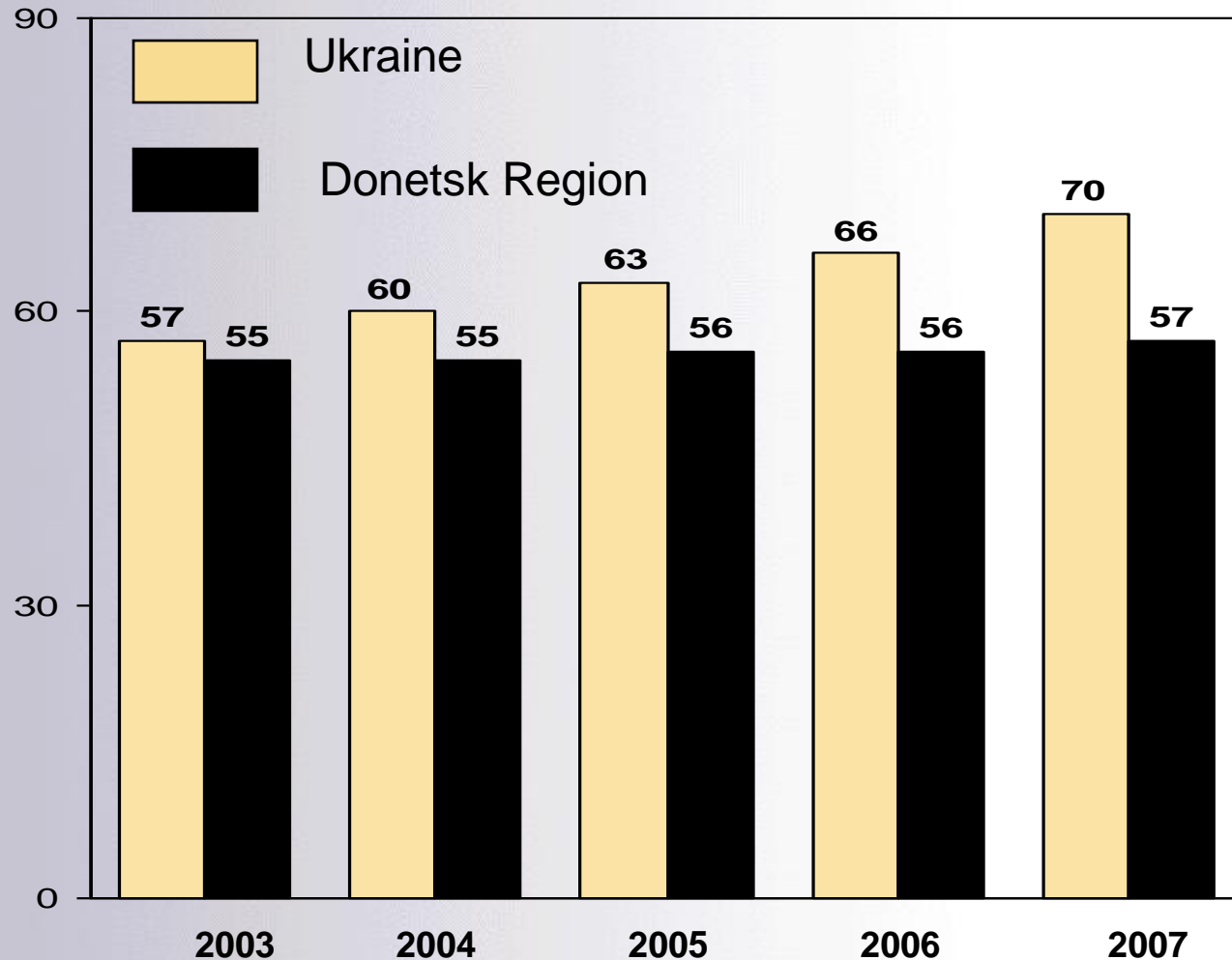




# Small Enterprises – Versus Ukraine

Larger companies dominate in Donetsk Region  
while penetration of small companies remains flat

