

> Boosting youth employment in consumer goods retailing

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Sector Segmentation

	“No” skill (green)	Low skill	High(er) skill
Self-employment (female)	The Survivors e.g. car wash, rubbish collector, cleaners and manual labour in hospitality	The Hustlers e.g. retail, micro-franchise, smaller agents	Potential Expanders e.g. fashion designer, mechanic shop owner
Self-employment (male)		The Start-Up Kweens e.g. hairdressers, poultry, small eateries, plumbers, electricians, small bars, used clothing sales, data, airline agents	
Wage-employment (female)		The Apprentices e.g. mechanics, construction, carpenters, manufacturing, some agro-processing, RMG, tailors	The Seekers e.g. teachers, chefs, bartenders
Wage-employment (male)		The Path-finders e.g. hotel, restaurant employees	

Sector Background

Sector overview

Shortlisted sectors with high youth participation (MSA)



23%

Microenterprises



19%

Service enterprises



15%

Hospitality



15%

Agriculture



With a dynamic marketplace, 46% of registered businesses thrive in the wholesale and retail sectors



Liberia is a member of prestigious international customs unions like AfCFTA, WTO, AGOA, and EBA, providing seamless access to extensive common markets



There is a robust legal framework for investment protection. Liberia brought in 1.92 billion worth of imported product in 2022 and is ranked 167 out of 226 countries in terms of total import



