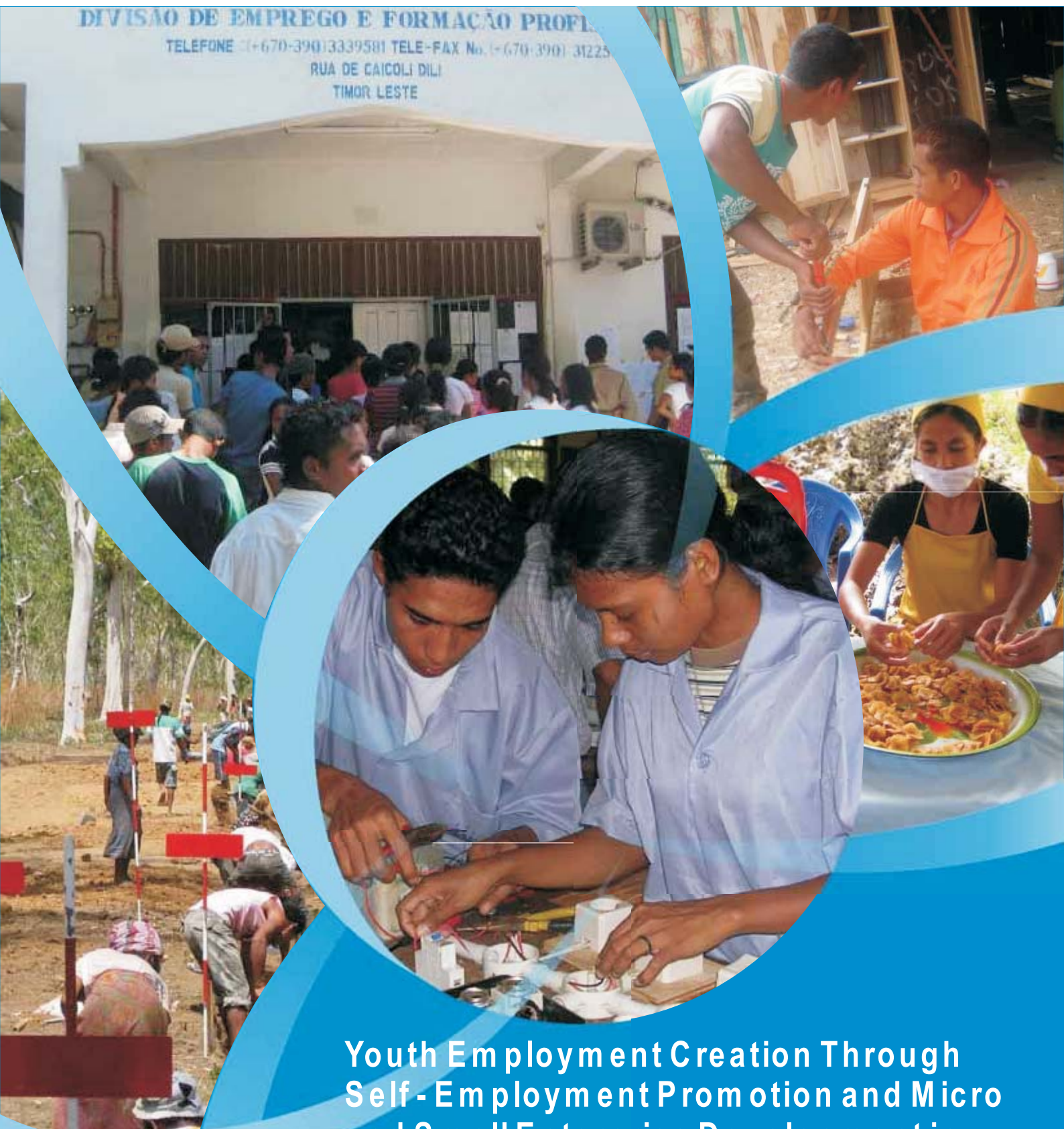


DIVISÃO DE EMPREGO E FORMAÇÃO PROFISSIONAL

TELEFONE (+670-390)3339581 TELE-FAX No. (+670-390) 31225

RUA DE CAICOLI DILI
TIMOR LESTE



Youth Employment Creation Through Self - Employment Promotion and Micro and Small Enterprise Development in Timor -Leste Rural Areas



Secretária de Estado da
Formação Profissional e
Emprego (SEFOPE)



International
Labour
Organization



República Democrática de Timor – Leste
Secretária de Estado da Formação Profissional e Emprego
(SEFOPE)

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February 2009

*“In all regions and countries, young women and men set out in life
with dreams, hopes and aspirations.
Yet everywhere young women and men face challenges
in the labour market”.*

International Labour Conference Resolution
Adopted on 15th June 2005

By

Carlos Bento Mau Bere
Dili
Timor – Leste
cb105_69@yahoo.com
+670 7290687

Alexandrina Verdial de Sousa Gama
Dili
Timor – Leste
sanverga2000@yahoo.com
+670 7272042



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ACRONYMS

BDC	: Business Development Centre
BDS	: Business Development Service
DEC	: District Employment Centre
EVTF	: Employment and Vocational Training Fund
GDP	: Gross Domestic Product
GET	: Gender Entrepreneurship Together
GYBI	: Generate Your Business Idea
IADE	: Instituto de Apoio ao Desenvolvimento Empresarial
ILO	: International Labour Organization
IYB	: Improve Your Business
IYES	: Improve Your Exhibiting Skills
KAB	: Know About Business
LED	: Local Economic Development
M&E	: Monitoring and Evaluation
MIS	: Management Information System
MoA	: Ministry of Agriculture
MoE	: Ministry of Education
MoU	: Memorandum of Understanding
MoV	: Means of Verification
MSE	: Micro and Small Entrepreneurs
NGO	: Non Government Organization
PSC	: Project Steering Committee
S.W.O.T.	: Strengths, Weaknesses, Opportunities, Threats
SoS	: Secretariat of State
SSVTE	: Secretariat of State for Vocational Training and
SYB	: Start Your Business
UN	: United Nations

EXECUTIVE SUMMARY

Young people everywhere:

- *Have aspirations and wants to fully participate in the lives of their societies.*
- *Are key agents for social change, economic development and technological innovation.*
- *Should live under conditions that encourage their imagination, ideals, energy and vision to flourish to the benefit of their societies.*
- *Are confronted by a paradox: to seek to be integrated into the existing society or to serve as a force to transform it*
- *Are a social and demographic group vulnerable to an uncertain future, even though they represent society's greatest hope.*

In an aging world, Timor-Leste is a noticeable exception with 48 percent of the population below the age of 17, representing an amazing asset for the country. However, the number of unemployed youth continues rising, and many thousands more are working but living in poverty. With 15,000-20,000 new entries in the labour market every year, the deficit of decent work opportunities is fiercely jeopardizing the Timor-Leste great potential for development.

The Government of Timor-Leste is taking a number of important initiatives to create sustainable employment opportunities for young people as they enter the labour force. This Project will support and build upon these initiatives, drawing upon the Self-Employment Department of the State Secretary for Vocational Training and Employment's expertise and tools in the areas of Local Economic Development (LED).

To address the obstacles experienced by youth in accessing training and employment opportunities and to develop Timor-Leste most vulnerable rural areas, the Project will carry out activities towards two specific objectives:

1. deliver quality entrepreneurship education of students in secondary technical agriculture schools;
2. support youth in starting / improving their own businesses and facilitate access to market for their products / services

The Project's activities will focus on the six districts most affected by poverty, unemployment and underemployment (Oekussi-Ambeno, Lautem, Bobonaro, Covalima, Manatuto and Ainaro), assisting an estimated number of 7,500 ultimate beneficiaries during the four years of implementation.

Project's interventions in target areas will be undertaken pioneering LED methodology, by which public, private and non-governmental partners will work collectively to create better conditions for economic growth and self-employment generation. LED in Timor-Leste will be based on *local initiative*, driven by *local stakeholders* and will identify and use primarily *local resources, ideas and skills* in an integrated way to stimulate economic growth and development in the locality.

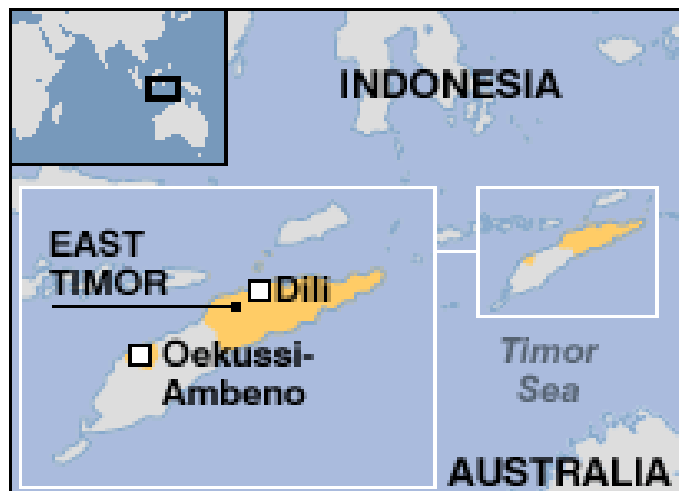
1. DESCRIPTION OF THE TERRITORY

1.1 Timor-Leste in a snapshot

Timor-Leste, the youngest nation in South East Asia, was created out of ashes. In 1999 the population voted overwhelming for independence from Indonesia, but the outcome of the referendum was met with a campaign of violence and destruction, murdering hundreds and reducing towns to ruins. An international peacekeeping force halted the mayhem and paved the way for a United Nations mission which helped the country back onto its feet.

Since the restoration of independence in May 2002, Timor-Leste assumed responsibility for most aspects of government from the UN. Over the last four years, Timor-Leste seemed to merit mention as a nation-building success story. With the generous help of the development partners, primary school enrolments have increased and there have been improvements in the delivery of health services to the rural communities. Some progress has also been made in the reconstruction of infrastructure (sanitation, roads, water, bridges, telecommunication and transport) and Projects have been developed to meet the agricultural needs of the poor. However, serious challenges remain, the task of poverty reduction is daunting, the economic development slow, and the unemployment rising in the urban areas, in particular among the youth.

Timor-Leste is located in the East of the Indonesian archipelago and North-West of Australia. Commonly known in English as East Timor, the nation comprises the eastern half of Timor Island, along with the enclave of Oekusi-Ambeno in Indonesian West Timor. While Timor-Leste is comparably small at just 15,000 square kilometres, the island is extremely mountainous. Much of the country territory experiences distinct wet and dry seasons, and the vegetation varies from tropical through to semi-arid. Administratively, Timor-Leste counts 13 districts and its capital is Dili.



The **population** is currently just over one million people (1,108,777, by July 2008). While the largest concentration of the population is found in the capital of Dili, the majority lives either in regional centres or rural communities across the nation's 13 districts. The official **languages** of Timor-Leste are Tetum and Portuguese and there are more than 30 dialects used across the territory. In regards to **religion**, the vast majority of the Timorese are Catholic (over 90 per cent), with small populations of Muslims, Protestants and Hindus. Such religious expressions exist alongside animist beliefs, either finding expression outside of the formal religious orders or in synchronistic relationship with them. **Health** standards are still very low; life expectancy in 2004 was estimated at only 55.5 years – 54.0 years for males and 56.6 years for females. In this precarious health environment, children are particularly exposed: out of every 1,000 live births, around 90 infants die before their first

birthday. **Education** standards too are poor. In 2004 the adult literacy rate was only 50.1% - 56.3% for males and 43.9% for females. Timorese **women** suffer significant discrimination – in the household, the workplace and the community. Girls are more likely than boys to drop out of school and almost two-thirds of women aged 15-60 years are illiterate, compared with less than half of men. Women also face discrimination at work they are less likely to work in the formal labour force and they are paid significantly less than men.

A significant obstacle to raising standards of human development is the state of the country's **infrastructure**. Timor-Leste has a reasonable network of principal roads but secondary and feeder roads are less developed and during the rainy season many sucos (municipalities) are difficult to reach. Electricity supplies too are uneven. Services are reasonably good in urban areas, reaching 92% of households in Dili and Baucau, but they only reach 10% of rural households. People living outside the major urban centres also have very limited **telecommunications** services.

While petroleum production and associated Government revenue have risen rapidly, other forms of production have been reduced to almost zero. With a population growth rate amongst the highest in the world (17.4 % during the last 3 years), per capita income has declined and poverty has increased accordingly. With **GDP** of 366 US\$ per capita, Timor Leste is among the poorest countries in the world. The income **poverty** line is set at \$0.55 per capita per day. In 2001 the proportion of the population with an income below this was around 40%. