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YOUTH ENTREPRENEURSHIP DEVELOPMENT PROGRAM
Annual Progress Report
FY 2011
October 1, 2010 – September 30, 2011



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List of Acronyms

AIP	Annual Implementation Plan
AOTR	Agreement Officer's Technical Representative
ATC	Anti-Terrorism Certification
BCA	Baseline Capacity Assessments
CSP	Capacity Strengthening Process
CSP I	First round of Capacity Strengthening Process
CSP II	Second round of Capacity Strengthening Process
EOI	Expression of Interest
FOG	Fixed Obligation Grant
IYF	International Youth Foundation
M&E	Monitoring and Evaluation
MFI	Micro-Finance Institution
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
PA	Palestinian Authority
PICTI	Palestine Information and Communications Technology Incubator
PMP	Performance Monitoring Plan
QPR	Quarterly Progress Report
RFA	Request for Applications
USAID	United States Agency for International Development
USG	United States Government
YDRC	Youth Development Resource Center
YED	Youth Entrepreneurship Development program
YSI	Youth-Serving Institution

EXECUTIVE SUMMARY

This first annual progress report of the USAID-funded Youth Entrepreneurship Development (YED) program covers the period from October 1, 2010 until September 30, 2012. As explained below, the YED program is structured around three primary components: strengthened capacity of Youth-Serving Institutions (YSIs); enhanced employment, entrepreneurship, and service learning education; and increased access for youth to practical on-the-job training. This annual report presents major accomplishments achieved under each of these components in the first year of implementation, discusses challenges and lessons learned from these experiences, and identifies next steps for YED in the coming year.

Component I: Strengthened Capacity of Youth-serving Institutions

During Year One, YED engaged 11 YSIs in the first round of a comprehensive Capacity Strengthening Process (CSP I) and undertook plans to initiate a second round of CSP (CSP II) for nine new organizations in Year Two. At the end of Year One, 10 organizations from CSP I submitted grant proposals for projects to be implemented in Year Two; these proposals were evaluated in part on their successful integration of best practices in youth programming that provided a framework for the CSP workshops. **Five CSP I organizations demonstrated improved capacity to support sustainable best practices in youth development** and 36% of YSI partners demonstrate the capacity to implement minimum standards of effective programming in employment, entrepreneurship, and service learning programs.

Component II: Enhanced Employability and Entrepreneurship Education

In Year One, YED also provided pilot grants to three Palestinian YSIs: Sharek Youth Forum, INJAZ-Palestine, and Bethlehem University, to implement six-month Rapid Grant activities to provide training and support for youth employment, entrepreneurship, and service learning activities. During FY2011, activities implemented under these grants provided training for **1,101 youth to enhance employability, entrepreneurship, service learning, and life skills**. Both Sharek and INJAZ have already taken steps to ensure the sustainability of these programs: two trainers developed through the Sharek grant have expanded “Start Work” training to Tulkarem and Jenin, which did not have access to such services; INJAZ established an office in Jenin through the YED grant and has now leveraged this investment with a grant from the Arab Fund to continue programming there after the YED grant ends.

Component III: Increased Access to Practical On-the-Job Training Opportunities

According to initial reports received while finalizing this APR, YED supported activities implemented through the three Rapid Grants (which started May 2011) have thus far supported **21 youth participants to find a job, 23 participants to find internship placements, 4 participants to start an enterprise, and 76 of them plan to continue their education**. It is worth noting that this is a significant achievement given the relatively short duration and small values of these grants. In addition, program implementation was still ongoing for some programmatic aspects by the end of the fiscal year, so the full impact of these activities is not yet realized. YED will continue to work with its partners and directly as needed to conduct long-term follow-up with program participants to track their success and determine the program’s impact on their livelihood development.

Based on discussions with partner YSIs and close follow-up of the three ongoing rapid grants which are expected to be completed by the end of October 2011, the YED team expects that these activities will have great potential to increase YED's impact in future reporting periods. For example, two of the three Job Fairs implemented by Sharek's "Start Work" program did not take place until the first week of FY2012. These job fairs provided an opportunity for over 300 youth participants to meet with potential employers and showcase the skills they developed through the YED-funded training program. In addition to the 21 Sharek participants who found jobs, another 22 completed a second interview with a potential employer but have not yet been officially offered positions, and two participants of Sharek's training of trainers component have started to implement the "Start Work" program in Tulkarem and Jenin – two locations that were not reached under the Rapid Grant activities.

