A Case for Investment
OUR TIME | OUR TURN | OUR FUTURE
WHY YOUNG PEOPLE?  
WHY NOW?

“The hopes of the world rest on young people. Peace, economic dynamism, social justice, tolerance—all this and more, today and tomorrow, depends on tapping into the power of youth.”

United Nations Secretary General, Antonio Guterres

“We have the energy, the education and the skills to solve all problems. Today is the time to face the future. It’s our future, and it’s our time.”

Dima, 21 in Lebanon

If the largest generation of young people in history is prepared for the transition to work and engaged citizenship, the potential for progress is unlimited.

Ensuring this generation is prepared to thrive is vital for global progress and achieving the Sustainable Development Goals (SDGs). Numbering 1.8 billion people in 2017, the current generation of young people is one-quarter of the world’s population and will be a dominant force in the decades to come. In the 48 least developed countries, young people are even more prominent—with those under 24 representing more than half of the total population.1 A population of this magnitude presents an enormous opportunity to transform economic and social outcomes in line with the SDGs, raising global productivity and reducing inequality, if investments are made to ensure young people thrive. Investments in young people not only advance SDG 4 (quality education for all) and SDG 8 (decent work) but also enable young people to lead global progress on the full set of SDGs as young people apply their creativity and problem-solving power to the world’s greatest challenges. Yet, currently, investments in young people’s economic and social potential fall far short of what is required to reach the world’s 2030 vision. World leaders are thus coming together to issue an urgent call for investment in young people to help them prepare for the transition to productive lives and citizenship.

This generation of young people is faced with a world of unlimited potential: it is a world of expanding connectivity, enhanced mobility and unprecedented technological progress. However, the world is also challenging to navigate. A shifting global economy demands that young people acquire skills aligned with dynamic labor needs at a time when many education systems are struggling to deliver even rudimentary learning outcomes for young people. The types of skills needed are also in transition, as digitalization and technological change makes many jobs vulnerable to automation, while at the same time creating new opportunities for those with adaptable knowledge and skills. A large proportion of economic growth and an even larger proportion of job creation, particularly across low and middle income countries, is driven by entrepreneurs and small businesses, yet there is a gap in the preparation and support provided to young entrepreneurs by education systems and business ecosystems. All these challenges are exacerbated for young people who are unfairly restricted in their education, learning, and employment based on characteristics such as gender, race, sexuality, disability status, indigenous background, or ethnicity.

As a result of these forces, there is a significant disconnect between young people’s expectations and the reality they experience. Three-quarters of young people surveyed in the 2017 Youth Wellbeing Index agree with the statement, “I will be able to get the kind of job I want,” and 65% believe, “I will be able to make as much money as I want.”3 Despite this optimism, three in four young people worldwide work in the informal economy and one in two are in vulnerable employment.4 The expectation-reality gap does not just take a toll on young people as individuals. Across the world, roadblocks to young people achieving their potential puts social cohesion at risk and threatens to waste the potential of this generation. Without the creativity and energy of young people, the world will fall short of the ambitious vision it established for 2030 in the SDGs.

1 United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision, custom data acquired via website
3 Global Employment Trends for Youth 2017. ILO

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Despite the immense challenges young people face, the systems designed to support them are outdated and fragmented, and innovations are subscale. At the local level, responsibility for young people is split across ministries and underfunded. As one national government leader told GenU, “The challenges facing young people are scattered across all ministries. It’s everyone’s problem but no one’s responsibility.” While education Ministers are cognizant of the need to modernize education, they do not know where to start or who to involve. In addition, the private sector is often excluded from plans to prepare young people for work, even though the sector provides 90% of the jobs in developing markets. At best, the private sector is treated as a donor of funds for programs related to young people, rather than a strategic partner delivering products or services that address unmet social needs, creating opportunities for young people through their core business operations, or advising governments on the 21st century skills young people need for work and life. Finally, the results of youth-focused programs are highly variable and programs remain subscale. The best education, training, and employment programs can result in significant return on investment for governments, society, and the private sector, but too often the impact and learnings from successful programs remain isolated in a single geography and do not result in large scale impact.

