

Uruguay to promote entrepreneurship and employment for youth and women in poor neighborhoods

Last Updated Friday, 27 June 2008

IDB program offers opportunities for social inclusion. A Uruguayan non-profit organization has obtained US\$600,000 from the Inter-American Development Bank to bolster entrepreneur and employment opportunities in poor neighborhoods in Montevideo, the capital.

The funding comes from the Government of Italy and is part of the IDB's Social Entrepreneurship Program, which is managed by the Multilateral Investment Fund, a private sector investment unit of the IDB Group.

"Around 12,000 families live in the Cerro de Montevideo and adjacent areas, the poorest neighborhoods of the city, where half of the population and three quarters of the young people live below the poverty line," said IDB team leader Fermín Vivanco. "Many families survive with small government allowances for their children's education and income earned from microenterprise activities such as shops, sales of fruits and vegetables, gardening, wicker furniture and garment production, and especially recycling cardboard and plastics."

The Uruguayan Institute for Economic and Social Development (IPRU), a nonprofit foundation, will carry out the project. Since its creation in 1965, IPRU has been engaged in social and business support activities in poor neighborhoods in Montevideo, promoting employment opportunities for disadvantaged young people.

"IPRU's experience in the area suggests that, for these young people and for women, creating or strengthening their own microenterprises and obtaining some work experience in the immediate area that could lead to future jobs are the two most viable possibilities for generating income";

The IDB will provide a US\$200,000 loan for a 7-year term with a 2-year grace period, at an adjustable interest rate. Additional IDB funding will include a US\$125,000 grant and a US\$275,000 technical cooperation financing. Local counterpart funds will total US\$229,300. FULL ARTICLE