Youth Development Strategy
2020–2025

Women and Youth Empowerment Division

Resilience and Social Development Department

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Abbreviations and acronyms

AfDB  African Development Bank
ASEAN  Association of Southeast Asian Nations
CRS  Country Relations and Services
CSI  Core Sector Indicator
E4E  Education for Employment
GVC  Global Value Chain
ICD  Islamic Corporation Development for the Private Sector
ILO  International Labour Organization
IsDB  Islamic Development Bank
KPI  Key Performance Indicator
MCPS  Member Country Partnership Strategy
MDB  Multilateral Development Bank
MENA  Middle East and North Africa
MSP  Microsoft Support Programme
NEET  Not in Education, Employment or Training
NGO  Non-Government Organization
OCR  Operations Capital Resources
OIC  Organization of Islamic Cooperation
OPEC  Organization of Petroleum Exporting Countries
OTL  Operations Team Leaders
SDG  Sustainable Development Goal
SME  Small- and Medium-sized Enterprise
STI  Science, Technology and Innovation
STEP  Skills Toward Employment and Productivity
SWOT  Strengths, Weaknesses, Opportunities and Threats
TA  Technical Assistance
UNDP  United Nations Development Program (UNDP)
UNESCO  United Nations Educational, Scientific and Cultural Organization
USAID  United States Agency for International Development
VOLIP  Vocational Literacy Program
WYE  Women and Youth Empowerment
YDS  Youth Development Strategy
YES  Youth Employment Support
3Es  Education, Economic Empowerment, Engagement
10-YS  IsDB 10-Year Strategy
Executive summary

1. Young people\(^1\) are the driving force of all nations. They provide the energy, hope and leadership needed for the future. The Islamic tradition holds youth in special esteem, emphasizing them as a blessing and calling upon young people to become active members of society, and to contribute to the development of their countries. For a more inclusive society, it is important to ensure that youth have the means to become active participants, who can drive the development of their respective countries.

2. According to the 2018 World Employment Social Outlook,\(^2\) youth unemployment stands at 13 per cent globally. Youth unemployment in IsDB member countries is higher than in the world average and is expected to remain so for the next three years, rising from 15% in 2017 to hit 15.6% in 2019 and 2020. The world youth unemployment reached its highest point since 2005 at 12.6% in 2017, and it is expected to slightly decline to 12.5% in 2019 and 2020.

3. Since its inception, the Islamic Development Bank (IsDB) Group has undertaken a number of initiatives focusing on youth development. On average, IsDB allocates around 8 per cent of its financial support to youth development projects and programmes on an annual basis. These programmes are, however, only the beginning of IsDB’s long-term engagement with youth in its member countries. Integrating youth issues into IsDB’s medium- to long-term strategy will require a holistic approach. IsDB has developed an integrated strategy to ensure its future efforts and resources are directed towards the goal of youth socio-economic progress in IsDB member countries.

4. The Youth Development Strategy (YDS) is the first strategy for the IsDB on youth development. It outlines a focused and comprehensive strategic framework in line with IsDB’s mandate and 10-Year Strategy (10-YS), as well as with the President’s Five-Year Programme (P5P).

5. The YDS has two principal objectives; to support young women and men to be: (i) productive and economically empowered so as to contribute to the development of their societies; and (ii) engaged and responsible, in order to embody and embrace leadership.

6. The YDS has three interlinked strategic pillars, Education, Economic Empowerment and Engagement. These pillars aim to empower youth to take action and responsibility in driving growth and adding value to the economic and social development of their communities.

7. **Education**: The Strategy recognizes the importance of all types of education, including early childhood development, formal schooling, alternative education, technical and vocational education, higher education and non-formal education. This pillar describes how IsDB will address youth education through its operations and projects in economic and social infrastructure and inclusive social development.

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\(^1\) IsDB definition of youth: the period of transition from the childhood state of dependence to the full independence of adulthood. The target age group is 15–35 years without prejudice to other definitions by member countries.

8. **Economic empowerment**: Forward-looking government policies are required to ensure that youth are sufficiently adaptable to benefit from the economic empowerment opportunities offered by technological progress. The ability of member countries to harness the opportunity of ‘demographic dividend’ depends on their capacity to create jobs, transform their economies, invest in human capital and develop the private sector. This pillar describes how IsDB will address youth economic empowerment through its programs in economic and social infrastructure, Islamic finance sector, private sector development, and inclusive social development and through the global value chains.

9. **Engagement**: Youth in IsDB member countries should be fully engaged in shaping the changes that are affecting them. Member countries will be supported in their efforts towards developing mechanisms to promote an enabling environment for youth engagement. IsDB will continue developing and contributing to entry points and channels for engagement, promoting youth as partners and leaders.

10. Successful implementation of the Strategy depends on a number of critical success factors, undertaken in a phased approach over the 10-YS period (until the year 2025). New programming documents and operations are being prepared, IsDB is building its capacity to analyze the issues related to youth development in its member countries, and the necessary programme related adjustments are being integrated. The most visible changes that will be evident with the implementation of the YDS, especially over the next two years, will be: (i) in the MCPSs, which will explicitly address youth issues; (ii) IsDB operations and projects, which will apply a youth lens to its design and implementation; and (iii) internal processes, which will incorporate a youth perspective. Extensive internal capacity development will be conducted to support the implementation of the strategy.

11. Addressing youth development issues is an enormous yet essential undertaking. The YDS suggests a focused yet comprehensive approach to making IsDB’s interventions more impactful and capable of achieving the desired outcomes. If properly implemented, the strategy has the potential to change the lives of millions of youth around the world through positive and constructive interventions aimed at creating a productive population of future leaders in businesses, communities and economies.
Introduction

The youth challenges

1. Young people make up an especially large share of the population in developing countries, including the IsDB member countries. According to the Organization of Islamic Cooperation (OIC) Economic Outlook Series for 2017, it is projected that one-third of the global youth population will be living in OIC countries by 2050. Young people are seen as society’s most essential resource, with the potential to contribute significantly to economic growth. However, many are unemployed and unengaged. The challenge is to provide the right opportunities to channel youth energy and ambition, and to reinforce young people’s inclusion and self-fulfillment.

2. Young women and men are pivotal actors in driving sustainable socio-economic development, tackling global development issues and should play a key role in decision-making processes at all levels of society. The ability of member countries to harness this opportunity of ‘demographic dividend’ depends on investing in human capital and job creation to transform their economies. While youth represents a significant resource with great potential, the youth development challenge is far from simple. If the labour market is unable to absorb new workers because of a lack of economic transformation and employment opportunities, and a lack of investment in human capital, the opportunity of this demographic dividend may be lost.

3. According to the 2018 World Employment Social Outlook, youth unemployment stands at 13 per cent globally. Youth unemployment in IsDB member countries is higher than in the world average and is expected to remain so for the next three years, rising from 15% in 2017 to hit 15.6% in 2019 and 2020. The world youth unemployment reached its highest point since 2005 at 12.6% in 2017, and it is expected to slightly decline to 12.5% in 2019 and 2020.

4. In addition to the lack of employment, a combination of demographic and structural factors have created a demographic ‘bulge’, particularly in less developed countries. Disparities across IsDB member countries are profound. Furthermore, youth poverty is a major source of social unrest. Migration is also being prompted by poverty and conflict, with young people moving out of their countries in search of better opportunities. The gaps are most pronounced in young people’s access to education, economic opportunities and engagement (see Annex I for more information).

The role of youth in the new global development agenda

5. If countries are to succeed in achieving the Sustainable Development Goals (SDGs), and leave no one behind in the process, governments must seek active, substantive and inclusive engagement of young women and men from diverse backgrounds in the

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development of their communities and countries. Youth involvement in the new global development agenda will be crucial as sixty-five out of the 169 SDG targets reference young people explicitly or implicitly, with a focus on empowerment, participation and/or wellbeing. There are 20 youth-specific targets spread over six key SDGs. To achieve SDG 8 “promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”\(^6\), a target was set: “by 2030, to achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value”, and “by 2020, substantially reducing the proportion of youth not in employment, education or training”.\(^7\)

**Box 1. SDG indicators of relevance to youth**

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8b. By 2020, develop and operationalize a global strategy for youth employment and implement the ILO Global Jobs Pact. By 2020, substantially reduce the proportion of youth not in employment, education or training.


**Rationale behind IsDB youth development strategy**

6. A draft Youth Development Strategy was prepared in 2017 by the Youth Development Committee\(^8\). The Committee had done extensive research, collected information through interviews and individual discussions, analyzed data, and held dialogue with youth and youth organizations. However, with the Bank’s reform and the new development model, the need to revamp the Youth Development Strategy (YDS) became evident.