In addition, 15 of the 18 participants from Bethlehem University's Entrepreneurship Summer Camp have developed business or social venture plans, which they presented to an Evaluation Committee comprised of private sector business owners and representatives of NGOs that support young entrepreneurs during the first quarter of FY2012. Two of these participants reportedly have been offered internships through the Palestine Information and Communications Technology Incubator's (PICTI) Ambassadors program and two more participants have entered the business plan competition being sponsored by PICTI and Intel. Six BU participants are currently working with the University to establish an Entrepreneur Club that will continue after the YED-funded program ends.

Cross-cutting Issues

In addition to the above achievements, during the first year of implementation, the YED program also achieved the following cross-cutting milestones:

- Established a field office presence and staffing to support the implementation of YED's planned activities;
- Engaged the private sector and other relevant stakeholders representatives through a variety of activities, including consensus-building dialogues, CSP workshops, the annual planning event, and other program development activities;
- Developed guidance on operational issues, monitoring and evaluation, and communications, which was disseminated to partner YSIs to support their capacity development;
- Submitted a sustainability plan to USAID, which details steps that YED is currently undertaking and will continue to support in order to promote sustainable youth programs; and
- Analyzed and revised key aspects of YED's Year Two plan in light of USAID's current funding situation.

The Structure of the Annual Report

This report is structured similar to the annual implementation plan. It provides an overview of YED's accomplishments by component, lists challenges and lessons learned during the first year of implementation, and details our plan for fiscal year 2012 in light of the lessons learned and prevailing budgetary uncertainty.

This first annual progress report of the USAID-funded Youth Entrepreneurship Development (YED) program covers the period from October 1, 2010, until September 30, 2011. YED is a four-year, USD \$15 million youth-focused program implemented by the International Youth Foundation (IYF) in collaboration with Palestinian Youth-serving Institutions (YSIs). YED's main purpose is to improve employability, entrepreneurship, and service learning opportunities for young Palestinians by strengthening the capacity of and providing necessary resources to local Palestinian YSIs to design and deliver high-quality, results-oriented, and sustainable livelihood initiatives to address the needs of Palestinian youth.

The YED program is structured around three primary components: strengthened capacity of YSIs; enhanced employment, entrepreneurship, and service learning education; and increased access for youth to practical on-the-job training. As explained below, this annual report presents major accomplishments achieved under each of these components in the first year of implementation, discusses challenges and lessons learned from these experiences, and identifies next steps for YED in the coming year.

Component I: Strengthened Capacity of Youth-serving Institutions

Stakeholder Engagement: Engaging stakeholders and facilitating productive relationships was a main focus of YED efforts during Year One, including: Palestinian NGOs that are able to partner directly with YED; NGOs that cannot sign the ATC, and are therefore not able to work directly with YED; private sector firms; USAID and its partner organizations; and other international donors and NGOs working in Palestine. These efforts resulted in significant engagement with a wide variety of stakeholders and prospective partners from across the public, private, and civil society sectors, providing an opportunity to build momentum for program activities and to gather feedback on program strategies that capitalize on partners' experience and expertise. Stakeholder outreach also engaged YSIs in the Capacity Strengthening Process (CSP) and the three Rapid Grants implemented during Year One. YED's future success will largely be realized through these partnerships, as the program implements activities with CSP partners and promotes engagement with private sector organizations to leverage program resources.

Capacity Strengthening Process: Capacity strengthening for local youth-serving institutions is the core of YED's mission, as all activities implemented to strengthen youth employability and entrepreneurship capacity are undertaken by YSI partner organizations. During Year One, the YED program facilitated a comprehensive CSP for eleven YSIs in CSP I, and finalized plans to conduct CSP II for nine more YSIs in Year Two. Achievements under the various components of the CSP include:

- **Consensus Dialogues**, consisting of two workshops undertaken with representatives of private sector and YSIs to discuss approaches to employability, entrepreneurship, and service learning development within the Palestinian context. These dialogues developed strong inputs in which to ground IYF's Standards of Excellence for youth employability, entrepreneurship, and service learning activities within the context of existing needs and opportunities for Palestinian youth.

- **YED Standards of Excellence** formed the backbone of Capacity Strengthening Workshop design. Topic areas and learning objectives for the workshops emerged from the Standards of Excellence, which were also shared with CSP participants as a reference for important elements of excellent youth employability, entrepreneurship, and service learning activities.
- **Baseline Capacity Assessments** were conducted during Year One with 11 YSI partners for CSP I, and four of the nine organizations participating in CSP II. These assessments provided a thorough analysis of the organizations' existing capacity within the three program pillars of employability, entrepreneurship, and service learning, as well as specific cross-cutting programmatic and organizational elements, using the YED Standards of Excellence as a framework. Data from the baseline capacity assessment outcomes informed the development of tailored capacity strengthening plans for each participating YSI, providing recommendations for capacity strengthening plans.
- **Capacity Strengthening Plans** identified existing strengths and areas for improvement for each of the YSI partners, and elucidated a tailored program to strengthen their organizational capacity. Outcomes also informed priority areas for CSP technical trainings, which sought to strengthen YSIs' proposed activities to be implemented through the full-capacity grants.
- **Capacity Strengthening Activities'** achievements for Year One included: 12 CSP I workshops consisting of 19 full-day, interactive training sessions, a site visit to observe and learn from service learning activities implemented under Bethlehem University's Rapid Grant, two Technical Clinics that offered CSP I organizations the opportunity to ask questions on specific topics of interest, and one-on-one coaching sessions with YSIs to provide additional organizational-specific technical assistance on topics directly related to effective program design, implementation, and evaluation to develop comprehensive proposals for funding in Year Two.

