



**GENERATION
UNLIMITED**

**Generation Unlimited
Theory of Change**

- Working Document -

Our time, our turn, our future

Introduction

This document outlines Generation Unlimited's Theory of Change. Theories of Change are comprehensive descriptions and illustrations of how and why a desired change is expected to happen in a particular context, mapping out the inputs, outputs, outcomes and impacts of a program or change initiative. In the context of Generation Unlimited, the Theory of Change addresses gaps and barriers in the broad ecosystem of efforts and actors active in the space of Generation Unlimited's strategic priorities, and articulates how Generation Unlimited's design and strategy aim to transform this ecosystem to better support young people. This global Theory of Change will form the backbone of the Theories of Change for each individual initiative (country investment agenda or global breakthrough) that Generation Unlimited implements, supplemented by contextual analysis of the challenge in each geography and population.

1. A bold vision

If the largest generation of young people in history is prepared for the transition to work and engaged citizenship, the potential for global progress is unlimited. Generation Unlimited is a global, multi-sector partnership that connects secondary-age education and training to employment and entrepreneurship, enabling young people to become productive and engaged members of society.

1.1 Why act now?

The demographic boom of recent decades brings with it the potential to transform economic and social outcomes, raising global productivity and combating inequality. Today, young people between the ages of 10-24 make up a quarter of the world's population. In the 48 least developed countries, young people represent more than half of the total population. In order to capitalize on the aspirations, energy, and raw talent of the world's young people, global leaders and institutions must invest in young people and their ambitions.

1.2 Problem statement

The current generation of young people is coming of age in a challenging world. Governments and employers worldwide are concerned that young people lack the specific skills required for the changing future of work, particularly as climate change and technology disrupt existing economic structures.

There are significant barriers to young people accessing education and training. Over 260 million children and young people – the significant majority of whom are in South Asia and Sub-Saharan Africa – are out-of-school.¹ Children in low-income, conflicted-afflicted areas are three times as likely to be out-of-school as children in low-income, peaceful areas². Additionally, there are widespread concerns about the relevance and quality of education and training – accentuated by the fast-changing nature of work, as 35% of core skills are predicted to change between 2015 and 2020, far outpacing efforts to reform curriculum³.

The experience of countries that have invested in skilling without commensurate investment in creating and facilitating access to quality employment opportunities raises the additional concerns that absent a focus on labor

¹ UNESCO Institute for Statistics

² World Bank, World Development Report 2011: Conflict, Security, and Development

³ World Economic Forum Future of Jobs Report 2018

demand, efforts will result in large numbers of unemployed young people with high skills and / or high instances of vulnerable employment⁴. In addition to policy, investment, and programmatic initiatives aimed at increasing the number of quality work opportunities available to young people, more investments are needed to better match existing labor supply and demand. Lastly, with the rate of population growth outpacing the rate of quality job creation in many contexts – and given the large number of young people who are subsistence entrepreneurs – GenU must also focus on enabling small-scale entrepreneurs to thrive and grow, as well as non-entrepreneurs to develop the resilience and adaptability required in the modern economy.

All these needs are more acute for many young people who are unfairly restricted in their education, learning and employment due to marginalization based on gender, race, sexuality, disability status, income, indigenous background, and other factors. Young people express the desire for greater opportunities to civically engage, including digitally, and to voice their opinions on issues that affect them. Girls in particular need extra support to build lifelong assets like networks, capital, knowledge, skills and self-belief.

Therefore, GenU focuses on the transition from education and training to employment and entrepreneurship, as well as on engaging more young people in their communities. Specifically, **seven strategic priorities emerged** as areas needing multi-sector efforts:

1. Promote formal school experiences that build skills young people need for productive lives and the future of work
2. Provide young people outside formal schooling with opportunities for training, skill development, and additional education
3. Improve connections between young people and existing work opportunities
4. Increase the number of quality work opportunities available to young people
5. Foster entrepreneurship as a mindset and a livelihood
6. Promote equitable access to quality education, training, employment, entrepreneurship, and civic participation
7. Equip young people as problem-solvers and engaged members of civil society, helping to create a better world

1.3 Changing the system

In addition to a desire to overcome the challenges facing young people today, Generation Unlimited is motivated by and designed to address gaps and flaws in the systems, operating environment, and supporting architecture responsible for supporting young people. While many actors have made significant efforts towards these priorities, these efforts have not been sufficiently effective or systemic to make a significant impact for the 1.8 billion young people in need of resources and opportunities to better their lives and communities. This is due to several gaps in the global ecosystem that GenU has been uniquely designed, in its identity as a multi-sector partnership and in its strategy, to fill.