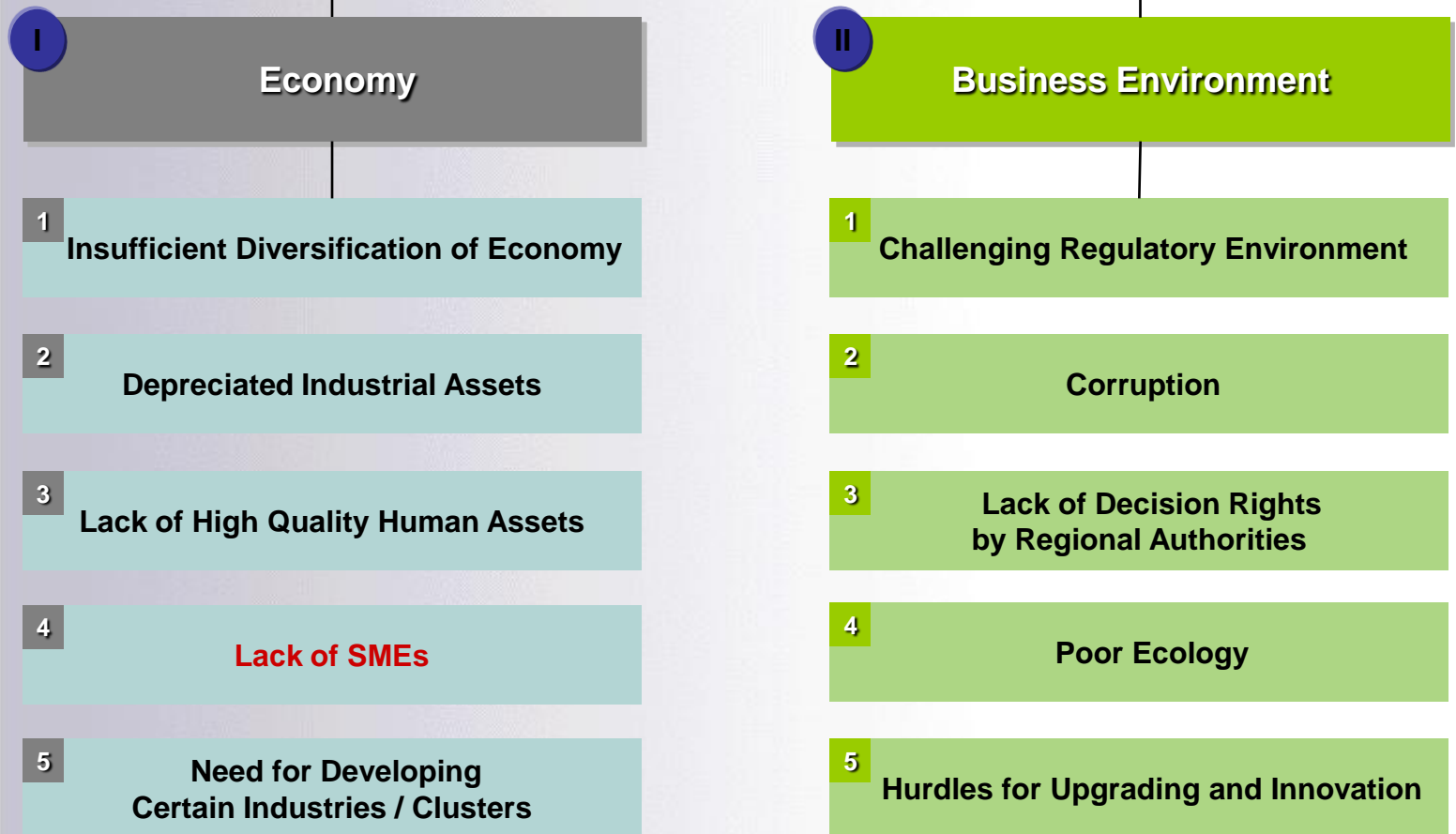
## Small Enterprises, 2003–2007





# Regional Parliament policy towards diversification of regional economy and promotion of youth entrepreneurship

## Major issues as basis for new Regional Strategy





# Regional Development Strategy, Cluster approach

## Regional Task Forces

### Cluster Task Forces

Metals

Agriculture and  
Foods

### Communication of Needs:

- Required types of FDIs, potential target investors, etc.
- Required skills, educational and entrepreneurship programs etc.