**To further IsDB strategic priorities**

7. The YDS is needed to provide a coherent framework for future youth development programmes, projects and activities carried out by the IsDB in line with its 10-Year Strategy (10-YS) and the President’s Five-Year Programme (P5P)\(^9\). The need to develop a dedicated YDS is underlined by the findings of the IsDB Stakeholder Consultation Report 2006\(^10\), which resulted from an extensive consultation exercise in four IsDB regional youth forums. The report emphasized that IsDB has yet to address youth development

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\(^{7}\) Ibid

\(^{8}\) A committee composed of young professionals and staff of the Bank that drafted the first draft of the YDS in-house.

\(^{9}\) The Bank’s Strategic Priorities 2019-2021 identifies the new priority of the Bank, which is based on a global value chain (GVC) approach. Given the huge unemployment and youth demographics in IsDB MCs, plugging into the GVC at the bottom level creates unskilled and semi-skilled jobs and systematically allows upgrading along the value chain as skills. The Bank has identified five common industries which it will champion in the coming years: Food and Agribusiness Industry, Textiles, Clothing, Leather and Footwear (TCLF) Industry, Petrochemicals and Petroleum Industry, Construction Industry, and Islamic Finance.

issues adequately, and that engaging youth remains one of the major challenges of the next decade.

**To direct attention to specific needs**

8. The IsDB 10-YS refers to the youth development agenda only indirectly under the strategic pillar of Inclusive social development. The objective of this pillar is to support interventions in areas such as youth focused vocational training, scholarships, microfinance and special programmes aimed at youth empowerment. With the absence of a dedicated focus for addressing the challenges of youth in the 10-YS, the development of a specific YDS became more critical.

**To adopt a holistic approach**

9. The scale of the challenge in IsDB member countries requires a synergistic and systemic approach to successfully address the youth development issue. IsDB member countries have a political will for action; however, as IsDB wants to contribute to a transformative change, it should steer away from *ad hoc* youth programmes and accelerate action towards an internally and externally harmonized approach. This approach should be anchored in clear strategies, programmes, projects, and investments that address the issue of youth development in a multi-sectoral, integrated and holistic manner. IsDB is uniquely positioned to accomplish this, given its convening power, its strategic partnerships, and its understanding of individual country contexts. IsDB can bring coherence and scale to youth development interventions across its member countries and community outreach in non-member countries.

**To Build on the experiences of development institutions**

10. Several bilateral, regional and multilateral organizations have focused on developing strategies to address the challenges facing youth in developing countries and integrating a youth perspective in their interventions. Even those who may not have a dedicated youth development strategy document, nevertheless have championed a number of initiatives in the youth development arena. These include the United Nations Development Programme’s (UNDP) Youth, Strategy 2030, the United States Agency for International Development’s (USAID) Policy for Youth in Development, the World Bank’s Skills Toward Employment and Productivity (STEP) framework, the African Development Bank’s (AfDB) Jobs for Youth in Africa 2016–2025 Strategy to mention few.

**Past interventions and lessons learned**

**IsDB’s work on youth development**

11. The importance of investing in youth development is being increasingly recognized globally, with innovative programmes and projects introduced by various international actors, including IsDB, which have targeted youth issues since its establishment. Its programmes and projects for youth have been introduced in member countries, where the demand is highest, such as countries in transition, and conflict-prone and post-conflict areas. IsDB has oriented its interventions towards helping those most in need,
including young people with disabilities, young migrants, young people from rural and remote locations, and young women.

12. Furthermore, IsDB has introduced a range of youth-focused programmes in member countries. These include:

- Vocational Literacy Programme (VOLIP, US$ 500 million)
- Microfinance Support Programme (MSP, US$ 500 million)
- Youth Employment Support Programme (YES, US$ 250 million)
- Education for Employment Initiative (E4E, US$250 million)
- Education for Competitiveness (E4C, US$300,000)

13. Additional initiatives include the Microfinance Development Programme; Scholarship Programmes for bachelors, masters, and PhD students; the IsDB Investment Promotion Technical Assistance Programme on capacity building for enterprises and entrepreneurship development; the Islamic Corporation for Development of the Private Sector (ICD) Small and Medium-sized Enterprise (SME) Funds; various capacity development initiatives for marginalized youth; and the Business Plan Competitions organized in association with King Abdullah University for Science and Technology in Saudi Arabia. On average, IsDB allocates around 8 per cent of its total financial support to youth development-related projects and programmes on an annual basis.\(^\text{12}\)

14. In addition to these programmes and to further promote youth engagement, IsDB holds regional-level youth development seminars and forums as side events at its annual meetings. The objective is to establish a platform to create awareness on youth development issues.

15. Recent seminars have covered a range of themes, including youth development, employment, entrepreneurship, financial inclusion and partnerships.\(^\text{13}\) In 2017, the first Youth Development Summit was organized under the theme, “Youth Engagement in Socio-Economic Development: Towards Shaping a Development Vision for Youth in IsDB Member Countries.” The specific objectives were: (i) adoption of a youth development agenda and strategy in IsDB member countries; (ii) identification of strategic areas, where IsDB can scale up its support to youth development in member countries; and (iii) effective partnerships to advance youth development agenda in member countries.

16. Beyond external engagement, IsDB embarked on an internal youth-oriented engagement approach with the establishment of the Young Professionals Programme. This programme is a strategic talent pipeline for outstanding young graduates, helping them to secure professional careers within IsDB. The young professionals benefit from coaching, career counselling, and training and development opportunities. They serve as

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\(^{12}\) The estimates are based on the projects and programmes of the IsDB business units in 2017

\(^{13}\) Recent seminar topics: Youth and Development in IsDB Member Countries (Khartoum 2012), Innovative Solutions for Youth Employment (Dushanbe 2013), Youth Entrepreneurship: From Job Seekers to Job Creators (Jeddah 2014), Leveraging the Power of Networks for Youth Development (Maputo 2015), Youth in Development: Innovative Solutions for Financial Inclusion (Jakarta 2016) and Strategic Partnerships to Boost Entrepreneurship and Youth Employment (Tunis 2018)
the upcoming cadre of professional and leadership talent of the IsDB Group, able to fulfil the IsDB mission and objectives.

Lessons learned

17. The key lessons learned from IsDB’s interventions in the area of youth development are as follows:

1) **The youth agenda was not formulated as a priority.** Past efforts in youth development-related programmes lacked a strategic framework to guide interventions. The programming of youth-related interventions was *ad hoc* (project-based) and did not form a coherent approach. IsDB did not target youth interests as a priority.

2) **Gender- and age-disaggregated data are needed to enhance and inform future youth-related programmes and policies.** There is a lack of accessible, comprehensive and disaggregated data on youth development programmes and their impact, as well as on the lessons learned, both internally and with regard to member countries. Externally, there is a lack of sufficient data about the status of youth in member countries, especially disaggregated by gender and age. This hinders the design of effective interventions.

3) **Many interventions do not fully consider the perspectives of young people.** In most cases, programmes and projects have not incorporated a youth perspective in their design. The communiqué developed by the youth participants at the first Youth Summit also drew attention to this shortcoming. Young men and women highlighted their limited participation in decision- and policy-making as well as programme design processes. This is a missed opportunity that should be mitigated.

SWOT analysis

18. IsDB conducted a ‘strengths, weaknesses, opportunities and threats’ (SWOT) analysis for the purpose of developing the YDS. The analysis was based on a consultative exercise with various project officers, programme managers and sector specialists within IsDB, who are involved in implementing youth development interventions.

19. The SWOT analysis shows there is untapped potential for IsDB to ramp up its activities in the area of youth development in its member countries. There are good opportunities for addressing youth development, and these could be realized using IsDB’s institutional strengths. However, realizing those opportunities will also require some concerted changes in the way IsDB plans its operations, and rationalizes and deploys its resources, in its individual and joint initiatives.
20. IsDB has developed this YDS in line with its 10-YS, the P5P, other multilateral and international development agencies’ best practices and the global SDGs. The strategy aims to harness IsDB’s combined knowledge, experience and resources, working in partnership with others to foster youth development. In preparing this strategy, IsDB has drawn upon its experience in supporting youth development and the lessons learned from its own interventions and those of other multilateral development banks and development partners. The YDS has been designed through an extensive consultative process, involving young people from across IsDB member countries. The YDS has also undergone an internal consultative process (outlined in Annex II). The implementation of the YDS will contribute to the realization of SDG 8: Decent work and economic growth and SDG 4: Quality Education.

21. This strategy provides direction for IsDB’s interventions and defines the commitment of the Bank to promote youth development as a means to reduce poverty and foster sustainable development and inclusive growth. The recognition of the importance of the youth development agenda as part of the overall IsDB mandate will further transform the efforts of individual departments into coherent and organization-wide approach. The YDS has three main pillars, referred to as the ‘3Es’, in support of this goal: Education, Economic Empowerment and Engagement. These pillars, which are interlinked, will enable youth to take substantial action and responsibility in determining growth and adding value to the economic and social development of their respective countries. Figure 1 sets the framework for the YDS that includes the strategic pillars of the strategy and the guiding principles.
Youth: definition and vision

The vision of YDS is: By the year 2025, the youth population of IsDB member countries will be empowered to unlock their potential to make significant contribution to the development of their communities.