CSP I participants' feedback was very positive: 94% of the participants indicated they were satisfied or very satisfied with the quality of the workshops, and felt the process was effective in developing their professional skills. Managers of the organizations that participated in the CSP I also felt that their organizations' capacity had been strengthened as a result of the experience. Two of them offered the following unsolicited comments to YED team members.

This was the best capacity building program our organization went through. Our participating members told me they feel empowered to participate in and contribute to new and improved program ideas.

We benefited a lot from the capacity assessment IYF did. We feel it provided a very objective and useful assessment of our capacity.... We are using the result of the assessment and corresponding capacity strengthening plan to improve our new programs that we are implementing with other donors.

By the end of Year One, 10 of the 11 organizations that participated in CSP I had submitted grant proposals to YED for projects to be implemented in Year Two. A careful review of

these proposals demonstrate how the organizations applied their new knowledge and increased capacity to design, implement, and evaluation youth employability, entrepreneurship, and service learning projects, gained through the CSP process. Ultimately, these proposals represent excellent opportunities for the YED program to continue providing Palestinian youth with valuable employability and entrepreneurship opportunities in Year Two.

Component I Impact

As shown in Table 1 below, CSP I strengthened the capacity of at least five of the targeted 10 YSIs to support sustainable best practices in youth programming, based on analysis of the proposals submitted by YSI partners (Indicator 1.1.3). Overall, 36% of CSP I YSIs are considered capable of implementing minimum standards in effective programming (IR 1). The other six YSIs demonstrated some enhanced capacity and application of YED Standards of Excellence, but require more support to implement these standards effectively. However, only nine of 23 CSP I participants met the 80% attendance requirement to be considered completers. YED is currently developing strategies to improve participation rates of the CSP II participants, including scheduling adjustments, improved dialogue with YSI partners to increase buy-in, and adjustments to the curriculum that will make the process even more relevant and engaging.

YED’s encouragement of partnership building and resource leveraging was also successful: YSI partners organized eight formal events, which helped all three Rapid Grant partners to establish strategic partnerships, which resulted in a total leverage amount of \$390,000, nearly three times the amount of USAID funds invested in the activities.

Table 1: YED’s Achievements under Intermediate Result 1

Intermediate Result	Sub-IR	Indicator	Year 1 Target	Year 1 Actual
IR 1: Strengthened Capacity of YSIs		% of YSIs capable of implementing minimum standards in effective programming in employment, entrepreneurship, and community services	10%	36%
	Sub IR 1.1 YSIs demonstrate improved ability to deliver high-quality employability, entrepreneurship and community-service related programming	1.1.1 # of training sessions delivered for YSIs	12	12
1.1.2 # of YSI staff/trainers completing training programs		17	9	
1.1.3 # of YSIs gaining improved capacity to support sustainable best practices		5	5	
1.1.4 % of YSIs expressing satisfaction with training received		85%	94%	
Sub IR 1.2 Establishment of formal linkages between YSIs and public and private sector and civil society institutions	1.2.1 # of formal events organized by YSIs that involve partners from public, private and civil society sectors	6	8	
	1.2.2 # of YSIs developing strategic partnerships to serve youth	1	3	
	1.2.3 Amount of cash or in-kind resources leveraged by YSIs	\$ 50,000	\$390,000	

Component II: Enhanced Employability and Entrepreneurship Education

During Year One, YED awarded three Rapid Grants to the following organizations: Sharek Youth Forum, Bethlehem University, and INJAZ-Palestine, to implement activities to provide training and support for employment and entrepreneurship programs. Grants were capped at approximately \$50,000 for activities to be implemented between May 1 and October 31, 2011; thus, activities are still ongoing at the end of FY2011 and final outcomes of these activities are not yet determined.

