

## LEARNING BRIEF: Nuyok Activity in Abim District



# Youth Entrepreneurship Program: Lessons from the Nuyok Activity in Abim District

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## SERIES

This learning brief is part of a series bringing together experiences and lessons learned from the Nuyok Resilience Food Security Activity (2017–2023). The briefs are designed for practitioners, including local government representatives, civil society organizations and other actors working on natural resources management, sanitation, and livelihoods-related issues.

## ABSTRACT

This learning brief highlights the experience of Nuyok's pilot entrepreneurship program in Abim District and its contribution to participants' entrepreneurial skills, incomes, and household food security. It also presents challenges, lessons learned, and recommendations for future youth programming. The brief is designed for practitioners, including local government representatives, civil society organizations, and other actors working on youth livelihood entrepreneurship programs. It will also be useful for policymakers and donors engaged in the planning and allocation of resources for program adaptation.

## DISCLAIMER

This learning brief is made possible thanks to the support of the American people through the United States Agency for International Development (USAID). The contents of this learning brief are the responsibility of Catholic Relief Services and do not necessarily reflect the views of USAID or the United States Government.

## PHOTOS

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## ACRONYMS

<b>CKD</b>	Caritas Kotido Diocese
<b>CRS</b>	Catholic Relief Services
<b>SILC</b>	Savings and Internal Lending Communities
<b>USAID</b>	United States Agency for International Development
<b>USD</b>	Unites States Dollar
<b>UGX</b>	Ugandan Shilling
<b>YBI</b>	YouthBuild International

## ACTIVITY BACKGROUND

The Nuyok Resilience Food Security Activity (RFSA) sought to build resilience to shocks, enhance livelihoods, and improve food and nutrition security for at-risk rural families in the Karamoja sub-region of Northeastern Uganda. Funded by the United States Agency for International Development (USAID) Bureau for Humanitarian Assistance (BHA), the activity operated for 6 years (2017–2023) under a consortium of seven implementing partners led by Catholic Relief Services (CRS)—Caritas Moroto, Caritas Kotido, Cooperation for Development, The BOMA Project, Communication for Development Foundation Uganda, and YouthBuild International. The activity reached more than 269,000 at-risk people across 524 villages in four Karamoja districts—Abim, Napak, Nakapiripirit, and Nabilatuk—targeting women, men, and youth. Using a multi-sectoral approach, Nuyok worked to strengthen governance, gender equity, community capacity to manage shocks and stresses, and traditional and diversified livelihood opportunities. Nuyok also focused on improving nutrition, health, and water, sanitation, and hygiene for pregnant and lactating women, adolescent girls, and children under five years of age.



**Figure 1. The Nuyok RFSA's four project areas highlighted in blue: Abim, Napak, Nakapiripirit, and Nabilatu.**

## ACTIVITY CONTEXT

Young people under 30 years old make up 76% of Uganda's population.<sup>1</sup> However, widespread poverty and unemployment—driven by limited opportunities for formal education, jobs, entrepreneurial and employable skills, and lack of startup capital—hinder youth contribution to the country's social and economic development. Alongside Nuyok's core interventions, the project piloted a 2-year entrepreneurship intervention to improve economic prospects for youth by empowering them to explore areas of entrepreneurship, leadership, and civic engagement, with the ultimate goal of contributing to household food security. The project was implemented in Abim District through Caritas Kotido Diocese (CKD) with technical assistance from YouthBuild International (YBI).

## INTERVENTION DESCRIPTION

Starting in 2018, Nuyok began targeting rural youth with limited economic and income opportunities in Karamoja for its Youth Entrepreneurship project using an adapted model from YBI, which provides at-risk youth with business training and start-up grants for their own enterprises. Piloted in Abim District, Nuyok's model consisted of sequenced training in life skills, character development, and business skills, followed by business mentoring and technical support.

Youth between 15–30 years old were selected with the help of community leaders. The selection criteria targeted youth with disabilities, school dropouts, youth from child-headed households, and young mothers or caregivers of children under 5 years old. Prior to the selection process, Nuyok informed the community about the program and its requirements. Qualified youth were shortlisted and interviewed about their proposed start-ups and business plans. Nuyok recruited those who could best articulate their business plans and demonstrate profitability. Overall, Nuyok enrolled 2,642 youth (1,447 males and 1,195 females) across eight sub-counties in Abim District from a target of 3,200 participants. Youth were divided into three 12-week cohorts. Nuyok also recruited entrepreneurship assistants to train and mentor youth on how to run their businesses. Entrepreneurial assistants were recruited from the community based on their education level, with a preference for people possessing a commercial education background (certificate, diploma, or degree) and/or prior experience running a successful business.