22. The definition of youth in various development journals, academic research and government statistics differs depending on the parameters of analysis. Even though youth is closely associated with the biological processes of development and aging, major contributors to the definition of youth for development purposes include socio-economic conditions in a specific country or area. The Islamic tradition provides an age range for youth, suggesting that youth starts from the age of puberty and extends to age 30–32.\(^\text{14}\)

23. The YDS sets the target age group at 15–35 years (without prejudice to other definitions by member countries). The strategy encompasses a large age bracket to facilitate inclusion, and to allow for service delivery to the maximum number of young people, following the OIC age bracket.\(^\text{15}\)

Strategic objectives

24. Two strategic objectives will guide the implementation of the YDS. These are; to support young women and men to be: (i) productive and economically empowered so as to contribute to the development of their societies; and (ii) engaged to embody and embrace leadership.

Promote productivity and economic empowerment

25. The economic empowerment of youth is a prerequisite for their growth, prosperity, and the development of their communities. The first strategic objective is to support young people in order to unleash their potential to create economic wealth, provide them with sustainable and decent employment, increase their savings and investments, and develop their capacity and technical knowledge for entrepreneurship development and employment.

Support engagement and participation

26. A systematic approach towards youth development would recognize that the ultimate aim is to support a critical mass of youth, who are positively contributing members of society. The strategy will promote a state of engagement in which young people are aware of their society’s needs, their own capacities and abilities, and ready to take the initiative and contribute positively to their own development and that of their communities and countries.

Strategic pillars

27. To align the youth agenda and IsDB’s core operational priorities with the needs of its member countries, the strategy has three mutually reinforcing pillars: Education, Economic Empowerment and Engagement. The pillars are described in a way that

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\(^{14}\) Al Qurtubi, Kitaab al Mufhim

\(^{15}\) Other organizations set different age brackets for youth, e.g. the World Bank and United Nations agencies (including ILO) set the age at 15–24 years, the Commonwealth identifies young people as 15-29, the OIC youth strategy identifies youth as the 16-35 years, and AfDB uses 15–35 years.
demonstrates how they will be implemented through the pillars of the 10-YS and in line with the new business model and strategic priorities including through the global value chains approach, economic and social infrastructure, Islamic finance sector, private sector development, and inclusive social development.

1. Education pillar

28. Education is the foundation of human capital, contributing to personal agency, integrity, and self-confidence. It should be approached from a life-long learning perspective. Youth education is a key pillar that will contribute to the realization of the other two pillars of the Strategy. The YDS recognizes the importance of all types of education, including early childhood development, formal schooling, alternative education, technical and vocational education, higher education and non-formal education.

![Education pillar diagram](image)

29. **Through economic and social infrastructure operations**, IsDB will contribute to improving educational infrastructure, as well as the infrastructure that facilitates access to education, such as transport, energy, information technology and water and sanitation. This also includes addressing issues of health and safety within schools and the specific needs of girls and boys, young women and men.

30. In response to the high demand in settings where access to education is limited, IsDB can explore innovative approaches to education tailored to the needs of the most disadvantaged. This way, IsDB will promote the utilization of technological solutions to facilitate access to education in fragile environments.

31. The IsDB’s Education Policy recognizes young people as valuable contributors to knowledge, and as connectors that uphold human dignity, promote national unity and celebrate cultural diversity through education. Through the Education Policy pillars of enhancing basic education provision, post-basic education provision, and advocacy and advisory services, IsDB will work with member countries and development partners, including public-private partnerships in these areas.

32. In addition to promoting and improving access to education at all levels, IsDB will assist its member countries to take steps towards improving the quality and standards of education. IsDB will partner with different stakeholders to improve teacher qualifications through the establishment of teacher training schools, development of teaching and learning materials in-service teacher training activities, on-the-job training for student teachers, and internship and mobility programmes for teachers or prospective teachers.
33. At the same time, IsDB will continue to support the reform and upgrading of higher education curricula and programmes to meet the needs of labour markets in its member countries. Working with its partners is crucial in the design of interventions that will enable young people at universities to ‘mature’ in a market sense, and so become better prepared for their job search and entrance into the labour market. Mentoring fosters an entrepreneurship culture and environment as it helps young people to better understand and prepare for running their own businesses or work in the private sector in general. The school-to-work transition can be accomplished if there is adequate involvement of the private sector. IsDB will work to forge linkages between education institutions and the private sector to enable such a change. This was another major area of intervention proposed by the youth, who participated in the IsDB first Youth Development Summit in 2017.

34. IsDB will work through inclusive social development operations to ensure that no young man or woman is left behind. This includes supporting inclusive education and ensuring that tailored solutions are available to match individual circumstances. Inclusive education will target young people with disabilities, the internally displaced and refugees, and will provide accelerated education programmes in post-conflict areas. Initiatives for second-chance learning opportunities for school dropouts could be supported for young people above school age, who want to earn a secondary, tertiary or technical and vocational qualification. Distant and digital education options will also be considered to further social inclusion and improve opportunities among the most disadvantaged youth, especially where mobility is a challenge.

35. Scholarships: IsDB will continue to allocate merit-based scholarships at the undergraduate, graduate and postgraduate levels, thereby contributing to the intellectual leadership and knowledge-driven development of its member countries. The scholarship programme will be expanded to reach a larger number of young people, recognizing the intrinsic value of international learning mobility.

36. IsDB will further strengthen its engagement with the scholarship alumni networks, and will improve engagement of alumni in the development agenda of member countries through various means, including community volunteering. This work is led by the Science, Technology and Innovation Department, under the President Complex. Furthermore, there are many successful education programmes and models in member countries that could be replicated in other member countries through the reverse linkage modality.

37. Internship: IsDB will revamp its internship and visiting fellows programmes, both of which will be decentralized to involve headquarters and the regional hubs. The programmes will cover new areas, such as youth development, humanitarian response and green growth, and will contribute to the integration of the youth development agenda in IsDB key sectors.
2. Economic Empowerment Pillar\(^{16}\)

Youth labour market improvements in IsDB member countries can be achieved only through a deep understanding of global-and country-specific employment and labour market issues. The analysis of each individual member country, particularly of the issues in youth unemployment, is the key to determining country-specific needs and designing policies, programmes and interventions to economically empower young people and create economic opportunities for them.

**Figure 3. Economic Empowerment Pillar**

39. **Youth economic empowerment through global value chains**: IsDB’s new business model is geared to the concept of ‘making markets work for development’, which revolves around how development can be driven by the competitiveness of industries connected to the global market through global value chains (GVCs). The new thinking on GVCs allows low- and medium-income member countries to participate in the global production network that fosters greater development prospects. Most of IsDB’s member countries no longer need to master the whole production line, but rather to specialize in one stage of the global production process. This offers opportunities for increased specialization, production and value addition and fosters job creation, especially for young generations. Through its **economic and social infrastructure**, IsDB will support its member countries by financing value chain programmes that will create entrepreneurial opportunities and jobs for youth and ensure their participation in these value chains. By creating employment opportunities in industries and sectors, such as in construction and maintenance and in building the capacities and skills of young women and men, many of the challenges they faced will be mitigated and alleviated. When designing components for youth employment within these projects, IsDB will focus on creating as many sustainable jobs per currency unit of intervention as possible. At the present time of high youth unemployment, IsDB cannot afford interventions that are low in terms of the ratio of youth employed to the amount invested. Going forward, each intervention will have a

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\(^{16}\) This pillar will benefit from the creation of the new department, Economic Empowerment Department, once its mandate and strategy are defined.
target on job creation in line with the 2019-2021 Strategic Priorities of the Bank that has a target of creating 10 million jobs by 2021.

40. IsDB will support interventions that champion five industries in the coming years, based on the comparative advantage and commonalities of these industries across member countries. These are Food and Agribusiness Industry, Textiles, (Clothing, Leather and Footwear Industry), Petrochemicals and Petroleum Industry, Construction Industry, and Islamic Finance. The Bank will promote youth involvement in a sustainable and inclusive manner, to ensure securing economic opportunities for young people in value-chain related activities.