Sharek implemented a training program that built employability skills of 554 fresh graduates from seven universities throughout the West Bank, focusing on improving participants' communication, presentation, CV writing, and interview skills. These training programs prepared participants to meet with prospective employers at one of three job fairs that Sharek organized in cooperation with Palestinian private sector companies. Throughout implementation, Sharek took advantage of partnerships with the private sector to link participants directly to internship and employment opportunities.



YED Participant Interviewed at Sharek Job Fair



BU Participants Visit a Private Sector Entrepreneur

Bethlehem University hosted a summer training program for 18 students, training them on developing and organizing community service activities, entrepreneurship, and life skills. Participants organized two service learning activities, conducted site visits to local businesses and met with established entrepreneurs, and developed a business or social venture plan. As a follow-on activity, participants worked with the university to establish a new Entrepreneurship Student Club to build a culture of entrepreneurship and to provide a forum for potential entrepreneurs.

INJAZ-Palestine provided employability and entrepreneurial exposure and training to 529 secondary students in Jenin through Master Class workshops, which fostered participants' interest in entrepreneurial activities by designing a business product, developing a business proposal, and delivering and marketing this idea in competition with their classmates. Some 280 participants visited private sector firms and 20 winners of the Master Class competitions were awarded job shadowing opportunities. Through this grant, INJAZ established a new presence in Jenin, which will be sustained through a leverage contribution from the Arab Fund.



INJAZ Master Class Participants

These six-month grants enabled YED to achieve small-scale impact during the first year of implementation, while providing an opportunity to pilot-test tools and approaches before implementing long-term grants in Year Two. Staff in the three grantee institutions expressed appreciation for YED’s assistance and responsiveness regarding financial and compliance matters, and indicated that the support they received from YED had enhanced their understanding of USAID rules and regulations, as well as other internal control issues. Sharek’s Finance Manager ranked IYF among the top donors they work with in providing practical advice about financial management of the grant.

Component II Impact

As shown in Table 2 below, activities implemented through the three Rapid Grants reached 200 more youth than originally targeted for Year One. This was largely due to activities implemented through the Sharek grant: In order to respond to a private sector organization’s request for trained applications, Sharek expanded implementation to train an additional 100 youth in Bethlehem.

By the end of FY2011, 160 youth had participated in job fair activities through the Sharek grant. Although the target of 400 youth participating in job fairs was not reached by the end of the fiscal year, a total of 471 job fair participants was reached in the first week of FY2012. This was due to a scheduling delay that Sharek requested, in order to ensure that the maximum number of participants were able to be trained in employability skills before meeting with potential employers to pursue job opportunities. **Thus, as of the writing of this report, all targets for IR2 were met or exceeded through the Rapid Grant activities.**

Even though its grant will not officially end until October 31, 2011, Sharek has already started to expand the activities to sustain the progress made through the Rapid Grant activities: two youth who completed the Training of Trainers activity held in September used their experience to initiate training for 25 youth in Tulkarem with the IYF and Sharek toolkit from the “Start Work” activity. Sharek’s volunteers will also organize two more trainings during the coming weeks in Tulkarem and Jenin. In addition, the Jericho youth council plans to organize a job fair following the model Sharek implemented for the three job fairs held under the Rapid Grant.

Table 2: YED’s Achievements under Intermediate Result 2

Intermediate Result	Sub-IR	Indicator	Year 1 Target	Year 1 Actual
IR 2: Enhanced Employability and Entrepreneurship Education for targeted groups		# of youth taking part in training and gaining improved life skills, employability, technical, service learning and enterprise development skills	900	1101
	Sub IR 2.1 Increased access for youth to market-driven life, employability and entrepreneurial skills training	2.1.1 # of sub-grants awarded to YSIs to address improving access for youth to market skills, employability and entrepreneurship training	3	3
		2.1.2 # of trainings held on life skills and employability	2	2
		2.1.3 # of trainings held on life skills and entrepreneurship	1	1
		2.1.4 # of trainings held on life skills and service learning	0	0
		2.1.5 # of youth participating in job fairs/open days organized by YSIs	400	160

Component III: Increased Access to Practical On-the-Job Training Opportunities

Through the Rapid Grant, Sharek organized three Job Fairs: one at Is’ad Al-Tufulah in Hebron for participants in the southern region of the West Bank, one at Hisham Hijjawi College in Nablus for the northern region; and one at the Sharek office in Ramallah for the central region. However, only the Hebron job fair was implemented during this fiscal year; the other two events will be implemented during the first week of FY2012, due to scheduling conflicts. The Hebron job fair included representatives of 18 private sector firms that were interested in interviewing Sharek participants for internships and job opportunities. Feedback from these private sector firms is being gathered by Sharek during the first month of FY2012, and will be discussed in subsequent reports and incorporated into future programs.