The FMCG sector accounts for approximately 70% of livelihood activities in Monrovia and Ganta and their immediate surroundings



There are a handful of FMCG importers and distributors in Liberia, mainly with hubs in Monrovia but also in Nimba, with limited distribution networks across the country.

Relevance

- Liberia imports over 90% of its FMCG and food with minimal local production. FMCG in the country is distributed through established supply chains
- FMCG retail can also be seen as a stepping stone for entry-level youth to engage in small-scale business.
- It's mainly unskilled youth who are % of the populations and mainly youth who are 70% of Liberia's population

Opportunity for growth

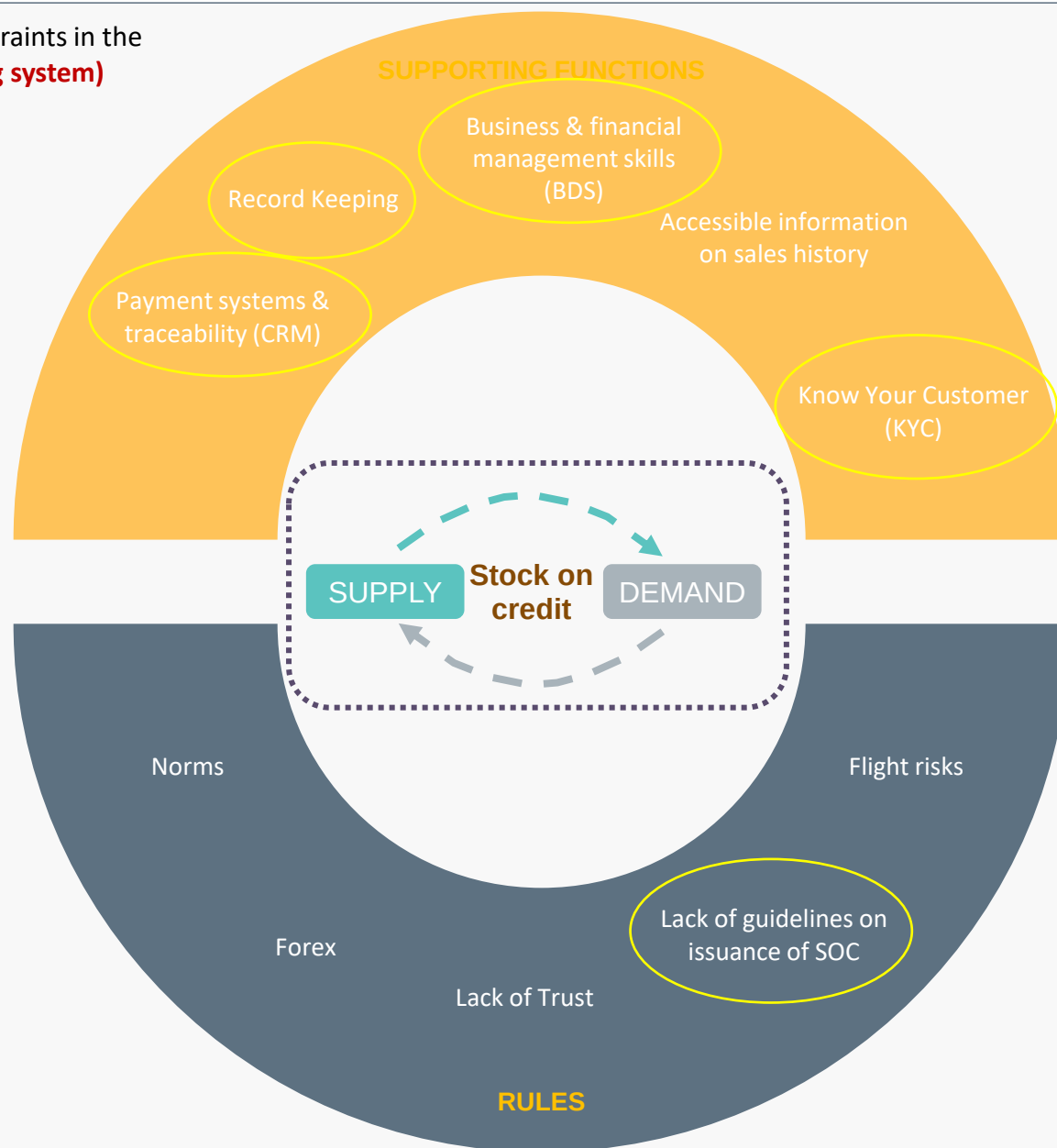
- With the country's strong economic growth and rising middle income population, demand for FMCG goods is increasing.
- Young people have multiple avenues for accessing quality products and capital to start and grow FMCG retail microenterprises.
- Stock-on-credit models and micro-franchising become an effective option for distributors to expand their market reach, sale, and profits, thereby leading to full adoption, adaptations, and crowding-in.
- Increased youth microenterprise ownership and improved performance lead to expansion, growth, better work, and more work.