41. **Through Islamic finance sector development**, IsDB will support programmes that aim to create jobs in member countries and promote an enabling environment for business growth through entrepreneurship development, training and access to microfinance. Youth entrepreneurship has the potential to reduce youth unemployment and poverty and produce additional socio-economic outcomes. Many young people in developing countries turn to self-employment because there are fewer jobs, especially the kind of jobs that meet their innovative potentials and aspirations. Young entrepreneurs not only create their own job and possibly employ others, but also gain experience, marketable skills, responsibility, self-esteem and linkages to local communities, while contributing to overall social cohesion. As traditional job-for-life career paths become rarer, youth entrepreneurship is regarded as an additional means to integrate youth into the labour market and overcome poverty.

42. Such initiatives will contribute to addressing the youth unemployment challenge facing member countries through the Bank’s support to facilitating youth access to finance, building their entrepreneurial capacities and strengthening the technical skills of local microfinance institutions to provide youth with the services that meet their specific needs. These programmes will encourage financial institutions to lend to youth for business start-up through combining technical support and various types of innovative Islamic financial instruments.

43. IsDB will support the creation of **an enabling environment**, and the development and implementation of frameworks that are conducive to youth entrepreneurship. Moreover, an entrepreneurial culture that encourages youth to be innovative along with adequate entrepreneurial education and business support should be promoted in IsDB member countries. IsDB will work with governments to reassess prospective competitive advantages for economies in order to drive their growth in the future. IsDB will support initiatives designed around creating a better environment for start-ups to survive critical periods and sustainably generate job opportunities for youth.

44. IsDB will, through **private sector development**, work to promote job creation through SME development. This approach includes catalysing private sector investments that fuel job creation and employment opportunities for young women and men. The private sector should play the main role in addressing the unemployment challenge of youth in the Muslim world, since it is the main source of investment, production, and employment including SMEs. The youth unemployment challenge, however, has to be addressed in an innovative way as conventional means have failed to solve it.
45. IsDB will pilot initiatives with partners to help identify their human capital needs, provide input into training curricula, and integrate youth into their work culture via mentoring, apprenticeships and internships. These models will be tailored to country contexts, implemented in partnership with the private sector, evaluated, and then refined and scaled up in a demand-driven way.

46. Through inclusive social development, IsDB will continue to support non-governmental organizations (NGOs) by providing direct grants to complement government efforts in building the capacity of youth in entrepreneurial and business skills, financial literacy, computer literacy, professional skills and market-oriented training.

47. IsDB will support the establishment of business incubators in member countries in collaboration with renowned local players and governments through Technical Assistance (TA). Business incubators have become a powerful tool for supporting the entrepreneurial process and for helping to increase survival rates for young innovative start-up companies. Such incubators provide support to young people in many forms, including management coaching, business plan preparation, administrative services, technical support, business networking, advice on intellectual property and sources of financing.

3. Engagement pillar

48. The engagement pillar entails youth being: (i) informed and consulted on the types of issues that may affect their socio-economic well-being; and (ii) able to take initiative to influence the types of changes that can affect them by taking positive and constructive action in the development of their communities and societies, within their means and capabilities. IsDB will support three mains areas:

Figure 4. Engagement pillar

49. Awards of recognition: IsDB will recognize the contribution of talented youth in member countries and community outreach in non-member countries through introducing a special award. This will be based on achievements relating to the areas of entrepreneurship, volunteerism and social contribution. The prize will help IsDB to develop
direct contact with the youth and will generate a rich inventory of ideas that can be shared to inspire youth across member countries. The prize can be linked to IsDB’s ‘Engage’ platform (www.isdb-engage.org), which aims to turn innovative ideas into real development solutions through the Transform Fund, and provides seed money for innovators, start-ups and SMEs.

50. Volunteerism: An important element of engagement in society is to give back through volunteerism. The act of volunteering has positive effects on people in general, and can be inspirational to the youth. The benefits include: (i) acquiring understanding of the needs of the local community; (ii) developing the values of sharing in individuals, and solidarity among people; (iii) developing leadership, management, communication and other desirable skills and traits through exposure to real-life work; and (iv) making life-long connections with people, which can extend beyond the period of volunteering and spill over positively into professional life. The desirable traits that volunteerism can develop in young people can bring tremendous benefit to societies in the long-term.

51. IsDB will therefore work with member countries to develop this area and support it by working closely with civil society and other stakeholders. These interventions will be coordinated with member country governments to ensure they are aligned with national priorities. More specifically, IsDB will support programmes like its Scholarship Programme, which connects alumni with volunteering opportunities through NGOs.

52. Engagement Platforms: Youth who have acquired quality education, established economically stable and productive lives, and engaged in their societies in meaningful ways, will have developed their views and ideas on how their societies can continue to grow and flourish. It is crucial for member countries to tap into this energy and these ideas. Supra-national organizations (e.g. the United Nations and OIC) and multilateral development banks (MDBs) (e.g. the World Bank, IsDB and AfDB) have youth development platforms to provide outlets for sharing views on national youth issues. For instance, the OIC Islamic Conference Youth Forum that provides a platform for communication and builds understanding among youth, and IsDB organizes youth development seminars as side events at its annual meetings, with the aim of addressing specific youth development issues.

53. IsDB will continue to organize annual youth forums and make them more action oriented. IsDB will strengthen cooperation with other MDBs and regional institutions to create platforms for learning and disseminate experiences among a wider group of countries.

Guiding principles

54. The YDS strategic framework aims to make IsDB’s interventions more inclusive of the needs and priorities of youth in member countries. The different interventions need to be designed so as to impart the required skills, knowledge and infrastructure in a manner that will ensure young people become successful in life. The following principles will guide the implementation of IsDB’s youth development interventions.

Ensure inclusivity

55. The YDS is strongly committed to achieving the inclusion of the most vulnerable youth. This includes rural and peri-urban youth, young women, the disabled and those in fragile situations, as well as youth who are further marginalized due to their religion, citizenship
status or ethnicity. These young people have few opportunities and have limited access to resources. Promoting youth inclusion is essential to establishing conditions for broad socioeconomic development. As such, it is imperative for development institutions like IsDB to consider this dimension in designing programmes and interventions targeting marginalized youth.

Promote youth participation

56. IsDB believes that when given the opportunity, young women and men will offer insight and innovative thinking and develop solutions to common problems. Recognizing young people as agents of positive change for their own development, IsDB will ensure youth participation in its operations, through consulting them in programme design and ensuring that their needs are captured and addressed in IsDB interventions.

Adopt an evidence-based approach

57. Since youth development issues are context specific, identifying the principal challenges and appropriate solutions should be accomplished through consideration and consultation. From the Member Country Partnership Strategy (MCPS) to the project level, meaningful analysis and diagnosis will be conducted to identify the key youth challenges, needs and priorities, and the best means to address them in youth responsive project designs.

58. The ‘three-lens’ approach to youth development will be adapted during implementation of the YDS. This considers youth as beneficiaries, partners and leaders. The IsDB recognized that youth are not simply development recipients, but rather are positive and active agents who are capable of contributing to and initiating positive transformation. The ultimate aim is not limited to working for youth as beneficiaries, but also engaging with them as partners and supporting them as initiators leading the path of youth development17, based on their capacity, skills and capabilities to act and change their own lives and those of their communities. The different lenses may be used with different groups of young people during an intervention or initiative. Youth operating as partners and leaders are inherently also beneficiaries.

Implementing the Youth Development Strategy 2020–2025

59. Successful implementation of this strategy will require strategic and targeted actions. The Bank will need to continue its process of internal transformation to ensure that the integration of youth development at policy, country programming and operational levels remains at the heart of its activities. Through integrated approaches with the appropriate organizational arrangement and mechanisms, systematic training of youth champions and staff, in addition to the critical success factors mentioned in the following sections, the Bank will be able to achieve visible and lasting results in youth development.

Organizational arrangements

60. The YDS is designed to encompass the whole Bank, engaging staff in headquarters and the regional hubs, as well as across departments and units. For the first time, there is a dedicated unit responsible for the youth development agenda in terms of coordination and provision of technical expertise. Established in January 2018, The Women and Youth Empowerment (WYE) Division under the Global Practice- Country Programs Complex is mandated with mainstreaming youth needs in IsDB’s strategies and operations, and will act as the focal point and resource centre for youth development matters. The Division provides other business units with the necessary technical expertise and sharing of successful approaches and good practices.

61. The WYE Division will take the lead role in developing the strategic and technical dimensions related to youth development, while other units, including the regional hubs, will continue being responsible for the implementation of the strategy pillars. The integration of the youth development agenda will benefit from IsDB’s decentralized structure and the new business model, which will foster more direct engagement with member countries through the regional hubs. As local entry points, the hubs will champion the YDS implementation by engaging locally with governments, development partners, building networks with youth organizations and ministries, and implementing youth development interventions.

62. Mainstreaming youth development in the Bank’s interventions will enable IsDB to deliver improved results under this cross-cutting theme. Furthermore, the Division will coordinate with and assist the other units in their mainstreaming efforts and provide them with the necessary technical support and expertise. The WYE Division will develop youth mainstreaming guidelines that will assist Operations Team Leads (OTLS) and sector specialists to design programs with a youth lens.