Out of 554 participants in Sharek’s employability training, 21 found jobs, 23 engaged in internships, and 4 established enterprises.¹ Some of these opportunities were facilitated by Sharek directly, in response to private sector requests for trained candidates to interview for existing positions. For example, 17 of the Sharek participants with backgrounds in the hospitality industry were interviewed for positions at Values Restaurant in Ramallah and four were ultimately hired. As mentioned above under Component II, Sharek expanded implementation to Bethlehem in order to respond to a private sector organization’s request for trained applicants from that area, although the outcome of that partnership has not yet been determined.

¹ Based on data reported on Oct. 24, 2011, for participants of the trainings conducted during FY2011. Long-term tracking of beneficiary outcomes will continue throughout YED’s project lifecycle.

Since I started college, I was thinking every day about my future, and if I can find a job or not - especially when I see many students before me who finished school and stay at their houses because there is no work for them. This opportunity made me very happy and gave me hope for my future.

- Yusra Al Junaidy



Yusra Al Junaidy, a 20-year old YED participant from Jerusalem, working at Values Restaurant

Bethlehem University's program implemented two service learning activities within the Bethlehem community: one group of participants visited SOS Children's Village and taught lessons on English, Arabic, and mathematics through creative, participatory games over a two-day period. This activity not only built the participants' skills in organizing community activities; their visit attracted the attention of a local donor who was inspired to donate gifts to all of the SOS children who had participated in the activity. The second group worked with the owner of a local grocery store: marketing students reorganized the store to be more visually appealing to customers, and devised promotional campaigns and strategies to increase the store's customer base; accounting students trained the owner on bookkeeping and accounting principles.



BU Service Learning Activity



BU Business/Social Venture Plan Presentations

BU's grant activities also provided an opportunity for the 15 participants to develop business or social venture plans. Originally, BU had planned to conduct this activity in teams, but ultimately the participants decided that they would gain more applied experience by creating individual plans. Finalized business and social venture plans were submitted during the first week of FY2012, and the participants will have an opportunity to present their completed plans to an Evaluation Committee (comprised of private sector business owners and representatives of NGOs that support young entrepreneurs) during the first quarter of FY2012. Three winners will receive tuition scholarships and a laptop computer. Two of these participants reportedly have been offered internships through the PICTI Ambassadors program and two more participants have entered the business plan competition being

sponsored by PICTI and Intel. Six BU participants are currently working with the University to establish an Entrepreneur Club that will continue after the YED-funded program ends.

Component III Impact

As shown in Table 3 below, YED did not reach the target number of 25 beneficiaries participating in service learning activities (indicator 3.2.2). These activities were implemented through the Rapid Grant to Bethlehem University, and the number of participants was smaller than expected due to a delay in finalizing the grant agreement because of periodic strikes and travel schedules of the university's administrative staff responsible for signing the grant agreement. This resulted in a shortened period for recruiting applicants before the end of the spring semester, thus reducing the number of expected numbers of applicants from which to select participants. Although the grant did not reach the overall target number of beneficiaries, other adjustments to BU's implementation plan resulted in approximately \$9,300 in cost savings.

At the same time, BU's activities did exceed its target for the number of young entrepreneurs developing business plans: while the target was only five beneficiaries, the Bethlehem University grant provided an opportunity for 15 youth to experience this process (three of the 18 participants did not take part in the business plan competition). Participants received training on business plan development and developed their own business or social venture plans, which they were able to present to actual practitioners and business owners for feedback. This experience not only offered BU students an opportunity to apply skills they had gained in their academic studies; it also provided a chance for them to practice life skills such as communication, presentation, and teamwork, on which they received training through the BU grant. In addition, the BU grant provided opportunities for 15 university students to apply their academic skills through service learning activities, which also benefitted the local community in Bethlehem.

YED greatly exceeded its target for IR 3-2: the number of youth participating in YED that find a job, start an enterprise or decide to continue their education. Despite the fact that Rapid Grant activities are still on-going **at the end of FY2011, 21 YED participants had found jobs, 4 had established enterprises and 76 were continuing their education.** This is a significant achievement for short-term projects of less than \$50,000 apiece, which have only just begun to realize their full impact.

In addition, Rapid Grant activities which are ongoing or have just been completed have great potential to increase YED's impact in future reporting periods. Two of the three Job Fairs implemented by Sharek's "Start Work" program did not take place until the first week of FY2012. These job fairs provided an opportunity for over 300 youth participants to meet with potential employers and showcase the skills they developed through the YED-funded training program, and their full benefits may not yet be understood. In addition, Sharek has reported that another 22 beneficiaries have completed a second interview with a potential employer but have not yet been officially offered positions. YED will continue to conduct long-term follow-up with program participants to track their success and determine the program's impact on their livelihood development.