First, there is insufficient political, social and financial commitment and urgency around the youth agenda. As young people leave the direct oversight of government school systems, their challenges become less visible on the national

⁴ BCG interviews with stakeholders

and international stages. Furthermore, economic struggles are often seen as less visceral and urgent than humanitarian ones, even though for young people in the most vulnerable and fragile contexts, economic empowerment is tightly interlinked with and facilitative of progress in many other areas of life. As a result, as of January 2013, 22% of countries did not have a youth policy, and those that do have youth policies or youth ministries generally do not dedicate significant resources to the youth agenda. Additionally, efforts that do not have support from senior levels of government are unable to reach systems-level scale, let alone transform existing systems to better support young people. GenU is designed to work directly with governments to build political and financial commitment to the youth agenda, as well as with a wide range of partners to coalesce a political and social movement around the cause of supporting young people's education, training, employment, entrepreneurship and civic engagement.

Second, most efforts to date have been driven prescriptively by the perspective of the public and development sectors; private sector engagement has traditionally been lacking in supply-side interventions, and the voice of young people has not been seriously and meaningfully factored into decisions. This lack of holistic thinking has frequently hampered efforts and led to point solutions that are unable to fulfill young people's values and priorities, as well as keep pace with fast changing economies. Therefore, GenU is designed to leverage the capabilities and assets of the private sector, as well as the perspectives and innovative talents of young people. In particular, GenU will make a concerted effort to engage the most marginalized young people, recognizing their diverse needs.

Additionally, existing efforts are often conducted in silos and approached from the perspective of one actor. As a result, there is often a disconnect between globally and locally led efforts, and between global actors and local needs, such that resources and expertise are fragmented and inaccessible to local actors, who are crucial to ensuring effective in-country efforts. This has contributed to a proliferation of sub-scale innovations in the youth development space. As a multi-sector partnership, GenU will provide channels of communication and coordination among actors across geographies and sectors to unlock synergies and increase effectiveness of collective efforts, with an aim to develop and identify evidence-based innovations, and drive implementation at scale.

Generation Unlimited's creation in September 2018 was purpose-driven to address these specific gaps. As a multi-sector partnership with high-level support from over 40 heads of state, international agencies, private sector corporations, young leaders, civil society organizations and philanthropies, Generation Unlimited's new strategy has been designed accordingly to leverage the best that these actors bring to the partnership to provide a much needed catalyst to the movement for young people's outcomes, everywhere.