Youth champions

63. To create a greater sense of ownership of youth development inside IsDB, and to increase support for youth mainstreaming among staff, who are not youth specialists, IsDB will put in place a network of youth champions or focal points. Those focal points will advocate for the promotion of youth development through the YDS by driving implementation in their departments and regional hubs. They will receive training on how to mainstream youth development in programmes and projects. The role of the youth champion will be part of their performance evaluations. The designation of youth champions will be the first action following the approval of the YDS.

Country programming

64. Country programming presents the most strategic entry point for the YDS implementation. The WYE Division will provide inputs to regional hubs and Country Strategy and Cooperation teams in the preparation of the MCPSs. The inclusion of youth development as a specific investment area in the MCPSs will improve the consistency with which this key planning and programming document addresses youth development issues. The recently approved MCPS guidelines introduced analysis on the youth situation at the national level as part of the diagnostic phase. Where possible, the analysis
will draw on existing diagnostics regarding youth development in the country, and will focus on identifying key opportunities for IsDB interventions in terms of programmes, technical assistance and capacity development along the selected value chains. Incorporating the needs of youth and encouraging their participation in the design of IsDB programmes will maximize the development benefits.

**Operations and programmes**

65. An approach will be determined at the operational level, based on the analysis of the situation and needs of youth in member countries (i.e. whether there is a need for a youth-focused intervention/standalone, or a specific component within a project). In both cases, special targets and budgets for youth related activities will be reflected in the results-based logical framework to enable monitoring and tracking of results. Moreover, as part of appraisal missions, consultation with youth groups as beneficiaries will be conducted to ensure their needs are captured in the project design. The WYE Division will work with the regional hubs to assist in preparing and appraising programmes and projects with a youth lens, as well as building their capacity to mainstream youth in their interventions. The new templates for project preparation and appraisal documents included a new section on thematic orientation that presents an analysis on the situation of youth among other cross-cutting themes.

**Success factors for implementation**

66. The YDS has been carefully designed to ensure a well-coordinated approach to integrating the youth agenda into IsDB’s work. This section describes the key processes and success factors through which IsDB will implement the strategy:

- An action plan is developed and rolled out.
- Internal capacity is built through mapping existing capacities and addressing capacity gaps.
- Partnership development and resource mobilization strategies are developed and rolled out.
- Monitoring framework is developed and promotes results-based reporting.
- Communication and outreach mechanisms are identified.
- Strengthened knowledge capital is prioritized and supported through information sharing and knowledge product development.

**Action plan**

67. To achieve the YDS objectives, the WYE Division and all business units that work on youth development will need to undertake the following set of coordinated activities in 2020 (details on the activities are provided in Annex V):

- enforce the institutionalization of youth development at the level of country programming, projects and all business processes;
- establish support systems for youth development by building internal capacity and enhancing knowledge sharing across IsDB and with partners;
- roll out the mainstreaming of youth development in Bank operations;
• support youth development implementation by continuously introducing and improving youth mainstreaming tools and knowledge products.

Building internal human and financial capacity

68. Implementation of the YDS will require efforts to bring coherence and scale to IsDB’s actions in this area. To ensure a universal approach and institutional ownership, IsDB will embed activities into its existing systems and processes and build its internal human and financial capacity.

69. IsDB will provide support and guidance in the area of youth development to its staff, and will hire experts to strengthen its skills-base for addressing youth development. It is a good practice for strategy development to be accompanied by staff training and capacity development. Youth champions and focal points will be provided with specialized training and youth mainstreaming tools to enable them to deliver on the youth agenda. The WYE helpdesk, an email address dedicated to receiving requests and questions from IsDB staff on youth-related interventions, will provide an interface between youth experts and IsDB staff for guidance. These activities will help to institutionalize the collaborative arrangements for the implementation of the YDS. Tailored technical support and guidance will be provided for the regional hubs, departments and youth champions.

70. Different sources of funding will be sought depending on the nature of the intervention (standalone flagship youth project, component within a project, or NGO project, Youth Development Forum, …etc.). Resources to support the planned expansion in youth development interventions will be sought, as follows:

• **Grant resources** allocated annually from Ordinary Capital Resources (OCR): (i) for youth development interventions through NGO programmes to be used for piloting new approaches across the three pillars of the strategy; (ii) for technical assistance, building youth development capacities of member countries through training, reverse linkage, technical assistance in strategy development, …etc.

• Ordinary financing through ordinary financing windows of the Bank.

• Annual specific allocation from **administrative budget** for the youth engagement pillar. This includes the organization of the Youth Development Forum and other engagement activities.

• In line with the new business model, and the move towards **off-balance-sheet financing**, opportunities for resource mobilization and co-financing would be explored and encouraged. IsDB will also seek to find additional financial resources through the use of innovative financing mechanisms.

Developing partnerships and mobilizing resources

71. Achieving the YDS goal requires deployment of significant resources that are beyond those normally available from IsDB. Similarly, sustainability comes through stakeholder partnerships. With this in mind, it will be crucial to partner with other development actors at the national and international levels to deliver on the youth agenda.

72. IsDB will collaborate with other development partners, government actors, NGOs, youth-led organizations and the private sector through co-financing and joint implementation of
youth development interventions. This will enable a multiplier effect and promote successful implementation of the YDS.

73. Three types of partnerships will be sought to leverage financial and technical resources:  
- Partnerships for resource mobilization: Additional concessional resources leveraged through partnerships with other multilateral development institutions, the private sector (e.g. corporate social responsibility), and the third sector (e.g. foundations and charitable organizations) can help fill the increasing gap between demand for grant-based youth development interventions and IsDB’s existing grant resources.
- Partnerships for joint implementation: These partnerships can maximize the comparative advantages of each partner.
- Partnerships for knowledge sharing: To avoid duplication of effort, knowledge sharing through global best practices and lessons learned will enhance existing policies, tools and mechanisms.

Monitoring framework

74. The YDS is designed to improve measurement and tracking of IsDB’s youth development efforts, however, the lack of relevant indicators makes it difficult to establish baselines. As IsDB’s results framework and Core Sector Indicators (CSIs) are being revised during the development of the YDS, some of the indicators in the results framework may be replaced once the revised indicators are approved. Therefore, the YDS Results Framework is developed only at the output levels (see Annex IV for the Results Framework).

75. Gender- and age-disaggregated indicators will be included where possible in the CSIs and results indicators (see Annex IV for the Youth related CSIs). For programmes and projects, monitoring and evaluation will include youth development indicators aligned with the SDGs in results-based logical frameworks, especially for the economic empowerment pillars where job creation is a strategic priority of the Bank by 2021.

76. The YDS will be periodically reviewed to ensure that it remains aligned to the intended targets. The reviewed recommendations and lessons learned will be integrated, where possible, in ongoing operations, and will be thoroughly considered for the next iteration of the strategy. This will ensure the indicators remain relevant and are systematically tracked and monitored.

77. IsDB’s progress on youth development will also be captured in the Annual Report and the Annual Development Effectiveness Reviews. This will help to determine the effects of the youth development work, bring greater external visibility of these efforts, and enable organizational learning.

78. As described earlier, youth development cuts across several sectors and so is difficult to measure. Nevertheless, IsDB needs to measure progress by identifying KPIs that are linked to the strategic objectives and pillars of YDS. The three KPIs across IsDB that are related to mainstreaming youth development are:
- By 2025, 80 per cent of MCPSs will address youth development.
- By 2025, at least 50 per cent of all MCPS-approved projects will include a target for young people reflected in the results framework.
• By 2025, 100 per cent of planned youth development forums will be conducted.

Establish communication and outreach mechanisms

79. For IsDB to be seen as a reliable partner in youth development, it is not only essential, but also pragmatic, to recognize that implementing interventions requires a robust communication and outreach approach. For example, big infrastructure projects do not lend themselves to profiling the ways in which IsDB contributes to youth development. IsDB can take steps in this regard by undertaking communication activities, whereby it is seen as an active player in the field of youth development across all sectors. This can be done through showcasing its success stories and good practices via an online youth platform and through social media (blogs, Twitter, etc.).

Strengthen knowledge capital

80. One of IsDB’s primary objectives is to become a knowledge institution. A sound knowledge management approach to youth development will guarantee its youth interventions are based on evidence and understanding of the situation of young people. IsDB can then build on its knowledge to identify the required actions and define youth-related interventions. To build its knowledge capital in the area of youth development, IsDB will:

• Continue to develop specific knowledge products that cater to its operational needs, such as country youth profiles, as well as those that recognize member country contributions in this area.

• Engage in internal knowledge-sharing platforms, such as the SDG Community of Practice, and organize knowledge-sharing seminars to facilitate effective knowledge exchange within IsDB.