Table 3: YED's Achievements under Intermediate Result 3

Intermediate Result	Sub-IR	Indicator	Year 1 Target	Year 1 Actual
IR 3: Increased access for youth to practical on-the-job training		# of youth engaged in meaningful internships or apprenticeships	30	23
		# of youth participating in YED that find a job, start an enterprise or decide to continue education	8	101
	Sub IR 3.1 Facilitation of youth internship and apprenticeship opportunities by YSIs	3.1.1 # of internships and apprenticeships created for youth that are in school or university	15	*
		3.1.2 # of internships or apprenticeships that are created for youth that are out of school or university	15	*
	Sub IR 3.2 Youth enhance skills in promoting community development research and leadership	3.2.1 # of training programs organized to enhance the capacity of youth to lead community service projects	1	1
		3.2.2 # of youth completing training on youth-led community service projects and acquiring employability skills	25	15
		3.2.3 # of youth-led community service projects	1	2
	Sub IR 3.3 Youth acquire new skills to develop business plans, financial plans, market their products and manage loans and capital	3.3.1 # of trainings held to increase youth entrepreneurship skills	1	1
		3.3.2 # of youth entrepreneurs developing business plans	5	15
	* Disaggregated data for the number of interns who are in-school and out-of-school will be provided in subsequent reports, as outcomes for internships were received at the end of the report-writing period and disaggregated figures were still being calculated.			

CHALLENGES & LESSONS LEARNED

Reflecting upon the experiences gained during the first year of program implementation, the YED team identified the following challenges and lessons learned that will be applied to future activities.

- Although the CSP I was largely successful in terms of improving YSIs' capacity to implement quality youth programs that incorporate Standards of Excellence, YED has started identifying strategies to improve participation and to create even more valuable learning opportunities during CSP II. In order to achieve this, YED plans to conduct a summary evaluation of CSP I, including a web-based survey of participants and their supervisors, to gain a fuller understanding of CSP I's impact. This information will be complemented by the outcome of a second capacity assessment for CSP I organizations, to determine exactly how the CSP's concepts have been integrated into the organizations' implementation activities. YED will also examine the planning process for CSP II in order to improve the dialogue process that can promote more organizational buy-in at the management level, more appropriate staff members participating in the workshops, stronger and more relevant content, and good scheduling of workshops and other activities.
- While Palestinian YSIs have useful experience and knowledge to build on, many do not always approach youth employability, entrepreneurship, and service learning with the comprehensive approach that is essential to provide youth with excellent services and real opportunities through sustainable programs. Thus, the CSP is a valuable and necessary process, but ultimately is not sufficient as a short-term solution to create high-functioning organizations. YED will continue to approach capacity strengthening as a significant, long-term investment that will require ongoing resources to demonstrate sustainable results. In order to achieve this, YED has provided practical, hands-on support to the YSI partners through technical clinics and one-on-one meetings that help these organizations to apply the concepts taught in the CSP workshops. In Year Two, the YED team hopes to hire two Technical Advisors that would work directly with the YSIs to support their implementation of best practices as they undertake the activities proposed for the full-capacity grants.
- Rapid Grant YSI partners have required significant support in documenting success and communicating with external audiences. While Sharek and Injaz have been effective in facilitating press coverage for their events, all three partner YSIs struggled to develop success stories and other outreach materials that fully convey the scope of their programs' achievements. During Year One, the YED M&E/Communications team developed guidelines for writing success stories and photographing events in order to tell the program's story in an engaging manner, and worked in close collaboration with the YSI partners to support their growth in this area. However, as YED begins a new set of projects under the full-capacity grants with a new set of YSI partners, the M&E/Communications team plans to host a training session specifically on documenting and disseminating program successes.

- After the first year of implementation, and the completion of CSP I, the YED team has gained a more realistic understanding of the labor-intensive nature of building organizational capacity and managing grants activities. The three activities implemented under the Rapid Grants were largely successful, but required a sustained level of informal capacity building to enable the Rapid Grant partners to document successes, provide accurate and timely reporting, and organize and implement activities on a schedule that allowed an appropriate amount of time to reach targets and conduct post-participation follow-up. In Year 2, the YED team will incorporate these lessons learned into managing the full-capacity grants (pending available funding) and work to build on the achievements made in CSP I to position our YSI partners to accomplish the greatest impact possible through YED-funded activities.
- During Year One, YED gained better understanding of how to organize activities to accommodate the lengthy USAID vetting process required of our CSP participants and youth beneficiaries. While the YED team understands that USAID plans to streamline this process with the implementation of a web-based platform through which to submit vetting requests, YED will also work with our YSI partners to ensure their anticipated implementation timelines allow sufficient time to receive vetting approval, and will strive to submit vetting requests as early as possible in order to avoid implementation delays.

NEXT STEPS

In July 2011, the YED Team developed, and submitted to USAID for approval, an Annual Implementation Plan for Year Two that was based on the progress made and the lessons learned during the first year of implementation. This plan was developed through extensive inputs and dialogues with YED's partners, including representatives of the private sector, public sector, and other NGOs, as well as USAID, its implementing partners, and other donors, which increased YED's visibility and built momentum and excitement around program activities. Highlights from this plan included:

- Continue to engage with a broad range of stakeholders, to solicit their inputs and feedback on YED's planned implementation strategy, including ongoing involvement in CSP II workshops, bilateral meetings, and our annual planning event, as well as encouraging leverage support for YED and its YSI partners' youth employability, entrepreneurship, and service learning activities.
- Implement CSP II for nine new YSI partner organizations, integrating lessons learned from the first round of implementation, including: improvements to the content, resource, and workshop materials; scheduling adjustments to facilitate participation; and engaging YSI management to ensure organizational buy-in.
- Expand YED's implementation of employability, entrepreneurship, and service learning activities through the award of full-capacity (18-month) grants to approximately 14 YSI partner organizations that completed the CSP I and II.

- Provide ongoing technical assistance for YSI partners implementing full-capacity grants, to support the continued integration of the YED Standards of Excellence into their operations. This would include hiring two Technical Advisors to provide direct oversight of effective youth employability and entrepreneurship projects.
- Support YSI partners' capacity to communicate YED's success to targeted audiences through issuing press releases in English and Arabic. Enhance the program's profile and disseminate success stories and technical documents through the establishment of a YED program website.
- Continue to dialogue with USAID regarding potential to develop activities in Gaza, as well as strategies to align YED activities with other USAID implementing partners, including leveraging existing resources available through the YDRCs.

However, at the end of the fiscal year (and at the time of writing this report) funding for all programs in Palestine, including USAID West Bank/Gaza Mission program funding, has been put on hold by the U.S. Congress in response to the Palestinian Authority's decision to apply to the UN Security Council for full membership. This funding hold has required YED to delay implementation of its Year Two Implementation Plan, and may possibly require the program to demobilize operations if no further funding is made available.

Already, as of November 1, 2011, the YED team has had to make staffing and scheduling adjustments that are designed to sustain the program as long as possible, in the hopes that additional USAID funds will be obligated. These adjustments include: reducing all staff to 75% time; repatriating the Senior Technical Advisor (key staff); and delaying award of full-capacity grants to YSIs that participated in CSP I and submitted full proposals on September 15. These changes may impact the results targeted for Year Two, depending on the scope of the funding delay. The YED team will continue to work closely with USAID to determine the appropriate level of implementation and targeted results that are feasible given current funding restrictions, while also allowing the program to remain strategically positioned to remobilize efforts if additional funds are obligated to the project.

ANNEX 1: STATUS OF YED's YEAR ONE WORKPLAN KEY MILESTONES

KEY MILESTONES FROM YEAR 1 WORKPLAN		STATUS	COMMENTS
Operations			
STAFFING	Hiring of key personnel	Completed	Due to delayed funding at the end of FY 11, IYF worked with USAID AOTR and made several staffing adjustments including reducing all staff to 75% time and repatriating the Senior Technical Advisor back to Baltimore and freezing the recruitment of all additional staff which was planned for FY2012.
	Hiring of Ramallah-based non-key staff	Completed	
FIELD OFFICE INFRASTRUCTURE	Legal Registration	Completed	
	Identification of Office Space	Completed	
	Finalizing office space renovations and move-in	Completed	
	Equipment, furniture & IT infrastructure procurement	Completed	
BRANDING & COMMUNICATION	Partner Communication Guidelines developed	Completed	
Component One: Strengthened Capacity of Youth-serving Institutions			
ACTIVITY 1: STAKEHOLDER ENGAGEMENT	Literature review completed and appropriate lessons drawn	Completed	
	Initial stakeholder consultations undertaken	Completed	
	YSI survey findings compiled	Completed	
	Pilot projects identified	Completed	
	Committee member recommendations shared with USAID and agreed upon	Adjusted	Due to change in the Ministry of Youth and Sports and per consultation with AOTR, IYF decided not to form a formal advisory committee as initially planned. Instead, IYF has

			held regular consultation and solicited useful feedback from various stakeholders in the public, private, and NGO sectors by inviting them to our regular capacity building workshops and bilateral meetings, and involving them in the annual planning meetings.
	Program launch and Strategic retreat	Completed	
ACTIVITY 2: PARTNER CAPACITY BUILDING	Establishment of program standards through collaborative dialogues	Completed	
	Capacity building activities	Completed	
	Proposals submitted	Completed	
Component Two: Enhanced Employability and Entrepreneurship Education			
ACTIVITY 1: SUBGRANTS MATERIALS PREPARATION	Sub-grant manual and associated materials prepared	Completed	
	Pre-award due diligence completed for initial sub-grantees	Completed	
ACTIVITY 2: QUICK WIN GRANTS	Issue 2-3 quick win grants	Completed	3 grants were awarded to Sharek Youth Forum, INJAZ-Palestine and Bethlehem University.
ACTIVITY 3: FINALIZING LONGER TERM SUBGRANTS	Grants-making criteria and evaluation committee composition and roles finalized	Completed	
	Evaluation committee oriented for grants-making early in Year Two	Completed	
	At least 5 YSIs have started to develop proposals for funding under YED	Completed	11 YSIs started this process.
Component Three: Increased Access to Practical On-the-Job Training Opportunities			
ACTIVITY 1: SERVICE LEARNING THROUGH COMMUNITY-LED INITIATIVES	Service learning activities implemented through quick-win and/or longer term sub-grants	Completed	
ACTIVITY 2: DESIGNING EFFECTIVE CAREER	Assessment of career counseling approaches and finalization of YED career		YED undertook a major study to assess local best practice in employability in

COUNSELING, INTERNSHIP AND ENTREPRENEURSHIP PROGRAMS	counseling strategy		general including career counseling. The results of this applied study, which included specific recommendations, were shared with partners for incorporation in their planned programs as appropriate. Based on this study, YED plans to develop its career counseling program next year.
	Integration of effective internship and entrepreneurship design principles into YED sub-grant project proposals	Completed	YED worked closely with YSI partners that were interested in implementing such programs to implement such principles in their proposals as applicable. In addition, YED had overseen the development of a major study on best practices in entrepreneurship which provided valuable and specific recommendations that were shared with partners.
ACTIVITY 3: ONLINE SUPPORT	Online portal mini-assessment	Completed	
	Online portal strategy finalized and commence execution	Ongoing	Further research of available on-line resources will be conducted near year to avoid duplication and build on existing resources including those developed by USAID.
Cross-Cutting Activities			
ACTIVITY 1: IMPLEMENTATION IN GAZA	Agreement with USAID on Gaza strategy	Delayed	YED developed and submitted a Gaza strategy to USAID as planned. However, due to the high risk and increasing political sensitivity of operating in Gaza as well as YED's interest to test the various programs in West Bank, the Gaza program will be further discussed with USAID next year, particularly in light of delayed funding.
	Initiate Gaza strategy	Delayed	
ACTIVITY 2: YOUTH DEVELOPMENT	Agreement with USAID on YDRC strategy	Delayed	USAID informed YED of its intention to design a new

RESOURCE CENTERS			program that covers the YDRCs and agreed that specific YED engagement will be agreed once this strategy is shared with YED. In the meantime, YED continued to encourage its partners to work with and support YDRCs through their planned interventions for next year.
ACTIVITY 3: MONITORING AND EVALUATION	Develop M&E plan	Completed	Reporting and tracking database to be developed in the next fiscal year, and disseminated to YSI partners, pending available funding.
	Basic M&E training for quick win implementing partners	Completed	
	In-depth M&E training for longer term interventions	Delayed	This training will be delivered next year to new YSIs that will receive long-term grants, pending available funding.
ACTIVITY 4: PRIVATE SECTOR OUTREACH AND LEVERAGE STRATEGY	Finalize leverage guidelines to calculate and track the value of leverage contributions	Completed	
	Develop an overall leverage strategy to guide activities that assist in securing leverage contributions from private sector partners and others	Completed	YED sustainability strategy also developed that includes working with YSI partners to strengthen their ability to secure external funding sources and contributions that leverage USAID funds.
	Strengthen the ability of YSIs to engage local stakeholders and in particular, the private sector, as key players in community alliance activities and providers of financial support	Ongoing	During this year, YED held several workshops to help YSI partners better understand how to effectively engage the private sector in their work and introduced the partners to various options they could consider. This is believed to be a long-term process that will continue through coaching and networking arrangements, which the YED team will help to facilitate throughout the program's lifetime.

ANNEX 2: ANNUAL EXPENDITURES FOR YEAR ONE

OBJECT CLASS CATEGORIES	TOTAL
Personnel	656,991
Fringe Benefits	93,291
Travel	66,058
Supplies	77,791
Contractual	
Grants	75,794
Consultants	46,966
Other Direct Costs	177,900
Subtotal Direct	1,195,210
Indirect	240,478
TOTAL	1,435,688