Feasibility

- 22% of the country's 1.7 million labour force is employed in the services sector, the majority of which constitutes enterprises – micro, small and medium.
- On average, microenterprise services employ on average 4.2 people per business and the sector usually have low barrier to entry in terms of capital.
- There are many actors in the sector but with limited intervention in SOC to youth (jungle water, Bridgeway corporation,

Intervention 1: Stock on Credit for youth MSMEs

Prioritized constraints in the
SoC (Supporting system)



Milestone 1: Set up and Recruitment of 150 young entrepreneurs for stock-on-credit Intervention

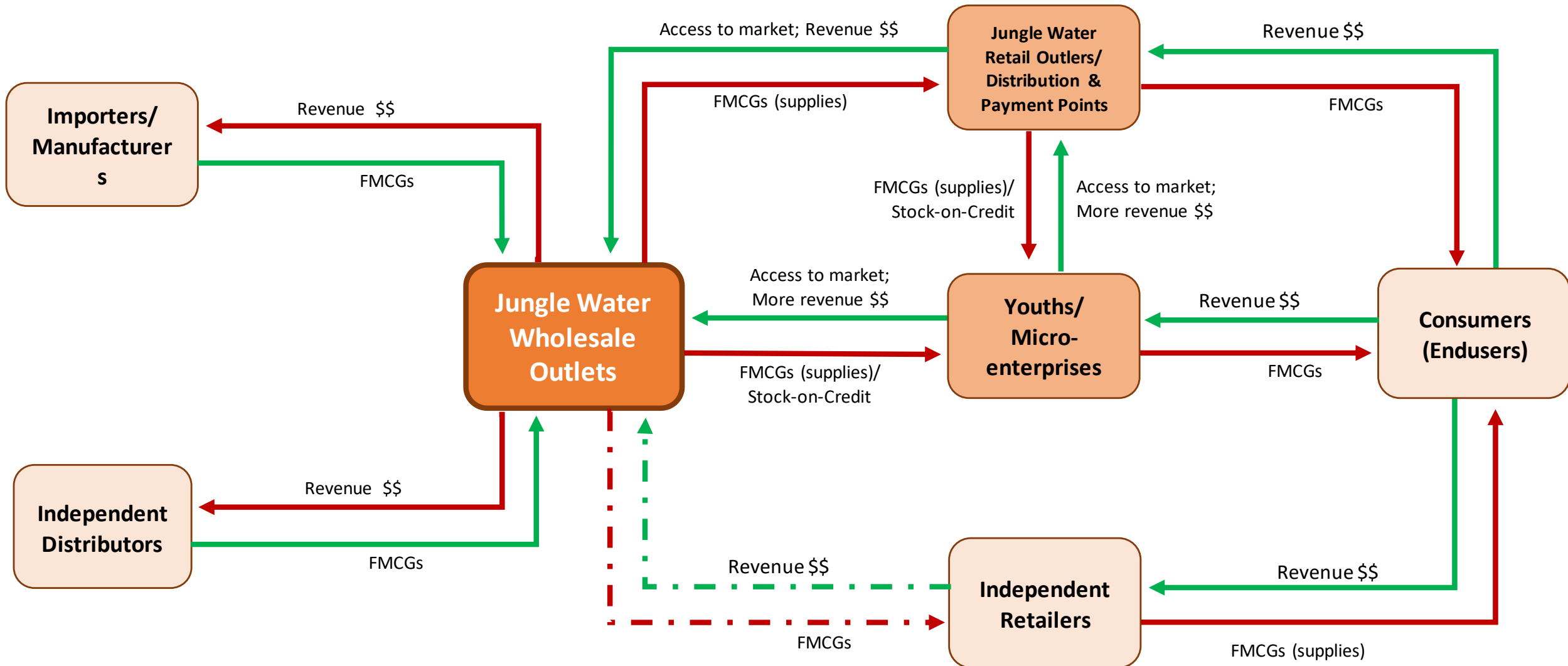
- ✓ Recruit dedicated consultant to monitor SOC during the pilot phase
- ✓ Develop selection and vetting criteria for SOC participants
- ✓ Develop SOC rollout plan detailing eligibility & disbursement procedures
- ✓ Develop guidelines for scoring & progressive performance-based scaling of SOC

Milestone 2: Training, Disbursements, and monitoring of stock on credit intervention

- ✓ Train recruited participants on SOC eligibility, terms and conditions, and BDS
- ✓ Disburse stocks on credit to youth MSMEs as per the guidelines
- ✓ Conduct regular bi-weekly and monthly performance monitoring
- ✓ Conduct monthly & quarterly business performance review meetings with MSMEs issued with SOC
- ✓ Conduct credit recovery and document process undertaken to recover unpaid SOC for adaptive management

Milestone 3: Evaluation, Learning, and Co-Creation for Scale-up

Intervention Business Model



Stock on Credit Performance Dashboard Overview

Outreach & Capacity Development

 **162**
Participants applied for Stock on Credit (SoC) FMCGs

 **80%**

 **150**

Participants received BDS related training and support

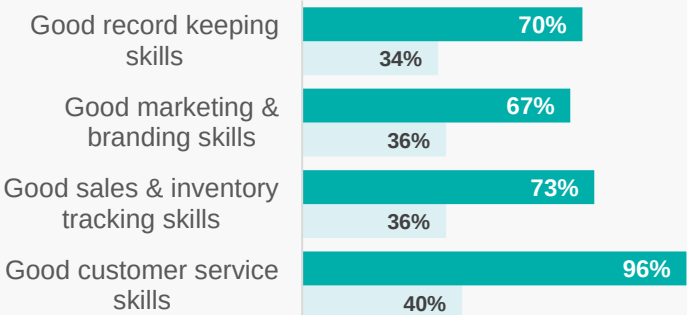
 **\$54,000**

Value of investments leveraged from partner against committed

Changes in business skills due to BDS training

■ Endline

■ Baseline



Stock on Credit Performance

 **132**

Youth accessed credit for entrepreneurship (issued with SoC) – *Better work*

 **24 (18%)**

Youth re-issued with another round of SoC – *Better work*

 **\$46,000**

Amount of credit accessed by Youth MSMEs (i.e., SoC value)