• Develop tools, especially youth mainstreaming guidelines, to enable project officers and OTLs across the regional hubs to integrate youth needs into their projects and programmes.

• Create mechanisms to capture knowledge generated during implementation of youth development projects, and ensure utilization of lessons learned in formulating new projects, and updating existing processes, policies, and guidelines.

• Participate in external cooperation platforms and knowledge-sharing forums on youth development to share knowledge generated internally, as well as benchmarking good practices of other institutions and linking best practices to its own work.

Conclusions and outlook

81. Today’s youth are tomorrow’s leaders, and their vision for the future must be well understood and reflected as a development goal. Youth offer a great opportunity for IsDB member countries, while not effectively tackling youth development issues can threaten their socio-economic development. When major youth development initiatives are carried out successfully, there is huge potential for economic progress, inclusive growth and stability.
82. IsDB has the mandate to support youth development interventions within the context of the 10-YS and the P5P, and it has access to enormous opportunities to champion youth development initiatives.

83. Implementing the changes required by the YDS will need to be phased in over time. New programming documents and operations are being prepared, IsDB is building its capacity to analyze the issues related to youth development in its member countries, and the necessary programme related adjustments are being integrated. The most visible changes that will be evident with the implementation of the YDS, especially over the next two years, will be: (i) in the MCPSs, which will explicitly address youth issues; (ii) IsDB operations and projects, which will apply a youth lens to its design and implementation; and (iii) internal processes, which will incorporate a youth perspective. Extensive internal capacity development will be conducted to support the implementation of the strategy.

84. Addressing youth development issues is an enormous yet essential undertaking. The YDS suggests a focused yet comprehensive approach to making IsDB’s interventions more impactful and capable of achieving the desired outcomes. If properly implemented, the strategy has the potential to change the lives of millions of youth around the world through positive and constructive interventions aimed at creating a productive population of future leaders in businesses, communities and economies.
Annex I. The state of youth in IsDB member countries

The Islamic Development Bank (IsDB) has 57 member countries across four continents and supports Muslim communities in non-member countries. This represents 25 per cent of the total world population, and nearly every third young person on the planet is Muslim. This significant resource is promising and demonstrates a great potential for IsDB member countries. The following snapshot indicates the gaps and missing links, as well as the untapped potential and opportunities that can be translated into positive dynamism and resources for member countries. The main trends in youth development and their underlying causes will be elaborated on in this section.

Today, young people are seen as societies’ most essential resource, with the potential to contribute to great economic growth. However, serious consequences can develop when a large proportion of the youth are unemployed and unengaged. The dilemma is about providing the right opportunities to channel youth energy and ambitions, and to reinforce young people’s feeling of inclusion and self-fulfillment.

The challenges young women and men face, in our member countries and globally, are mounting. The combination of demographic and structural factors has led to the creation of a ‘demographic bulge’ in less developed countries, leading to the situation where 90 per cent of all global youth between the ages of 15 and 29 years live in poor and very poor countries.\(^{18}\) Youth poverty and social inequality are major sources of social unrest and migration, either due to conflict or in search of better opportunities. Furthermore, young women are more likely to be affected by poverty and have less access to opportunities than young men.

The United Nations Refugee Agency (UNHCR) estimates that by the end of 2017 some 68.5 million people were forcibly displaced, with Afghanistan, Myanmar, Somalia, South Sudan and Syria representing 68 per cent of all world refugees.\(^{19}\) Furthermore, at least one-third of all young people in the world live in fragile and conflict-affected states, and nearly all of them are IsDB member countries. Disparities across IsDB member countries are profound. The gaps are most pronounced in young people’s access to education, economic opportunities and engagement.

### Education

According to the available data, at least 19 countries have fewer than 90 girls for every 100 boys enrolled in secondary education, mainly in the Middle East and North Africa (MENA), and sub-Saharan Africa, and only 4 per cent of countries achieved parity in tertiary education enrollment. The overwhelming majority of illiterate youth in the world, especially in West and Central Africa, and South Asia, continue to be women. Young women are on average twice

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as likely to be not in education, employment or training (NEET) as young men; in South Asia the proportion is almost four times more likely. Gender inequality in education is characterized by the limited availability of gender-sensitive educational infrastructures, learning materials and teaching methods, as well as by the high dropout rate amongst secondary school-aged girls. Globally young women are less likely to be digital natives than young men.

Youth with disabilities are among the most marginalized and poorest of all the world’s youth. The United Nations Educational, Scientific and Cultural Organization (UNESCO) estimates that 98 per cent of children with disabilities in poorer countries do not attend school, and 99 per cent of girls with disabilities in poorer countries are illiterate. Moreover, there seems to be a consistent relationship between the higher levels of inequality in educational attainments among ethnic and religious minorities and the likelihood that society will experience violent conflict.

Progress is slow yet consistent and coordinated action bring results. According to the Association of Southeast Asian Nations (ASEAN) Youth Development Index (YDI) for 2016, the educational results have improved remarkably across the region. Brunei and Malaysia are doing relatively well. They are in the top three ASEAN countries, behind Singapore, which is excelling on all indicators. Indonesia finds itself in the lower cluster, scoring just above 50 per cent since 2015. The improvements in education have also been registered by YDI of the Commonwealth nearly everywhere, with exception to countries currently in crisis.

**Economic empowerment**

Serious gaps in global competitiveness related to infrastructure, technology and finance, the availability of jobs is not increasing with the increase of the population willing to participate in the labour market. Additionally, the restricted access to modern knowledge and outdated curricula have caused a mismatch between the available demand from employers and the supply of skills from young people in IsDB member countries. The estimates suggest that between 2015 and 2030, some 600–800 million young people will enter the job market. Moreover, in 2016 on average youth unemployment rate in OIC remained constantly above 16%, a rate which is well above that of both non-OIC developing and developed countries (SESRIC, 2017). It is also estimated that between 2015 and 2030, 40 million jobs need to be created globally and, according to demographic trends in our member countries, between 10 and 12 million of these need to be created in our member countries, amounting to a substantial 130 to 160 million jobs required by 2030. Today, people under 30 make up about 60 per cent of the population of these countries, and by 2030 this is projected to level at approximately 50 per cent (Pew Research Center, 2011). Hence, the working youth

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22 ASEAN (2017). First ASEAN Youth Development Index, p.27. Association of Southeast Asian Nations.
population (age 15–35), who will represent the vast majority of entrants into the workforce, will increase by 100 million between 2015 and 2030.

As an increasing number of these new entrants will find no jobs, the member countries’ share of world youth unemployment will increase from 30.6% in 2017 to 32.6% in 2019, and 33% in 2021. The youth unemployment will continue rising above 10% in all CRS regions, with CRS MENA and Europe facing the worst youth unemployment, which is expected to soar to 18.9% in 2019 and 2020. In 2017, 48% of IsDB unemployed youths was in CRS MENA and Europe, 29% in CRS Asia, and 23% in CRS Africa and Latin America. This distribution is expected to slightly change by 2020, with share of CRS MENA and Europe declining to 46%, CRS Africa’s share rising to 25%, and CRS Asia’s share remaining the same.

**Box 1 Youth unemployment and its importance to IsDB:**

Unemployment has emerged as a major challenge facing the world in the aftermath of the global economic crisis. It was a key reason for the Arab Spring, and it affects youth more than adults. According to the International Labour Organization (ILO), young people are three times more likely than adults to be out of work. Unemployment rates are alarming in the Muslim world, where young people are finding it increasingly difficult to find sustainable jobs. According to the Education for Employment (E4E) report, economic losses due to youth unemployment are estimated at more than US$ 40–50 billion annually across the Arab world, a figure equivalent to the gross domestic product of a country the size of Lebanon or Tunisia.

It is imperative that IsDB focus on youth issues as part and parcel of its short-, medium-, and long-term development agendas. In addition to providing financial resources, countries are looking to development institutions to provide technical expertise to launch successful youth development programmes, know-how to make socio-economic development more youth-oriented, and advisory services to reform national youth policies.
Youth labour market improvements in IsDB member countries can only be achieved through a deep understanding of both global- and country-specific employment and labour market issues. The analysis of each individual member country, particularly of the issues regarding youth unemployment, is the key to determining country-specific needs and designing policies, programmes and interventions, as there is no one-size-fits-all approach.

Importantly, in every part of the world, young people are at least twice as likely as others to be unemployed; this represents at least 67 million youth (some sources provide double and triple figures). Furthermore, working poverty is the reality for at least 150 million youth. In MENA, South Asia and sub-Saharan Africa, between 40 and 70 per cent of all employed youth live in rural areas and represent the source of labour in the agricultural sector, with low productivity and little social protection.²⁶

Gender differences in employment matter: 2.7 billion women globally are still legally restricted from having the same choice of jobs as men; 59 states did not enforce the law against genderual harassment in the workplace; in 37 countries women cannot apply for passports in the same way as men; and there are 18 countries where husbands can legally prevent their wives from working. The legal gender differences decrease female labour force participation and undermine gross domestic product (GDP) growth. Globally, unemployment is up to 10 per cent higher for young women than for young men.²⁷ The regions with the youngest population tend to guarantee less gender equity for young women. Most of the mentioned economies are IsDB member countries.

