

ESAF Voices from the Field

Cultivating Young Entrepreneurs in Gaza



Photo: Save the Children

Mohammed Abu Lehya launched his own air conditioner and refrigerator repair business thanks to ESAF's assistance in the form of entrepreneurship training and a start-up grant.

The Expanded and Sustained Access to Financial Services (ESAF) program is a three-year \$36 million program, funded by USAID, and designed to build a more inclusive financial sector in the West Bank and Gaza, for Palestinian households and enterprises. The program is implemented by FHI 360 in partnership with The William Davidson Institute at the University of Michigan, Shorebank International, CHF International, CARE, and Save the Children. ESAF is an Associate Award under USAID's FIELD-Support Leader with Associates cooperative agreement, which is managed by FHI 360. <http://kdid.org/projects/field-support>



At the tender age of 23, Mohammed Abu Lehya is the primary breadwinner for a family of 10. "After my graduation from university, I could not find a job so I decided to learn a craft," Mohammed said. He spent a year learning to repair air conditioners and refrigerators, then found a job in a workshop, where he earned 20 NIS (about \$5.50) daily.

Faced with few good job opportunities, many youth like Mohammed have turned to self-employment in the midst of recurrent economic crises in Gaza over the past five years. The blockade of Gaza has led to economic contraction and created many constraints for businesses, but changing market conditions have also generated some opportunities.

In late 2009, with the objective of supporting economic recovery in the wake of Operation Cast Lead, Save the Children launched an initiative to help equip young people with the skills to develop and implement a business idea. In light of the difficulty for youth to find start-up capital in Gaza in the risky current environment, the activity also offered participants the opportunity to receive small start-up business learning grants. The program offered a one-week life skills and entrepreneurship development training to around 2,000 youth. Of those, around 550 qualified to receive two-step cash grants of up to \$950, based on a competitive evaluation of business plans by Save the Children, supported by a local consulting firm.

Mohammed was among the program participants who received a grant based on his business plan and strong performance in the training. With the first grant installment of \$650, he invested in oxygen and freon tubes, a drill, and a charger. He then launched his own business as a roving refrigerator and air conditioner repairman, and qualified to receive a second grant payment of \$300 based on his performance. Mohammed now earns around 50-100 NIS (\$14-29) daily, more than doubling his previous wage.

In addition, Mohammed is applying the saving strategies that he learned from the training. He has opened a bank account and saves 20% of his income so that he can continue to invest in growing his business and, some day, get married. He plans to continue to expand by applying the marketing skills he learned in ESAF's training course. "I'm going to make a sign in front of my house and print business cards. As more people know me, my project will become larger and my income will increase" he says.