Nuyok adapted and improved the model after the first cohort completed each stage of the program. Most notably, Nuyok prioritized group businesses in Cohort I to leverage group learning and reach more youth; however, this method was

<sup>1</sup> UN Population Fund. (2022). *State of Uganda Population Report*.

modified for Cohorts II and III when monitoring activities showed that most Cohort I groups disintegrated and started individual businesses by sharing the funds amongst themselves. With this learning, second and third cohorts were allowed to have either group or individual businesses. The three cohorts each completed these sequenced trainings and activities:

**1. Mental toughness training and leadership:** This first training step mentally oriented youth and encouraged them to embrace a spirit of personal responsibility, hard work, and thought leadership. Some of the training included steps to move away from a destructive lifestyle, have a positive attitude, and be punctual and participatory. The training also encouraged health awareness to further improve youths' emotional and physical wellbeing and built in opportunities to engage in physical exercise.

**2. Business and life skills training:** Youth were then grouped and trained on business skills to enhance their capacity to develop profitable small businesses. This training focused on business visioning, budgeting for their businesses, marketing skills, and general business management principles, such as record keeping and taking inventory.

**3. Enterprise selection and business pitching:** The first cohort of youths formed self-selected groups of 10–20 people from the same villages and parish. Each group then selected a business idea with support from the entrepreneurship assistants and received start-up grants en-masse without full consideration of business feasibility. This process was changed for Cohorts II and III so that selection was instead accomplished through a business pitching exercise to test youths' knowledge and business development skills and to improve their likelihood of success. Interested youth submitted their business plans, which Nuyok staff ranked according to quality and feasibility. Youth with highly-ranked plans defended theirs to a selection committee composed of a local government representative and staff from YBI, CKD, and CRS. Business plans were selected to receive a grant if they could demonstrate feasibility, marketability, management, expansion plans, and profitability of the business concept. In delivering their pitches, the youth demonstrated confidence, critical thinking, communication skills, and knowledge of their businesses. Overall, Nuyok selected and funded 151 business ideas (72 group and 79 individual) from across all three cohorts. Fifty-one ideas were selected and funded in Cohort I (all group businesses), 56 in Cohort II (18 group, 38 individual), and 44 in Cohort III (5 group, 39 individual).



Calvin Lokut conducts a life skills training session at Makalatin market, Aninataa Trading Center, Abim District.

**4. Cash grants:** Cash grants were provided to youth according to the budget presented in their proposals. Cohort I received the full budgeted amount, while Cohorts II and III contributed a cost share amount (20%) of their overall budget. This change was made to encourage a sense of commitment—a common effect of cost ownership—and enhance business sustainability since youth with money invested stood to lose if their businesses collapsed. Overall, Nuyok invested 338,631,800 in Ugandan shillings (UGX) (\$88,424 in U.S. dollars (USD)) as start-up grants for 151 youth businesses. The lowest individual amount distributed was 500,000 UGX (\$130 USD), and the highest was 6,600,000 UGX (\$1,723 USD) for the businesses. The cost share contributed by the youth was 41,389,900 UGX (\$10,761 USD) at an average of 390,470 UGX (\$101.52 USD) per business. Nuyok transferred the start-up cash grants to youth through banks. This was done to encourage them to link to a financial institution that could provide additional financial services in the future and provide oversight of the funds.

**5. Group dynamics training:** Youth selected to start group businesses received special training on group dynamics to help navigate the additional challenges of operating a business collectively. This training was provided by Savings and Internal Lending Communities (SILC) supervisors of CKD and focused on skills for group participation and facilitation, conflict resolution, and managing challenging behaviors of group members.

**6. Mentorship and business coaching:** Nuyok staff and entrepreneurial assistants visited youth businesses to provide on-site coaching, guidance, and motivation to help youth overcome obstacles, navigate challenges, and take advantage of promising opportunities. By visiting youth at their new businesses, the staff could provide more

relevant and practical advice and reinforce the theoretical content delivered during the business skills training. Business mentorship at this stage also provided psychosocial support to youth who needed to navigate unexpected challenges and failures. Nuyok staff observed that an emotionally supportive relationship between mentors and youth positively impacted youths' business success.

- 7. Private sector linkages:** Youth were linked to private service providers like banks and suppliers in and outside of Abim District who could deliver goods and services to youths' businesses when needed. Banks played a significant role by promoting secure savings outside the SILC groups and Village Savings and Loan Associations that youth also participated in. Some participants were also linked to suppliers to ensure consistent stock/inventory at wholesale prices.

## Program Performance Assessment

Nuyok conducted the final monitoring and qualitative assessment<sup>2</sup> of 88 surviving businesses (66 individual and 22 group) over 6 months (January–June 2022) as the program was concluding the third cohort. The other 63 of the 153 initially funded businesses did not survive due to various reasons, including group splitting, unprofitability, and loss of stock. Given Nuyok's large focus on food security, the site monitoring included food security and coping strategies within participants' households. The qualitative assessment determined lessons learned, best practices, and recommendations from the groups to guide future programming.

The site monitoring found that survival rates were higher for individual businesses (78%) than group businesses (41%), and that the individual business survival rate was higher for males (84%) than females (71%). The qualitative assessment showed that women's household and childcare responsibilities could significantly interfere with their ability to successfully maintain a business and was a factor in their lower business survival rate compared to men. The average business value for individual businesses increased by 107,229 UGX (\$28 USD) from startup to assessment; however, there was no change in group business values. Youth who diversified their income sources by introducing new business ventures or adapting their business approach, such as by making chapatis or adding mobile money services, were more likely to earn enough income to support their primary business venture since business performance fluctuated throughout the year.

## Challenges

Various challenges impacted program implementation. COVID-19 restrictions interrupted training, requiring facilitators to shorten training periods to reduce contact time with participants. This short training window made it difficult for the youth to grasp all the concepts.

Group businesses were particularly fraught with challenges. Poor group dynamics, mismanagement of funds, youth migrations, long distances between group businesses, and other obstacles contributed to widespread business failure. As a result, Nuyok opted to change the approach to prioritize individual rather than group businesses. This recommendation was echoed in Nuyok's 2020 mid-term evaluation, where youth expressed dissatisfaction over being forced to work in group businesses without having the choice to run individual businesses. Starting with Cohort II, Nuyok selected qualified applicants and gave them the option of being in either group or individual enterprises.

Some youth had difficulty identifying genuine suppliers; others purchased items at retail instead of wholesale price. This affected their profit margins and threatened the viability of their businesses. After disbursing grants, Nuyok formed a procurement committee composed of project staff to guide and support participants as they initially purchased items during business establishment.

Worsening insecurity during the project timeframe negatively affected many youths' businesses. Livestock raiding increased, impacting both youth who chose livestock rearing and those who chose to provide livestock services. Many livestock keepers moved far away for protection or had their livestock taken. Youth who needed inventory for their non-livestock businesses were also affected as some roads became impassable or some suppliers shunned the district. The insecurity also led to higher crime levels; some youths' kiosks were broken into and had stock stolen.

Youth with businesses providing inputs and services to farmers learned that the seasonal nature of farming meant they

2 CRS (2023). *Nuyok Youth Entrepreneurship Program Approach: Lessons learned, best practices and recommendations*.

had periods of dormancy. This affected input suppliers and those who provided agribusiness services. To survive, youth businesses had to venture into non-farm secondary businesses that were active throughout the whole year.

### Impact and Results

- The pilot project enrolled 2,642 (1,447 males and 1,195 females) youth across eight sub-counties in Abim District.
- The business survival rate was higher for individual businesses (78%) compared to group businesses (41%), and higher for males (84%) compared to females (71%).
- 14% of individual and 10% of group businesses adopted additional business streams along with the business scheme initially funded by Nuyok. These additional funds increased household income sources and assets, helping to address food insecurity.
- Results from monitoring showed that 92% of youth had acceptable food consumption levels, indicating their ability to afford and consume diverse foods.

### Case Study: Youth Empowerment Improves Household Food Security

Anyango Prisca Dorothy, a 26-year-old from Olem East Village in Alerek sub-county in Abim District, is a mother of two children who benefited from the Nuyok Youth Entrepreneurship Program. She has been operating a grocery shop in Alerek Trading Center since 2021. Before Nuyok, Anyango sold vegetables on the roadside with other local women, which was not enough to support her family. When she heard about the training and financial support for youth provided by CKD from her peers, she went for a meeting and was selected as a participant. After selection, she underwent Nuyok's YouthBuild training and mentorship program and pitched her business plan to the selection committee. She was successful and received 800,000 UGX (\$209 USD) in 2021, which enabled her to start her grocery shop and grow her profit to 3,495,000 UGX (\$913 USD) in 2022. She now makes a monthly profit of 300,000 UGX (\$78 USD), and her children eat three meals daily. Anyango's husband, Ochieng Julius Nyerere, supports her in running the business, and the couple make joint decisions as a family. He said, "I encourage my woman to continue because when we join hands like this, we will bring changes in life. It is lies that when a woman has a business she will run away. When you trust each other, everything that you do will be successful."

Anyango received training on mental toughness, life skills, and enterprise selection and pitching alongside the start-up grant from Nuyok before launching her business. Another factor contributing to Anyango's success is that she already had experience running a vegetable vending business before she received this grant to grow her business.



*"I used to ask my husband many things, things like what to cook, clothes, shoes, money to plait my hair, but since this program started, I am able to do this myself, I am supporting my husband and he is supporting me, we are also supporting my two sisters in school."*

*—Anyango, Alerek sub-county*

## LESSONS LEARNED

Nuyok's Youth Entrepreneurship project learned many lessons about the type of support youth need to successfully initiate businesses in areas like Abim District. When youth had strong mentorship in addition to training, they could better navigate the challenges of entrepreneurship. The youth received mentorship on record keeping, sourcing of goods, and income diversification, and entrepreneurial assistants offered guidance on the day-to-day running of businesses. Nuyok staff noted that parental support and guidance also contributed to the success and sustainability of businesses. Some parents emerged as mentors and were named "model parents" since they coached youths on maintaining their businesses; these businesses thrived. This was especially true of female businesses since women required the buy-in of their partners and family to attend to the business and not be called away for childcare or household maintenance responsibilities. It was also important for partners and family members to have a positive view of female entrepreneurship and provide a supportive environment for them.

Youth also benefited from the life skills and business training, which enabled some youth to innovatively diversify their businesses as needed. Some youth demonstrated their leadership and critical thinking skills to positively grow their businesses. However, Nuyok did not train the youth on financial literacy, and this limited their access to financial services. While banks were used to transfer start-up grants, youths' inadequate financial knowledge left them ill-equipped to seek out additional services, such as accessing loans and savings accounts. Financial literacy will be a crucial addition to any program promoting youth entrepreneurship.

Nuyok also learned that an individual business approach is more sustainable than group businesses in contexts like Abim District. Nuyok initially followed the YouthBuild group model, however, most of the group businesses failed. Youth reported that groups lacked social cohesion as they formed for the sake of receiving a grant without reflecting on the characteristics of those joining the group. The youth also said that it was more difficult to reach consensus in a large group than in a small group. The few groups that survived reduced their numbers from 10–20 people to 3–5 people. Other groups decided to distribute the capital equally to start individual businesses.



Chomendo Dominic, a youth entrepreneur making traditional bead necklaces in Alerek sub-county, Abim District.

## RECOMMENDATIONS

- **Fund individual or family livelihood projects as opposed to group projects.** If group businesses are funded, practitioners should encourage collaboration amongst youth with existing relationships, consider limiting the group size to no more than five people, and include robust training on group composition, teamwork, conflict resolution, and group dynamics.
- **Consider the seasonality of certain business ventures.** Youth who initiate agriculture-related businesses should have mitigating strategies and consider having additional non- or off-farm secondary businesses that will sustain them during the off-season. Programs should help youth identify and plan for this challenge. It is also important to identify promising non-farm and off-farm business ventures that are relatively easy to implement and can be profitable throughout the year.
- **Map the private sector and enlist interested actors in supporting youth businesses.** In areas with thin markets and few private sector actors, implementers must connect youth to opportunities that will increase the likelihood of long-term business sustainability. Networking within youths' respective sectors and partnering with existing complementary businesses are critical. Networking need not be limited to the intervention location/district; rather, it should include similar businesses throughout surrounding districts, such as manufacturers and wholesalers. In



this way, youth can be linked to goods at wholesale prices that will enhance their profits while also gaining valuable business lessons from established businesses.

- **Fund businesses with demonstrated feasibility, clear plans, and direction.** Youth should demonstrate adequate knowledge of their chosen line of business, showcasing their innovation, cash projections, and potential business profitability. Implementers should only fund participants they believe will be successful rather than casting a wide net. Potential participants should fully understand the grant process, the selection criteria, and what is expected of a participant once they receive the funds.
- **Include financial literacy training and vocational skills or link with other projects that provide vocational skills training before disbursing funds.** This will enable youth to manage funds properly and utilize the services from banks and other financial institutions to expand and sustain their businesses. Nuyok changed from fully funding youth businesses in Cohort I to requiring youth in Cohort II and III to contribute a cost share amount (20%) of their overall budget. The change meant to instill a sense of ownership in the business and enhance its sustainability. Participants sourced the money for cost share from their own savings, family, relatives, and friends; a few sought loans. Many youth expressed feeling dignified about contributing to their own businesses, however, a few found the cost share unfair since the target participants were at-risk youth.
- **Incorporate gender programming with the aim of supporting women-led businesses.** Youth entrepreneurship programs should embed gender programming that trains youth and other community members on gender equality and positive gender norms. This way, societal expectations of female youth will not stand in the way of their productivity. This training should extend to female youths' family members and others within her network to encourage the building of a support circle for female youth entrepreneurs.



Akech Milly sells vegetables and other food stuffs as part of her business in Katabok village, Abim District.



Youth participate in the mental toughness training in Morulem sub-county, Abim District