Small- and medium-sized enterprises (SMEs) contribute, on average, 66 per cent of employment in developed countries. Moreover, SMEs take a major role in most national economies, particularly in developing countries. Formal SMEs contribute up to 40 per cent of GDP in emerging market economies, but if we also consider informal SMEs, this percentage will spike to more than 60 per cent of GDP. In emerging markets, four out of five new positions were created by SMEs, which is about 90 per cent of total employment, in the formal sector. Tapping into global value chains (GVCs) as domestic suppliers of exporting firms provides

SMEs with an indirect opportunity to gain access to foreign markets and foreign technology, with positive effects for SME productivity similar to those of direct exporting.

Youth entrepreneurship has the potential to reduce youth unemployment and poverty, and support socio-economic outcomes. As traditional job-for-life career paths become rarer, youth entrepreneurship is regarded as an additional way of integrating youth into the labour market and combating poverty. The issue of youth unemployment adversely impacts IsDB member countries, and youth labour market improvements can be achieved only through a deep understanding of both global- and country-specific employment and labour market issues.

Young people aged 18–34 display the highest rates of entrepreneurial intention, and those aged 25–34 display the highest rates of start-up activity. Nascent social entrepreneurs outnumber nascent commercial entrepreneurs in MENA, Sub-Saharan Africa and Western Europe. Sub-Saharan Africa has the highest rates of start-up phase activities and the highest prevalence of start-up entrepreneurs engaged in the overlapping commercial and social entrepreneurship.28 Interestingly, young women are more likely than young men to become entrepreneurs out of necessity, whereas young men are more likely to have financial success motivation.

Access to finance is particularly difficult for both young women and young men. At the same time, all across the globe with the exception of high-income countries, young women are more than one-quarter less likely than young men to have an account at a formal financial institution, and women’s credit scores are the lowest everywhere.29 This affects the ability of women to start and grow their enterprises. Not surprisingly, women adapt to the situation, seek alternative ways of doing business, and state that they need fewer funds to start a business compared with the funds estimated by men.

Entrepreneurial financing has evolved considerably. The newer financing models, such as business angels, micro-finance and small business accelerators, have matured and a new model, ‘crowdfunding’, has emerged as a popular alternative.

Additionally, areas with more difficult economic conditions show a significant drop between potential and intentionational entrepreneurs, meaning that there are many individuals that quit the entrepreneurial pipeline even before any basic action is taken. This happens due to the fact that there are many restraints, such as poor infrastructure, restricted access to markets and weak ecosystems, that hinder young people’s enthusiasm in starting up their own ventures.

**Engagement**

In the face of limited opportunities, the vast majority of young people demonstrate positive resilience; they continue looking for alternative solutions and are not involved in violent acts.

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The United Nations General Assembly progress study on youth and peace and security highlighted that resilience strategies used by youth vary from being survivalist or adaptive (through migration or finding alternative sources of income) to being transformative (by driving change, rebuilding damaged relationships and addressing the underlying causes of conflict). Young people stress the importance of ending violence and addressing its symptoms and they readily engage in addressing the underlying causes of corruption, inequalities and social injustice.30

Regrettably and suddenly, many middle- and high-income countries have become conflict-prone areas. This may be explained by the fact that the relation between income and conflict is not linear. General economic well-being in a nation does not guarantee inner peace. Instead, conflict is more likely to be explained by the experiences of horizontal inequalities and identity-based factors, including stunted economic and social mobility, political exclusion, disillusionment with corrupt institutions, and rigid intergenerational social structures that contribute to discrimination against youth, fueling their feeling of injustice and unmet social needs, and having little recognition for young people’s agency.

Therefore, young people constantly raise two important and inter-related concerns (as brought to the attention of IsDB through consultations): the urgency to include both young women and young men in meaningful civic and political participation, capitalizing on solidarity and connectedness among youth; and, by doing so, to improve good governance and trust in state institutions that effectively addresses youth aspirations, ultimately leading to peaceful and sustainable livelihoods.

Annex II. Youth Development Strategy consultations and reviews

**Consultation:**

**Internal Consultation:**
Consultation was conducted internally with various Departments and with some Group entities:

- Economic and Social Infrastructure Department
- Islamic Finance Sector Development Department
- Resilience and Social Development Department
- Country Strategy and Cooperation Department
- Economic Research & Institutional Learning Department
- Country Relations and Services: Regional hub of Bangladesh, Surinam, Morocco,
- Communications & External Relations Department
- Global Partnership & Resource Mobilization Department
- Operation Quality & Results Division
- Human Resource Management
- Department of Strategy & Transformation
- Knowledge Management and Institutional Learning Division
- Islamic Solidarity Fund for Development
- Global Partnerships and Resource Mobilization Unit
- Country Strategy & Market Integration Division
- Crowd engagement and external funds management Division
- SDG Special Envoy
- Science, Technology, and Innovation (STI) Department
- the Islamic Corporation for the Development of the Private Sector (ICD)

**External Review**
Feedback was received from the following entities:

- Islamic Conference Youth Forum (**ICYF**)
- Participating youth delegates from 48 MC during IsDB’s first Youth Development Summit, which was held during the 42nd Annual Meeting of the Board of Governors of the IsDB as shown in the below communique.

The process for preparing the Youth Development Strategy included:

- A SWOT analysis exercise of the Youth Development Interventions in the Group was performed. The analysis was based on a consultative exercise with various project officers, program managers and sector specialists in the IsDBG who are involved in implementing the myriad Youth Development interventions

Feedback in the form of comments and recommendations were compiled, reviewed, and considered in the final document.
Final Communique of the 1st Youth Summit

I. We—the youth from all walks of life from the 57 Member Countries of the Islamic Development Bank (IsDB)—have met in the 1st Youth Summit of the IsDBG, that was organized on the sidelines of its Annual Meeting, in Jeddah, Saudi Arabia on 15th and 16th of May 2017.

II. Two daunting challenges that youth are facing are high youth unemployment and the lack of an enabling environment for entrepreneurial opportunities. With the majority of the estimated 73 million jobless young people living in the IsDBG member countries, the economic loss of youth unemployment is immense. Lack of employment opportunities and economic enabling environment are also resulting in a massive brain drain, which only serves to weaken the future prospects of economic development of our countries.

III. The lack of basic, affordable, inclusive and high-quality education, and decent employment, ultimately lead to young people being disconnected from economic opportunities; leading to poverty and its negative social effects. These problems are further compounded under the existing conflict situations in various regions that the IsDBG serves. As a result, many young people are forced to migrate from their countries and continue to live under insecure and illegal conditions without a chance to invest in their future. Similar circumstances can also affect internally displaced youth.

IV. As the participants of the 1st Islamic Development Bank Group Youth Summit, we are pleased to share with you the following key points and recommendations for the consideration of this decision-making audience and the management of the Islamic Development Bank.

V. In addition to its support to developing education infrastructure in the member countries, there is also a strong need to enhance education curricula at all levels, starting with primary school all the way to university, with special focus on technical and vocational education. In addition, advances in digital technology are not fully integrated into education systems, which leaves youth behind the curve in terms of preparing for the future. We highly recommend that the IsDBG and its partners focus more attention and resources to aligning education curricula with market needs and introducing innovative methods of teaching through the adoption of digital technology. We believe this will require enhanced cooperation among the public, private and social sectors.

VI. In order to support young entrepreneurs, a three-pronged approach is needed to create an enabling environment for entrepreneurship. First, there should be wider access to business incubators and accelerators to support youth with start-up capital and capacity development for youth-led businesses. Second, IsDBG is well positioned to provide this

31 Summary of the communique
support through leveraging its expertise in Islamic Finance and its convening capacity across key stakeholders. Third, there is a need to put in place regulations and policies that facilitate entrepreneurship.

VII. The youth, as future policy-makers and leaders, are keen to share their views and ideas. Youth should be integrated into decision- and policy-making processes, and this could happen in various forms: (i) establishment of national youth councils that provide youth perspectives on existing and future policies and laws and influence policy making from the bottom up, rather than top down; (iii) establishment of youth ministries that are the focal points of governments to identify the needs of youth and address them in collaboration with other ministries; and (iv) development of youth strategies and relevant policies that outline a vision and set achievable and measurable goals for youth development. In implementing this recommendation, the IsDBG can facilitate the exchange of know-how and experience from countries with successful models to other member countries.