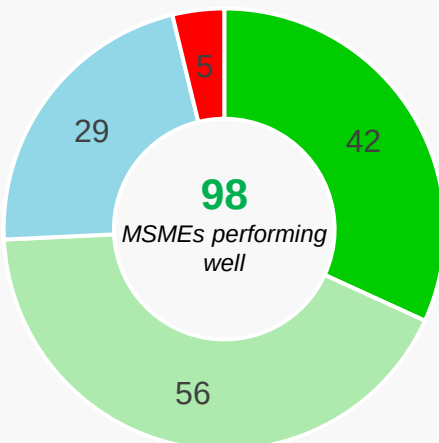
 **75%**

 **\$34,000**

Amount of credit invested by Youth into MSMEs (i.e., Amount repaid against SoC)

Repayment status of MSMEs issued with SoC

- Cleared
- 50%+ repayment
- Less than 50% repayment
- No repayment



Performance of Youth MSMEs (Impact)

 **3**

Youth entrepreneurs expanded to new locations (*More work*)

 **9**

New MSMEs established because of access to SoCs (*More work*)



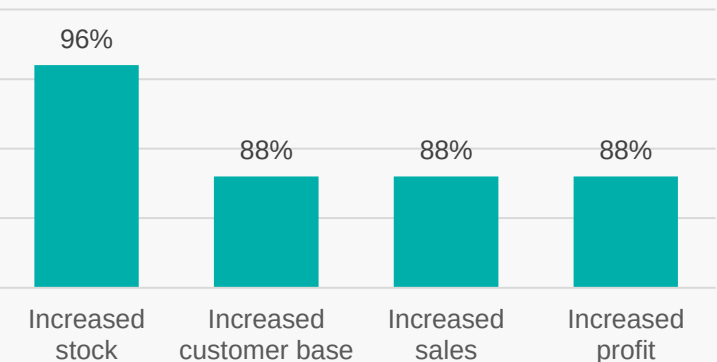
\$51,000

Additional sales generated by supported MSMEs

\$14,000

Additional income (NAIC) by supported MSMEs – *Better work*

Changes in performance of youth owned MSMEs



Stock on Credit Performance Dashboard GESI

Multidimensional Poverty Index (MPI)



Participants who are **multidimensionally poor (MPI poor)** - i.e., deprived in at least one third of the weighted MPI indicators



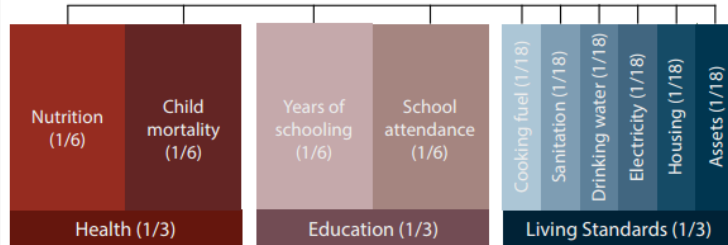
Participants who are **severely poor** - i.e., deprived in at least a half of the weighted MPI indicators



Participants who are **vulnerable to poverty** - i.e., deprived between 20% to one third of the weighted MPI indicators

Figure 1. Structure of the Global MPI

10 Indicators



Source: OPHI (2018)

3 Dimensions of Poverty

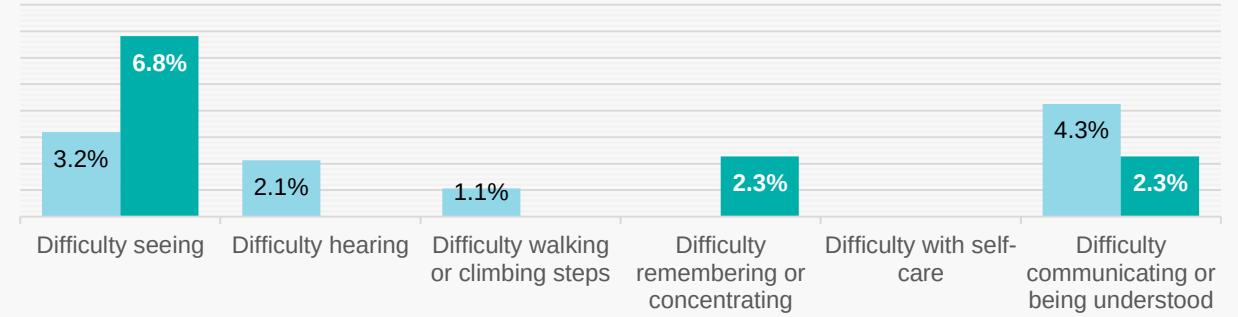
Persons with Disabilities (PWD)