### Arrangement of Solutions:

- Proposals for target investors, etc.
- Organization of round tables, education and entrepreneurship programs development and promotion

### Issue Task Forces

FDI

Education, Training  
and Youth Business  
Promotion





## Supporting institutions and promoting entrepreneurship programs

### YBI:

- International network of programs “The Prince’s Youth Business International”
- HRH The Prince of Wales is YBI President
- Comprises locally based independent programs in 40 countries of the world

YBU main goal is to develop youth entrepreneurship, provide equal opportunities to socially disadvantaged young people in starting their own businesses and involve them into regional and national economic processes

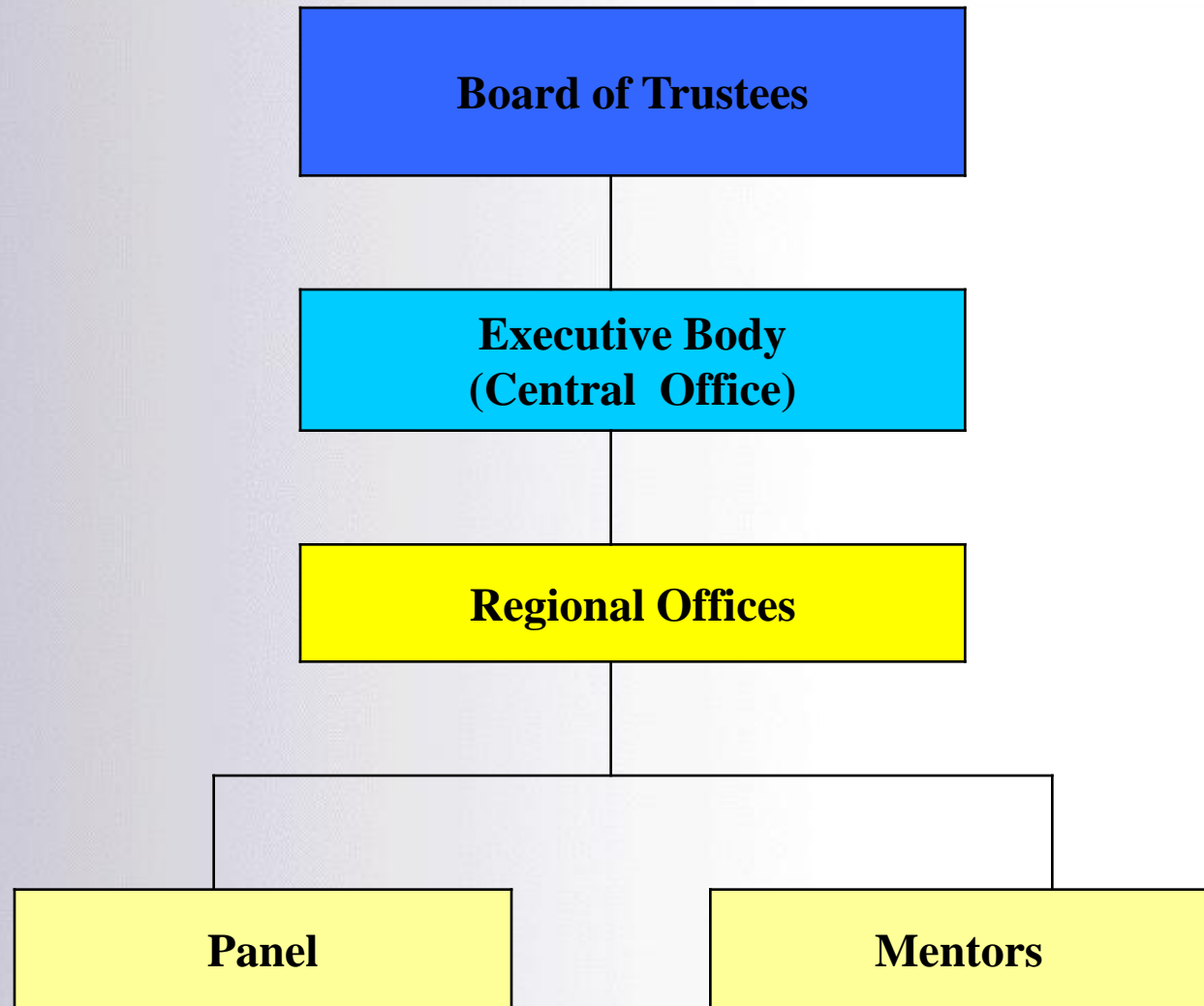
- In 2007 YBU got YBI accreditation (YBU is the only YBI program accredited in CEE)
- 11<sup>th</sup> December 2007 –official launch of YBU
- Since its creation, YBU provided support to 96 young people, totalling over USD 250,000.00







# YBU Structure







# Role of the Board of Trustees

- To provide strategic guidance to the YBU Program Director in YBU activities.
- To promote YBU activities and achievements at the national and international levels.
- To assist with fundraising initiatives and partners attraction.
- To monitor and assess YBU efficiency.

**The Board of Trustees comprises Heads and MPs of Donetsk and Lugansk Regional Parliaments.**





## Panel as bottom-up approach to youth business development in communities

- Panel is a group of local dwellers, including well-known and authoritative people of the region, who represent business, society and local government and work as volunteers.
- Role of the Panel:
  - ✓ Interview young people to learn better their characters and motivation.
  - ✓ Analyse and assess business plans taking into account their business acumen and knowledge of local business environment.
  - ✓ Making decisions on loans.





# Mentors

- Mentor is a person with business experience, who is willing on a voluntary basis to dedicate some of his/her time to regular meetings with fledgling entrepreneurs on various routine issues.
- Role of mentors:
  - ✓ Meet young entrepreneurs on a regular basis, maintain contacts, motivate as well as provide guidance in running business.
  - ✓ Attract supplementary support of specialists by using their own personal business contacts.
  - ✓ Be an advisor and a kind of a family member for a young entrepreneur.





# Loan Criteria

- Loan is granted to young people of both sexes at the age of 18 to 35 years.
- Annual loan interest is 12%.
- Loan is granted for a period of 1 to 3 years with a possible delay of repayment up to 3 months.
- Collateral and guarantors are not required.
- The loan amount ranges from USD 1,000 to 3,500.
- An applicant shall complete and stand for a business plan at a Panel meeting in his/her area.
- If a business plan is approved, an applicant shall be registered as a private entrepreneur under the Ukrainian legislation and assigned a mentor.





# YBU Achievements

- 96 young people realized their dreams and started their own businesses.
- 9 regional offices were opened and provide support and services to young people from depressive areas.
- YBU is the only program in East Ukraine, which grants loans to disadvantaged women.
- YBU is the only accredited program among Central and Eastern European YBI programs.
- YBU was recognized by the Global YBI Conference as the best CEE program (November, 2008).
- During 1 year, YBI pilot programs from Russia and Hungary visited YBU to learn its best practices.
- YBU was asked to assist with official launch of Youth Business Russia.





# Success factors

- Partnership between business community, society and government, creating conditions for young people whereby they obtain regular advisory, financial and mentoring support at all stages of starting and developing business.
- Involvement of local business communities (Panels, mentors, members of regional Steering Committees).
- Simple procedure, encouragement, small financial help and friendly supportive environment for young start-ups while other support schemes tend to be heavily training oriented.
- Funds provided to young entrepreneurs are reimbursable, which enables the Programme to use them on a regular basis, thus giving an opportunity to more young borrowers to get a loan and start their own businesses.





# Lessons Learnt

- Scepticism at the start of this initiative, about whether local business communities would be prepared to volunteer their time to support young people, was misplaced.
- Relatively small loans enable young people start up viable businesses in rural and mono-industrial depressive areas.
- Publicity, particularly vivid success stories presented by young entrepreneurs, mentors, panelists themselves (videos, case studies, published materials, presentations), are extremely important for success.
- Networking with members of the Board in regard to successful and unsuccessful stories.





**Thank you for your attention!**