VIII. Provide continuous opportunities for youth networking and meaningful participation in key meetings such as the Islamic Summit, IsDB Annual Meeting and other important multilateral gatherings in order to integrate youth into high-level consultation and decision-making processes at the regional and international levels.
Annex III: Bibliography


Youth in Development: Realizing the Demographic Opportunity. Washington, DC: USAID.


## Annex IV. Youth-related core sector indicators

<table>
<thead>
<tr>
<th>Sector/indicator</th>
<th>Target SDG</th>
<th>Target SDG Indicator</th>
<th>Related Activities/Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information, Communications Technology (ICT)</strong></td>
<td></td>
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</tr>
<tr>
<td>Number of people trained with ICT skills</td>
<td>4.4 By 2030, substantially increase the number of youth and adults who have</td>
<td>4.4.1 Proportion of youth and adults ICT skills, by type of skill</td>
<td>Activities such as capacity building for ICT Skills (soft + hard).</td>
</tr>
<tr>
<td></td>
<td>relevant skills, including technical and vocational skills, for employment,</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>decent jobs and entrepreneurship.</td>
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<tr>
<td><strong>Agriculture</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Increased farm employment opportunities (numbers)</td>
<td>8.5 By 2030, achieve full and productive employment and decent work for all</td>
<td>8.5.1 Average hourly earnings of female and male employees, by occupation, age and</td>
<td>Promote activities to provide farm employment opportunities in each production practice from</td>
</tr>
<tr>
<td></td>
<td>women and men, including for young people and persons with disabilities,</td>
<td>persons with disabilities</td>
<td>land preparation to harvest to past harvest activities.</td>
</tr>
<tr>
<td></td>
<td>and equal pay for work of equal value</td>
<td>8.5.2 Unemployment rate, by gender, age and persons with disabilities</td>
<td>Engage the private sector through a value chain approach to scale up and sustain impacts</td>
</tr>
<tr>
<td>Increased farmer’s income (%)</td>
<td>1.1 By 2030, eradicate extreme poverty for all people everywhere, currently</td>
<td>1.1.1 Proportion of population below the international poverty line, by gender,</td>
<td>Activities to increase farmers’ income from agricultural activities; crop production,</td>
</tr>
<tr>
<td></td>
<td>measured as people living on less than $1.25 a day</td>
<td>age, employment status and geographical location (urban/rural)</td>
<td>livestock production including poultry, fisheries and honey production.</td>
</tr>
<tr>
<td>Agriculture and non-agriculture based rural SMEs established and operational (number)</td>
<td>8.3 Promote development-oriented policies that support productive activities,</td>
<td>8.3.1 Proportion of informal employment in non-agriculture employment, by gender and</td>
<td>Support public-private sector partnership that develop strong value addition agribusinesses</td>
</tr>
<tr>
<td></td>
<td>decent job creation, entrepreneurship, creativity and innovation, and</td>
<td>age</td>
<td>and reduce-post harvest losses.</td>
</tr>
<tr>
<td></td>
<td>encourage the formalization and growth of micro-small- and medium-sized</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>enterprises, including through access to financial services</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rural Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Women and youth having access to productive assets increased (%)</strong></td>
<td>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.</td>
<td>1.4.1 Proportion of population living in households with access to basic services 1.4.2 Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by gender and by type of tenure</td>
<td>Interventions to provide productive assets for women and youth that lead to their empowerment (including gainful employment) in involving agricultural activities. This includes access to land, good agricultural practice and modern techniques that reduce the drudgery of farm labour. Additional interventions include processing and milling facilities that reduce post-harvest losses and add value, market access information, and affordable rural finance.</td>
</tr>
<tr>
<td></td>
<td>8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training</td>
<td>8.6.1 Proportion of youth (aged 15-24 years) not in education, employment or training</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization</td>
<td>8.b.1 Total government spending in social protection and employment programmes as a proportion of the national budgets and GDP</td>
<td></td>
</tr>
</tbody>
</table>

| **Education** | 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes | 4.1.1 Proportion of children and young people: (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by gender | Interventions to provide education facilities for all girls and boys particularly in rural areas by establishing and equipping primary and secondary education facilities; schools, training facilities to make sure all children regardless their gender, race, religion, disability, etc. have access to quality education. Intervention will also include school feeding programmes through introduction of home-grown foods. The interventions to include renewable energy system that could improve access to light and promote continuous learning. Provision of portable drinking water and sanitation for the children. |
| **Children having access to education facilities increased (%)** |  |  |  |
| Youth agriculture skills improved (number) | 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university | 4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by gender | Intervention to establish and strengthen vocational training centers to improve entrepreneurial skills and access to rural microfinance and linking them to potential private sectors for further skills training. |
Annex V. Results Framework for Youth Development Strategy

<table>
<thead>
<tr>
<th>Strategy Outputs</th>
<th>Indicators</th>
<th>Baseline 2015</th>
<th>Target 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Youth-informed projects/programs</td>
<td>% of projects/programs incorporated youth development perspectives</td>
<td>2%(^\text{32})</td>
<td>50%</td>
</tr>
<tr>
<td>2. MCPSs informed by youth development perspectives</td>
<td>MCPSs incorporating youth development (%)</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>3. Capacity development of staff on youth mainstreaming conducted</td>
<td>% of Global Practice and Regional Hubs staff received training on youth mainstreaming</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>4. Knowledge on youth development increased</td>
<td># of youth development forum conducted</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td># of knowledge products produced on youth development issues</td>
<td>17(^\text{33})</td>
<td>57</td>
</tr>
</tbody>
</table>

\(^{32}\) % of approved projects from 2008 - 2018 including grant projects.  
\(^{33}\) 17 country youth profiles were developed in 2018 and 2019 and will be developed on annual basis until the 57 MCs are covered.
### 2019-2020 Action plan

<table>
<thead>
<tr>
<th>Activities* by 2019-2020</th>
<th>Responsible party</th>
<th>timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Enforce the institutionalization of youth development at the level of country programming, projects, and all business processes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1. Assign youth champions/focal points</td>
<td>1.1. WYE and RHs*</td>
<td>1.1. Q4 2019</td>
</tr>
<tr>
<td>1.2. Integrate youth in MCPS’ business process and guidelines</td>
<td>1.2. WYE and DFUiv</td>
<td>1.2. Q3 219</td>
</tr>
<tr>
<td>1.3. Roll-out integration of youth in MCPSs</td>
<td>1.3. WYE, CSCv and GPsvi</td>
<td>1.3. Q1 2020</td>
</tr>
<tr>
<td>2. Establish support systems for youth development through developing internal capacity for youth development, and enhancing knowledge sharing across the Bank and with partners:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1. Develop training materials on youth mainstreaming</td>
<td>2.1. WYE</td>
<td>2.1. Q1 2020</td>
</tr>
<tr>
<td>2.2. Train OTLs on youth mainstreaming in programs</td>
<td>2.2. WYE and RHs</td>
<td>2.2. Starting 2019 and continuous</td>
</tr>
<tr>
<td>2.3. Conduct knowledge sharing on Youth Development for Bank staff</td>
<td>2.3. WYE</td>
<td>2.3. At least once every year</td>
</tr>
<tr>
<td>3. Support youth development implementation by continuously introducing and improving youth mainstreaming tools:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1. Develop and disseminate country youth profiles</td>
<td>3.1. WYE</td>
<td>3.1. Q4 2019 and continuous</td>
</tr>
<tr>
<td>3.2. Develop youth mainstreaming guidelines</td>
<td>3.2. WYE in consultation with RHs</td>
<td>3.2. Q2 2020</td>
</tr>
<tr>
<td>4. Roll out the mainstreaming of youth development in Bank operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1. Integrate youth in business process</td>
<td>4.1. WYE and DFU</td>
<td>4.1. Q2 2019</td>
</tr>
<tr>
<td>4.2. Roll-out integration of youth in projects and programs</td>
<td>4.2. WYE and RHs</td>
<td>4.2. Q2 2019 and continuous</td>
</tr>
<tr>
<td>5. Organize Youth Development Forum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1. Organize YDF* annually</td>
<td>5.1. Led by WYE and in collaboration with other units</td>
<td>5.1. Annual meetings 2019 and 2020</td>
</tr>
<tr>
<td>6. Forge new partnerships on youth development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.1. Led by GPRMDviii in collaboration with WYE</td>
<td>6.1. 2020</td>
<td></td>
</tr>
</tbody>
</table>

*staff time and recruited consultants will be used for the above listed activities

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i Member Country Partnership Strategy  
ii Women & Youth Empowerment Division  
iii Regional Hubs  
iv Decentralization Facilitation  
v Country Strategy & Cooperation  
vi Global Practices and Chief Economist  
vii Youth Development Forum  
viii Global Partnership & Resource Mobilization