If the promise of this generation is to be realized, the challenges must be addressed now. Urgent action is needed because of the millions of young people who every day are receiving an inadequate education, who are not employed, or who cannot contribute to society. In OECD countries alone, young people’s exclusion from economic and social life leaves $1 trillion on the table every year.

If global and local leaders and institutions invest in supporting young people and their ambitions, young people’s energy, creativity and talent will turn an uncertain landscape into a world of opportunity – for themselves and for humanity.

Our current system is failing a generation

The cost of inaction is immense

Of today’s 1.8 billion young people, 150 million ages 10-14 are not in lower secondary school, 260 million ages 15-24 are not in employment, education, or training, and only 25% of the 440 million employed young people have jobs in the formal sector. This stark global reality is even more severe in some geographies. In low income countries, only 8% of young people achieve a minimum level of secondary skills compared to 70% in high income countries. Children in low-income, conflicted-affected areas are three times as likely to be out-of-school as children in low-income, peaceful areas.

Note: “Age 10-14 not in lower secondary school” based on overall lower secondary completion rate; “Age 15-24 NEET” based on ILO data of Global NEET Rate at 22% of 15-24 year olds

Source: UNICEF; World Bank; UNESCO; ILO; BCG Analysis
WHY GENERATION UNLIMITED?

“We have all the energy and the ability to solve our problems. To use technologies to innovate, to create more spaces for employment and to close the gaps of education.”

Batool Alwahdani
Youth leader from Jordan

“My father works very hard to pay my school fees. So I also have to learn hard so that I can do well and be successful in the future. I want him to enjoy the fruits of his labor one day.”

Radwatu
15, in Ghana

GenU represents an unprecedented coalition of leaders coming together to address the urgent challenges young people face, enabling young people to realize their potential.

GenU has brought together partners from the private sector, government, multilateral organizations, civil society, and young people from around the world. Over 60 prominent leaders across sectors have joined GenU, including Heads of State and CEOs. The Global Board is chaired by Henrietta Fore, Executive Director of UNICEF and Paul Polman, former CEO of Unilever and includes members such as MasterCard, Microsoft, Pearson, the World Bank, Dubai Cares, Government of The Netherlands, and young grassroots leaders. Global leaders and champions include António Guterres, UN Secretary General; H.E. Mr. Paul Kagame, President of the Republic of Rwanda; Mr. Gordon Brown, UN Special Envoy for Education and Ms. Vera Songwe Executive Secretary, United Nations Economic Commission for Africa.5 The breadth of the partnership, its depth of knowledge, and its commitment to the next generation are core assets that drive Generation Unlimited’s success.

The GenU partnership is changing the status quo and overcoming barriers to young people’s progress.

GenU will target the most pressing issues young people face as they secure education and training and transition to work and productive lives. To do this, GenU will create closer public private partnership globally and at the country level. GenU, working with its partners, will create comprehensive youth agendas and also invest in quick wins that enable implementers to test, learn, and adapt. GenU will also support global breakthroughs that have the potential to improve education and employment outcomes across geographies. Through this strategy, GenU’s ultimate goal is to create an ecosystem surrounding young people’s progress, to innovate faster and better than ever before, and to ensure that all young people have the ability and opportunity to realize their potential.

Generation Unlimited:

Connects education and training to employment and entrepreneurship.

Creates public private partnerships in countries to source opportunities and pool investment to transform national outcomes for and with young people.

Scales innovations that address common challenges young people face.

5 A full list of Generation Unlimited’s supporters can be found at the end of this document.
**GenU’s Strategy**

**GenU’s Vision**

All young people have the ability and opportunity to realize their potential

**Strategic Priorities**

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<th>Employment</th>
<th>Entrepreneurship</th>
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<tbody>
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<td>Transform the formal school experience to build skills young people need for productive lives and the future of work</td>
<td>Increase the number of quality work opportunities available to young people</td>
<td>Foster entrepreneurship as a mindset and a livelihood</td>
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<tr>
<td>Provide young people outside formal schooling with opportunities for training, skill development, and additional education</td>
<td>Improve connections between young people and existing work opportunities</td>
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**Equity and Engagement**

Promote equitable access to quality education, training, employment, entrepreneurship, and civic participation

**Core Approach**

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<td>Multisector coalitions with a shared agenda to transform national outcomes for young people</td>
<td>Innovations scaled globally that address common challenges young people face</td>
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**Equip young people as problem-solvers & engaged members of society, helping to create a better world**
GenU’s Strategic Priorities

GenU’s strategic priorities address the most urgent challenges young people face across education, employment, and entrepreneurship. These priorities will be customized to local context as GenU launches partnerships in countries.

### Education & Training

1. Transform the formal school experience to build skills young people need for productive lives and the future of work

   All young people enrolled in formal schooling should gain foundational skills (literacy, numeracy, digital skills) and transferable skills up to the secondary level. The education system should be modernized, with clear linkages between education providers and the private sector, and with a focus on future skills that will be in demand.

2. Provide young people outside formal schooling with opportunities for training, skill development, and additional education

   Young people have an opportunity to learn and build skills, regardless of their enrollment in formal schooling. This includes students in alternative education, technical and vocational education, and apprenticeships. Young people outside of formal schooling have the opportunity to pursue accelerated learning programs that result in reintegration into formal schooling.

### Employment

3. Improve connections between young people and existing work opportunities

   Young people develop work-ready skills (e.g., CV development, interviewing and presentation skills, networking, building effective workplace habits, and managing job transitions and challenges), receive career guidance, and are able to access job matching services in order to connect to available opportunities. Education providers, youth services, employment support services, and employer recruitment systems coordinate effectively to achieve this goal.

4. Increase the number of quality work opportunities available to young people

   Initiatives and systemic interventions are in place to tackle demand-side issues and shape the labor market to increase opportunities for young people. Private sector partners commit to hiring more young people, expanding internship opportunities, and preferencing youth-owned businesses in company supply chains. Country-level policies, tax-incentives, and public-private partnerships are structured to increase youth employment.

### Entrepreneurship

5. Foster entrepreneurship as a mindset and a livelihood

   Young people have the opportunity to pursue entrepreneurship and the support to be successful. Young entrepreneurs have access to credit (including micro-credit and innovative financing), business coaching, and skills training. Systemic interventions (e.g., access to health care) reduce the risk for promising entrepreneurs to start, expand, or scale-up their businesses.

### Equity and Engagement

6. Promote equitable access to quality education, training, employment, entrepreneurship, and civic participation

   Across all of these priorities, access is equitable for young people in marginalized groups, including: young women, rural youth, low-income youth, youth with disabilities, indigenous youth, LGBT youth, and young people in conflict-affected areas.

7. Equip young people as problem-solvers and engaged members of civil society, helping to create a better world

   The policies, programs, and practices of government, the private sector, and civil society include young people, respond to young people’s concerns and ideas, and encourage young people to participate in civic change. Young people also have the opportunity to participate in civic change independent of government and business.
To make progress towards these strategic priorities, action is needed at both the global and national levels. GenU will take a two-pronged approach to its work—seeking to coordinate country level action through investment agendas and leverage its scale to implement cross-cutting global breakthroughs.

Country investment agendas

Multisector coalitions with a shared agenda to transform national outcomes for young people.

At the national level, national GenU partnerships, linked to the global partnership, will convene a coalition of multisector stakeholders to review the existing landscape and develop a shared agenda for increasing collective impact. GenU will identify opportunities to scale promising initiatives, increase cross-sector investment, craft shared value partnerships, change national policies, and mobilize financial and political capital to execute on priorities for young people. Example initiatives under an investment agenda might include public works programs for young people, scaling digital learning, or expanding access to job market platforms.

Global breakthroughs

Innovations scaled globally that address common challenges young people face.

GenU will identify cross-geographical topics of greatest potential impact, develop business plans identifying bottlenecks and catalysts, and broker partnerships to deliver the innovations. GenU will connect partners with specialized assets to create a new product or model, network similar implementers in different countries to accelerate joint learning, scale proven innovations by facilitating access to new user groups, and create investment cases to connect investors to investable ideas. Examples of topics include digital connectivity, remote learning and work, portable certifications, job matching, and green economy.
GENU’S DIFFERENCE

The GenU partnership is designed to tackle the barriers to progress that have prevented similar efforts in the past. Through these approaches, GenU hopes to unlock young people’s potential and make progress globally.

Multi-sector approach

Core to GenU is a multi-sector approach that leverages partnership across governments, civil society, international organizations, and the private sector. The issues facing young people worldwide are the concern not only of civil society organizations and charities who have a certain mission, or governments, who have a mandate to provide for their citizens. Issues facing young people are core to the success of societies and economies—all stakeholders have an interest to be involved. GenU will change traditional ways of working with the private sector and structure shared value partnerships to encourage private sector involvement and make progress.

Engaging young people

Young people are at the heart of GenU, and the partnership must be steered by young people. Young people viscerally understand the challenges that they face and have the ambition to come up with the most relevant solutions. GenU will involve young people in both the co-creation of its agenda and its ongoing governance and implementation.

Innovative financing

GenU will take an innovative approach to financing, focusing on using catalytic capital to crowd-in and coordinate additional investment, rather than creating a traditional fund. GenU will raise an initial trust fund of catalytic capital, meant to be dispersed to unlock additional government, international, and commercial investment. GenU will take an agile approach, deploying these funds nimbly as initiatives and investment opportunities arise.

Scaling effective approaches

Leveraging partner expertise, GenU will develop and identify evidence-based innovations and mobilize financing towards implementation at scale. By implementing these innovations through coordinated country investment agendas, GenU will ensure that they are adequately grounded in local context and rooted in the needs of young people, which will improve the likelihood of success.

Shared value partnership

Shared Value Partnerships (SVPs) are partnerships between business and the public sector—including NGOs or governments—that deliver social impact while creating value for the business and the public sector partner.

Companies can deliver products or services that address unmet social needs, create opportunities for young people through their core business operations, or invest in labor markets and the health of economies, which has direct social benefits and indirect, long-term business benefits.

In many cases, Shared Value Partnerships amplify the social impact that either partner would be able to deliver independently, strengthening the value proposition to businesses.
GenU’s IMPACT

GenU aspires to improve the lives of all 1.8 billion young people worldwide and will directly impact over 200 million within 5 years. Through country investment agendas, global breakthroughs, and its broader movement, GenU will improve the education and employment prospects of millions of young people. By leveraging its broad partnership and growing its country presence rapidly, GenU can reach an unprecedented scale.

### GenU’s direct impact on young people over its first 5-years

<table>
<thead>
<tr>
<th>Year</th>
<th>20 million young people directly impacted</th>
<th>95 million young people directly impacted</th>
<th>220 million young people directly impacted</th>
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</thead>
<tbody>
<tr>
<td>Year 1</td>
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<td></td>
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<tr>
<td>Year 3</td>
<td></td>
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<tr>
<td>Year 5</td>
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</table>

**By year 5, GenU will help**

- **130 million**
  Young people receive improved education or training

- **70 million**
  Young people find decent work

- **20 million**
  Young entrepreneurs start or grow their businesses

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*Note: Projected impact based on population of young people in target countries and projected launch of country agendas and global breakthroughs with goal funding.*
WHY JOIN THE GENERATION UNLIMITED MOVEMENT?

“Unless we create the conditions that allow young people everywhere to reach their full potential, it is clear that sustainable development and lasting peace cannot be achieved.”

Jayathma Wickramanayake, UN Secretary-General’s Envoy on Youth

The evidence is clear—investing in young people can yield high returns to society, “individuals,” and the private sector. Across education and employment interventions there is a social return of 2-5x on investments in young people. The social costs of not investing is just as high—across geographies, school dropouts and youth unemployment have been shown to decrease GDP by up to 34%. Young people experience personal returns when others invest in their success, in the form of lifetime earnings, life expectancy, and well-being. The personal return on investment for each additional year of secondary education is 16% per year. Private sector actors who invest in young people can also achieve benefits. Investing in training of young people can increase employee productivity—with returns up to 200% on funds invested.

Returns to society
- Investing in young people increases GDP and productivity
- Additional negative outcomes can also be avoided

Returns to individuals
- Education and training can increase lifetime earnings, life expectancy, and well-being

Returns to private sector
- Investing in training can increase employee productivity
- Economically engaged young people present new market opportunities

2–5x
Social return on investment for targeted interventions for young people

16%
Average yearly ROI for each additional year of secondary schooling (in terms of lifetime earnings)

200%
Overall return on funds invested in on-the-job worker training across contexts

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8 BCG analysis of private sector case studies
By leveraging funding across sectors, GenU will mobilize a significant amount of partner investment from across sectors, which will result in substantial impact for young people and society. GenU will work with the private sector to deploy capital towards return earning investments that also benefit young people. GenU will structure shared value partnerships to leverage the resources of both the private sector and governments to improve training, education, and the economic environment. GenU will use its catalytic capital to help countries leverage additional funding from development banks. And finally, GenU will build momentum in countries, resulting in increased resources devoted to the youth agenda.

GenU’s unique model magnifies the impact of each dollar, generating $50 million in lifetime impact for each $1 million of catalytic capital.9

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9 Figures assume that catalytic funds crowd in additional sources of funding and deployment of resources (see next page for details). The lifetime ROI on assets deployed is derived from a meta analysis of programs in the youth education, employment, training, and entrepreneurship fields.
GENU MAXIMIZES SOCIAL AND FINANCIAL RETURN

GenU achieves this by crowding-in additional funding to maximize social and financial returns on investment

$300 million

GenU is raising $300 million in catalytic capital to support its efforts and transform the landscape for young people. GenU will leverage this catalytic capital to crowd-in additional funding from other areas. By 2022, GenU will unlock a significant amount of financing from four sources:

- **Private commercial investment:**
  $1-2 billion
  - Finance crowded-in for global breakthroughs and country-specific innovations, including impact investment and financing
  - GenU will catalyze investment through the structuring of investable deals, co-investment by others (e.g., governments) to lower risk profiles, and partnerships with implementers to improve opportunities for scale

- **Domestic public funds:**
  $1-2 billion
  - Funding deployed that is aligned with GenU’s country investment agendas, including incremental government investment in the youth agenda
  - GenU will advocate for an increase in government expenditure by communicating the ROI on investments in 10-24 year olds and by identifying co-investments (e.g., from the private sector) that can be made alongside policy changes and public expenditure

- **Private capital through shared value partnerships:**
  $2-3 billion
  - Capital deployed towards GenU priority areas by private sector partners, acting within shared value partnerships
  - GenU will broker partnerships with governments and NGOs to expand market access, share best practices around successful partnerships, and provide insight into white spaces ripe for innovation

- **Development grants and loans:**
  $0.7–$1 billion
  - Funding deployed that is aligned with GenU’s country investment agendas
  - GenU will garner commitment to the young people’s agenda, create country-level demand for concessional and non-concessional financing, and provide expertise to governments to strengthen investment agendas for bank loans and grants
At the core of GenU’s model is a multi-sector approach—a platform for stakeholders across sectors to contribute.

**Governments** can partner with GenU to craft country investment agendas, leveraging the GenU partnership to maximize impact on young people. GenU will bring best practices from its worldwide work on country investment agendas to advise governments and help create multi-sector coalitions in countries.

**The private sector** can participate in shared value partnerships and expand their impact. Both multi-national organizations, regional, and national companies can be involved in the GenU partnership, working with GenU to craft shared value partnerships with governments and CSOs. These partnerships can be country-specific, as part of GenU’s investment agendas, or focused on global enablers, as part of GenU’s work on global breakthroughs.

**Funders** can maximize the impact of their investments by supporting programs within coordinated country investment agendas and scaling proven global breakthroughs. By bringing coordination and coherence to the youth agenda in-countries, GenU will ensure investments in young people from international funders have a high return on investment.

**Multilaterals and bilaterals** can be anchor partners crafting investment agendas, align programming with GenU, and invest in other implementing partners.

**Commercial investors** can invest in products and services developed and sourced by GenU in conjunction with partners with confidence that such models can achieve greater scale with the support of last mile delivery implementing partners.

**Civil society** can inform GenU’s evidence base on what works, contribute scalable programs to GenU’s portfolio, and lead implementation in country.

**Young people** can engage with GenU as implementing partners, join the Young People’s Action Team globally or in specific countries, and provide input to GenU virtually through surveys and polls.

When stakeholders from all sectors come together as part of the GenU partnership, momentum will grow and young people will make progress.
### YOUR INVESTMENT IS VITAL FOR THE SUCCESS OF THE NEXT GENERATION

<table>
<thead>
<tr>
<th>Catalytic investment level</th>
<th>Potential reach</th>
<th>Potential mobilization of funds</th>
<th>Potential lifetime ROI on invested funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$200M</strong> Transform youth outcomes across countries and regions</td>
<td>255M young people</td>
<td>$3B</td>
<td>$10B</td>
</tr>
<tr>
<td><strong>$40M</strong> Fuel GenU’s innovation pipeline</td>
<td>16M young people</td>
<td>$200M</td>
<td>$660M</td>
</tr>
<tr>
<td><strong>$30M</strong> Transform a country</td>
<td>8M young people</td>
<td>$150M</td>
<td>$500M</td>
</tr>
<tr>
<td><strong>$15M</strong> Catalyze innovation</td>
<td>4M young people</td>
<td>$75M</td>
<td>$250M</td>
</tr>
<tr>
<td><strong>$15M</strong></td>
<td>Support youth engagement and global technical assistance and monitoring and evaluation</td>
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</table>
HOW TO CONTRIBUTE

By leveraging financial resources, technical expertise and thought leadership across sectors, **GenU creates a platform for public-private investment in bankable, investable, at-scale solutions with and for young people.** The partnership leverages its global reach and local networks to mobilize additional funding and ensure efforts are driven and implemented by local governments, development partners and communities, including young people. A lean, nimble GenU Global Team – currently hosted by UNICEF in New York – supports GenU country partners in implementing the GenU business model as well as to raise funds and disburse capital.

GenU financial capital is catalytic as it mobilizes and crowds in additional funds toward the youth agenda from multilateral development banks, domestic public resources, private commercial investment, and private capital through shared-value partnerships. With the overall GenU catalytic funding target of $300 million by 2022, here below are some concrete ways to support the implementation of GenU both globally and in countries:

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### 1. Scale up effective programmes and innovation on education, training and skill development, entrepreneurship, youth employment and civic engagement

- Provide financial resources to scale up proven initiatives and programmes in selected countries, as well as promising innovations
- Design business cases for global breakthroughs to demonstrate return on investment of scaling up innovation for young people and contribute financial or technical support to implementation of business cases in selected countries
- Organize youth challenges and contribute seed funding and incubation support for winners

### 2. Convening and brokering

- Take the lead on GenU in selected countries in collaboration with national governments, mobilizing public and private partners around country assessments and the investment design of high-quality scalable opportunities and shared-value partnerships
- Ensure meaningful participation and leadership of young people in development and execution of Country Investment Agendas

### 3. Provide high-quality assistance at the global and country levels to the development, implementation and monitoring of Country Investment Agendas and global breakthroughs

- Provide technical and financial support to assess and select GenU-ready countries
- Contribute technical expertise and funding to undertake country assessments, develop Country Investment Agendas and design investment opportunities
- Lend technical expertise to GenU Global Team through virtual or physical secondments in areas such as education, skills development and training, youth employment, partnerships, innovation, youth engagement, as well as research, monitoring and evaluation
- Contribute financial resources to sustain operations of the GenU Global Team

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Financial resources can be provided to the global **GenU Catalytic Trust Fund**, hosted by the Multi-Partner Trust Fund Office that is hosted by UNDP, or directly to partners at the global and country levels that are implementing the GenU business model and activities.