2. Strategic Approach

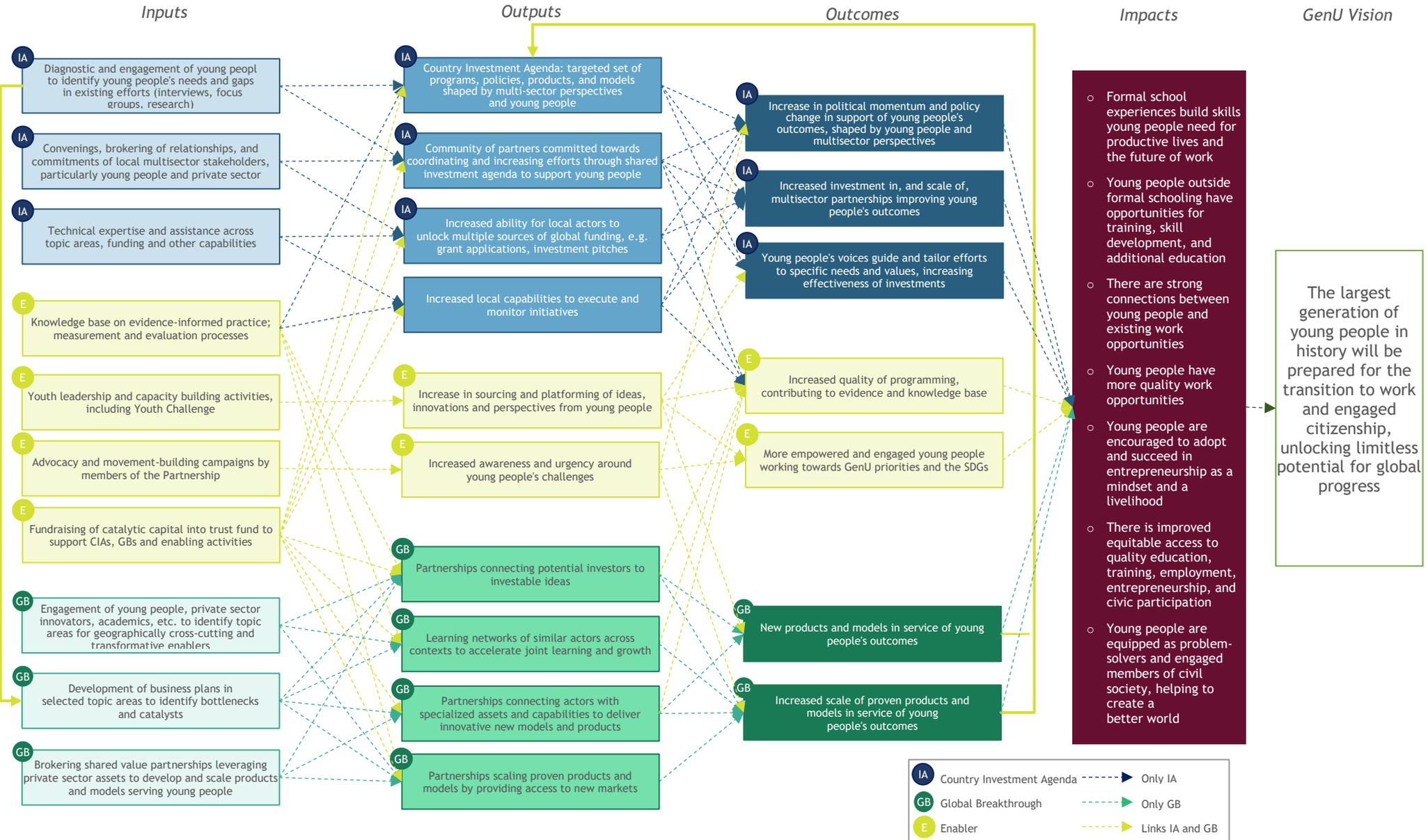
GenU will take a two-pronged approach to advancing the agency and outcomes of young people:

1. Country investment agendas: a portfolio of initiatives at country level designed to scale through multi-sector participation and/or investment
2. Global breakthroughs: topics with potential products and scalable models that tackle challenges common across multiple geographies

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In addition to these two strategic approaches, GenU will also conduct a range of enabling activities, including investing in leadership and capacity building for young people, deepening private sector engagement, working with partners to maintain and improve a knowledge and evidence base, fundraising catalytic capital and supporting partners' advocacy and movement-building efforts.

Figure 1: Generation Unlimited Theory of Change



2.1 Country investment agendas:

Country-level action is critical to address the barriers young people face at scale – countries are where policies and funding decisions are made that directly influence young people’s learning, work, and civic participation. At present, well-intentioned efforts at country-level fail to gain traction for several reasons: fragmentation of ownership with responsibility and mandates split across multiple government ministries leading to a lack of political mobilization; lack of involvement of the private sector; ineffective communication, coordination and knowledge sharing across multiple sectors; under-articulation of potential returns on investment leading to under-resourcing; lack of coordination between global efforts and local priorities; and failure to involve young people in creation and execution of efforts.

GenU’s model balances broad and deep engagement. All countries, particularly those with commitments to transformative change, will be supported to execute Country Investment Agendas – a portfolio of initiatives at country level designed to scale through multi-sector participation and/or investment – with clear paths to and support for execution. GenU’s Country Investment Agendas will transform the current system by providing a clear organizational framework for coordinating efforts, priorities and assets across sectors, a robust and replicable process to lower transaction costs, and technical and financial support to increase the actual and perceived return on investment in supporting young people. Crucially, GenU will also elevate young people as co-creators through multiple channels, including through the Young People’s Action Team,⁵ which will ensure that young people’s perspectives drive GenU’s activities. Illustrative initiatives that could be captured in these agendas include: investing in technologies that enable remote learning and work; aligning secondary school curricula with labor market needs (e.g., engaging private sector in curriculum reform, apprenticeships); guaranteeing job placement in nascent industries so young people are encouraged to train and work in growing areas; and launching upskilling programs for those in the informal economy.

