



Skills for Upgrading

Workforce Development and
Global Value Chain Upgrading

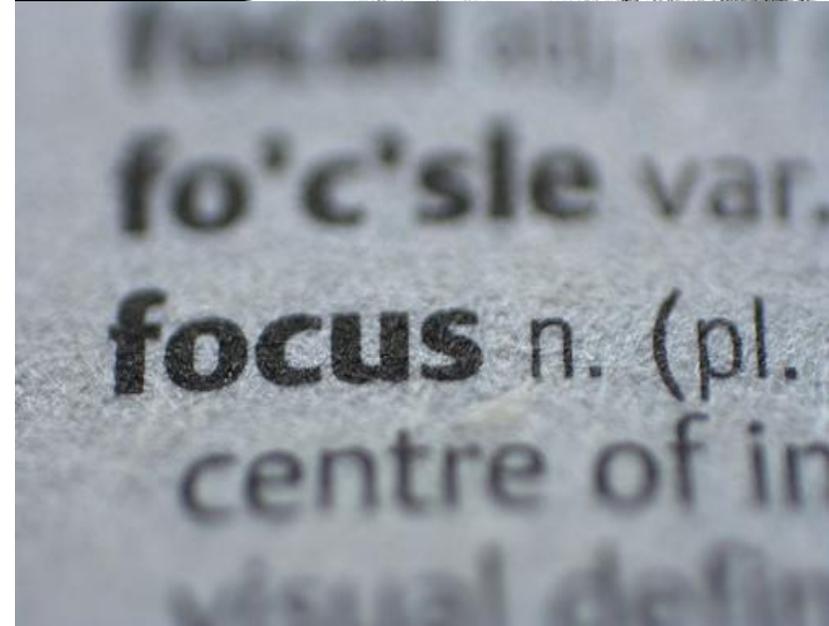
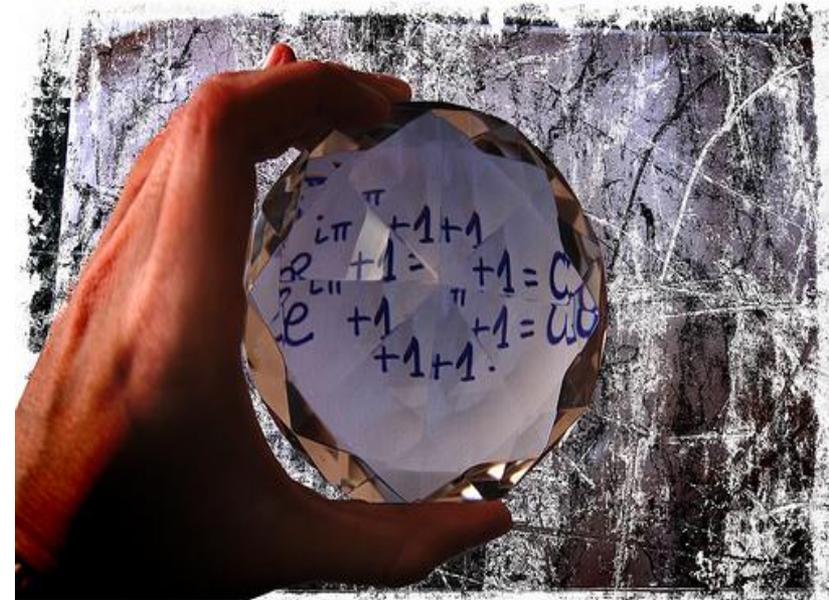
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MULTILATERAL INVESTMENT FUND



MIF is...

MIF is about 'Leveling the Access Playing Field' to empower economic activity

- The LAC poor lack many things, but energy, entrepreneurial drive, and intelligence are not among them
- What stops the region's unemployed, micro-entrepreneurs and SMEs is a lack of ACCESS to key resources for the development of fruitful economic activity
- **FOCUS on 3 Access Areas** – Access to Basic Services, Finance, and Markets and Business Capabilities
- **With 3 financing instruments** – Technical grants matched by our counterparts, Loans, Equity investments and venture capital funds



An Evolving Approach

SME Development

Business development services

Productive integration

Local economic development

Workforce Development

Specific skills training interventions

Job competencies and skills certification systems

Integral skills formation with a focus on youth

Ongoing Challenges

Lack of decent employment opportunities

- High jobless rates exist side-by-side with unmet demand for skilled workers
- 50% of unemployed are young people

Labour market Skills gap

- 20 % of LAC firms face a major skills gap; 42% of SMEs report skills gap as one of their top obstacles

Many MSMEs, little innovation

- MSMEs make up over 90% of private sector businesses, however only account for 1-2% of the innovators

Limited access to markets and skills

- Micro and small entrepreneurs need skills and access to networks in order to grow, improve products and processes and integrate into global value chains



Global Value Chain Solution

In light of these challenges, are global value chains the answer? Can they drive economic growth with poverty reduction?

- Identify the right global value chains to spur local economic development (for example, agricultural and tourism global value chains can have high impact in rural areas)
- GVC may can give local productive systems the right push towards investing in innovation and value added activities
- Global value chains can provide solutions, but not without upgrading the low productivity of the region's SMEs and building skilled workforce



Why is MIF Interested in this Area?

Growth of small and mid-sized cities

- How can we ensure that human capital grows along with middleweight cities?

Economic inclusion

- How can economic inclusion be integrated into economic upgrading?
- How can we address poverty which is by far concentrated in rural areas?

Value chain and horizontal networks

- How can we facilitate SME insertion into the value chain and networking among SMEs?

Sustainable and productive use of resources

- How can we better take advantage of natural resources?





THANK YOU