Participants classified as **persons with disability (PWD)** - as per the Washington Group Short Set on Functioning (WG-SS)

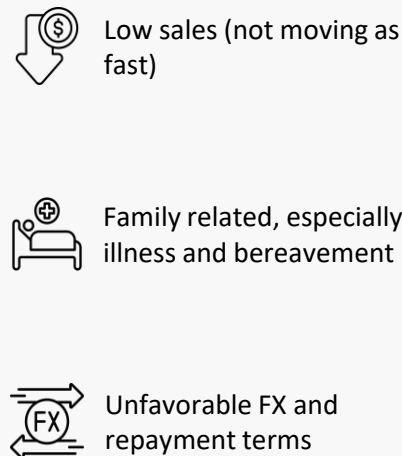
Prevalence by Gender and type of disability

Male prev (%) Female prev (%)

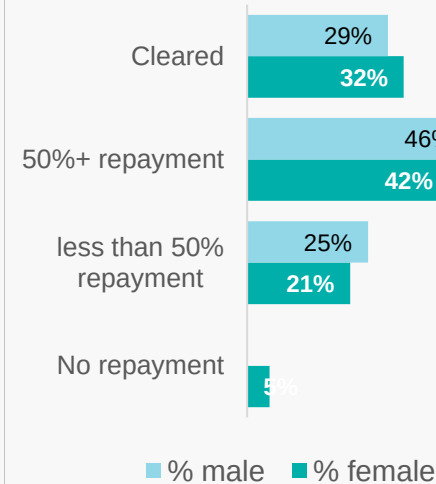


Stock on Credit repayment overview by sex

Repayment delay reasons (top 3)



Repayment status by sex



Participant recommendations (top 3)



Snippets of success

Julius Nuah



 **\$4,23**
2

Value of SoC received

 **15+**

of rounds issued with SoC

 **\$6,25**
8

Total additional sales

 **\$1,69**
1

Additional income (NAIC)

 *Besides accessing the SoC, the training received from JW enabled the client to improve record keeping and product display for more visibility*
BDS

Doris M. Nuah:



 **\$1,99**
8

Value of SoC received

 **8**

of rounds issued with SoC

 **\$2,95**
7

Total additional sales

 **\$798**

Additional income (NAIC)

Participant voices



BDS

Through the training received from Jungle Water especially on customer service and marketing, I have made my business more attractive and competitive by mixing different kind of fish for customers to purchase

The business and financial management training received from Jungle Water has enhanced my management skills and financial discipline. I am now more aware about business performance by separating profits from capital and investments

SOC amount should increase from \$250 to \$500 worth of goods. The purchasing price should be the same as the repayment rate



SOC

These goods I normally sell were not available in the store and I was forced to purchase different goods that could not go/sell faster.

I am no longer crediting my goods to people. I am getting wholesale goods now instead of half cartoon, which has also enabled me to manage finances better than before



FX

I recommend Jungle Water either consider the exchange rate at which I took the goods on or convert the \$250 USD to LRD that will help me pay without losing.

Jungle Water should work within the Liberia dollar currency instead of USD. They should consider us paying at the rate we took the goods

Systemic change vision



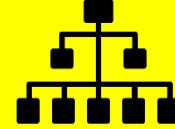
Behavioral Change

- ✓ Importers
- ✓ Partner
- ✓ Youths
- ✓ Consumers



Crowding/Replication

- ✓ Actors
- ✓ Sectors
- ✓ Youth



Model Improvement

- ✓ Credit Scoring
- ✓ BDS Services
- ✓ eCommerce



Scalability

- ✓ Expand to Urban
- ✓ Market Response
- ✓ Employment

Lesson Learned

A



- Flexibility of the local partner and strong understanding of the market context

B



- Intervention distortion caused by direct delivery models of entrepreneurship support
- Gender impact (cultural norms impact on female-owned enterprises)

C



- Market segmentation (Youth behavior in urban and peri-urban markets)

D



- Need for digitization in the consumer goods market and business management skills



Q&A session