There will be three tiers of in-country GenU activity, only the first of which constitutes a Country Investment Agenda:

- **Tier 1—Investment agenda in place:** A strong multisector partnership exists at country level to develop a Country Investment Agenda, fulfilling the selection criteria laid out in the GenU Operating Model. The local GenU partnerships in these countries receive GenU technical and operational support, as well as catalytic capital for operations and programming.
- **Tier 2—Moving towards an investment agenda:** Foundational conditions and current activities (e.g., political momentum, private sector engagement, and / or young people’s leadership), suggest the potential to implement GenU investment agendas using collective impact methodology. Along with the support that Tier 3 countries receive, the GenU Secretariat provides technical support and convening power for partners seeking to deepen engagement and coordination in an effort to move towards an investment agenda
- **Tier 3—Supporting the GenU movement:** GenU partners conduct activities fully aligned to GenU’s mission under GenU’s banner, such as the GenU Youth Challenge, to advance the movement. GenU

⁵ Terms of Reference outlined in a separate document

provides support for local advocacy, access to knowledge base and network of partners, and opportunity to globally showcase and fundraise, but will not receive dedicated financial or technical resources. This support will be provided as long as the country's efforts remain aligned with GenU's global vision and strategy

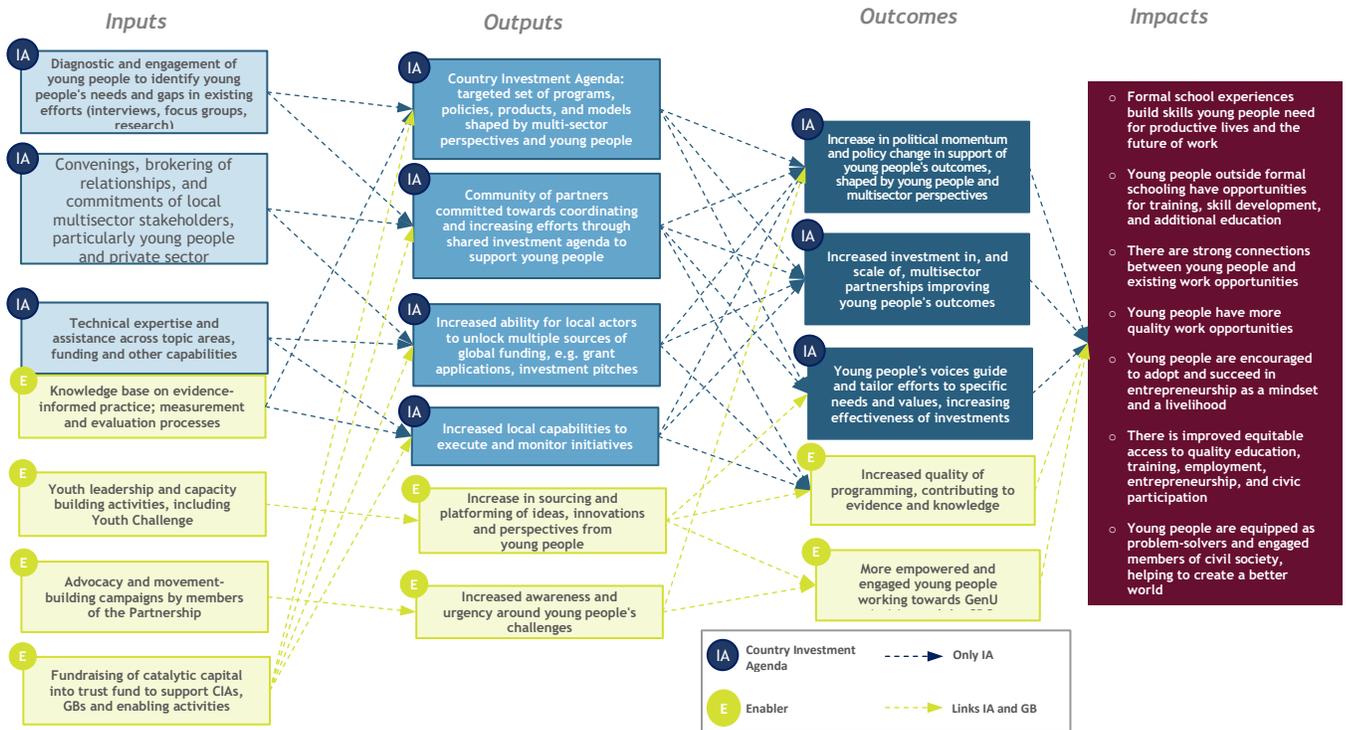


Figure 2: Country Investment Agendas Theory of Change

Key assumptions:

- GenU will secure political and financial commitments across sectors by articulating clear investment opportunities with high returns, from the perspective of each stakeholder
- GenU will be able to demonstrate uniquely heightened return on investment, as a result of successfully:
 - Brokering collective action and shared value partnerships among partners from different sectors
 - Targeting the use of catalytic capital to mobilize additional financing
 - Increasing quality and effectiveness of programs

2.2 Global breakthroughs

While most change happens locally, young people across geographies often face similar challenges. In these instances, there are opportunities to accelerate the pace and efficiency of innovation by acting globally.

As such, GenU will support the development and scale of Global Breakthroughs – mobilizing resources to developing and scaling transformative products and models tackling global challenges – by identifying investment opportunities and brokering partnerships to maximize leverage of existing assets and capabilities. This process will be informed by the Young People’s Action Team, which reflects the voices and lived experience of young people. Potential innovation areas include digital connectivity (underway), educational certifications that are recognized across borders (underway), broad-based entrepreneurship programs, job matching platforms connecting job-seekers and work opportunities, and programs to create remote learning and work opportunities.

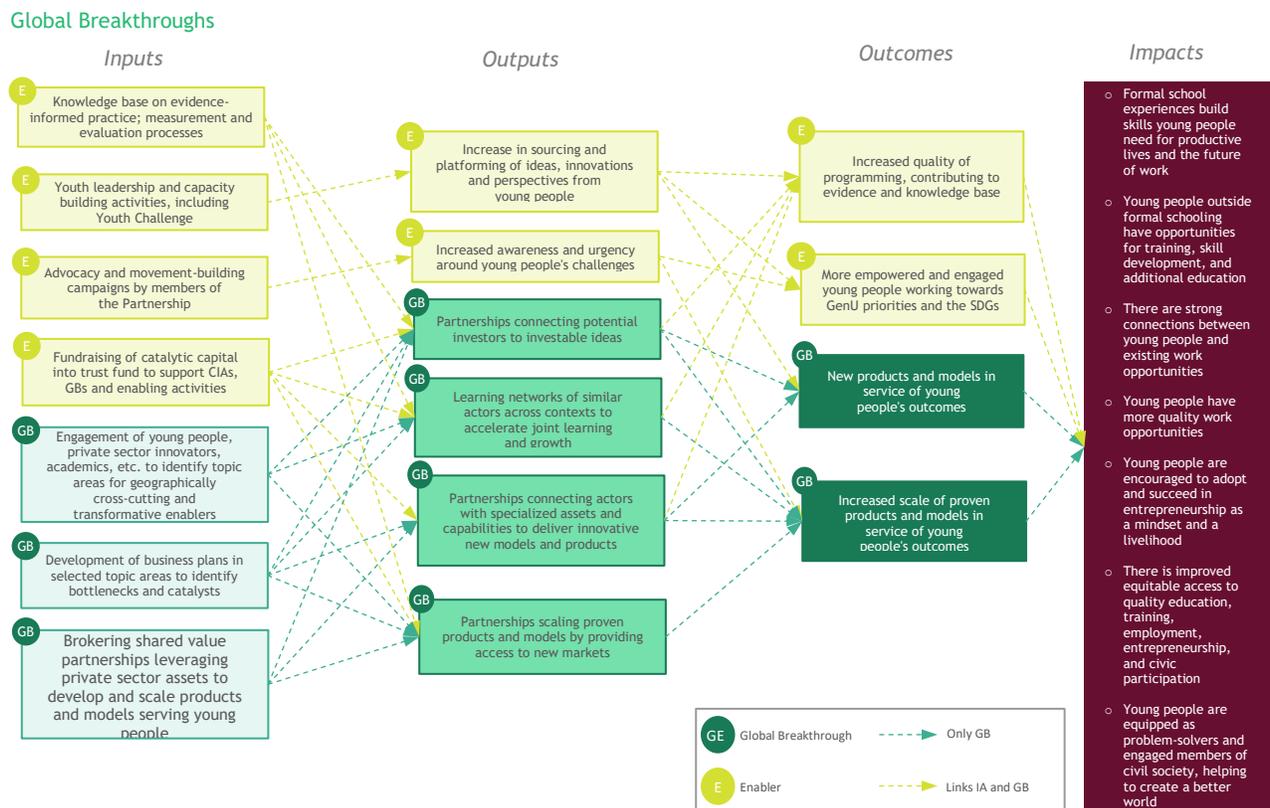


Figure 2: Global Breakthroughs Theory of Change

Key assumptions:

- GenU will be able to identify geographically cross-cutting investment opportunities that will deliver impact at a large scale
- GenU will broker commercially viable partnerships around these business plans and investment opportunities, as a result of successfully:
 - Identifying and connecting partners with specific assets, capabilities and interests
 - Assessing the effectiveness and returns on investment of existing models and products to identify true breakthrough candidates
 - Targeting the use of catalytic capital to incentivize partnerships

2.3 Enablers

As illustrated in the Theory of Change diagrams in Figures 1-3, GenU's success hinges on building capabilities in several key areas that underpin the execution of the Country Investment Agendas and Global Breakthroughs, and support the momentum of the broader GenU movement to support young people's outcomes in education, training, employment, entrepreneurship and civic engagement. Therefore, it is important to highlight the assumptions underpinning these capabilities:

- **Drawing from and bolstering the state of global knowledge on interventions supporting young people:** GenU will work with partners on the global stage (e.g. Solutions for Youth Employment, ILO Decent Jobs for Youth, UNESCO Institute for Statistics), as well as on the local level (e.g. Brookings Africa, JPAL) to conduct impact evaluations where possible and valuable, as well as draw learnings and evidence from existing work
- **Elevating youth leadership and capacity, including through the Youth Challenge:** GenU will work with partners and dedicate resources to promoting youth leadership, elevating youth ideas and building youth capacity in order that young people can meaningfully participate in Country Investment Agenda co-creation and implementation, Global Breakthrough partnerships, and GenU's governance structure at global and local levels⁶
- **Building a global movement supporting young people's outcomes:** GenU's partners will contribute to the global movement around the GenU message and brand, even independently of the Country Investment Agendas and Global Breakthroughs. Additionally, the GenU partnership will participate in national and global advocacy to raise political appetite for GenU's investment agendas and Global Breakthroughs
- **Raising catalytic capital to support GenU key activities:** GenU will be able to raise significant and sufficient catalytic funds from donors to incentivize and mobilize investment from other actors, through a range of activities including conducting due diligence to identify investment opportunities,

⁶ See Operating Model for details on young people's leadership in GenU structures

developing business plans and investment pitches, preparing and strengthening loan or grant applications, and de-risking investments

2.4 Cohesion of GenU's strategic approaches and enablers

In order to maximize the returns and efficiency of the partnership's investments, GenU's strategy allows for the two prongs of the strategy will feed back into one another, and augment the enabling capabilities. This makes the following assumptions:

- GenU Global Team and Country Teams will work together to scale successful Global Breakthroughs through Country Investment Agendas, and conversely to build Country Investment Agendas around pilots of Global Breakthroughs
- GenU's Global Team will synthesize and socialize valuable learnings from country-level diagnostics, contributing to public knowledge base and informing business plans
- GenU will work with partners to assess and document the impact of its programming as a contribution to global evidence and knowledge base

3. Using this Theory of Change document

This document is informed by the Strategic Analysis and Overview of Evidence, which contain analyses of the needs of young people, the global landscape, and available evidence in the areas of interest to GenU. The Generation Unlimited Results Framework makes use of the Theory of Change outlined in this document, providing targets and a gold standard for execution of the GenU strategy.

In addition to this global Theory of Change, GenU teams charged with executing national investment agendas and Global Breakthroughs will formulate individual Theories of Change and accompanying Results Frameworks, according to the relevance and nuances of the Strategic Priorities in specific contexts.

While the operational components of the Country Investment Agendas and Global Breakthroughs will be uniform across countries and topics, the Theory of Change underlying each individual Country Investment Agenda and Global Breakthrough will require separate analysis and identification of key risks, enabling factors and relevant evidence.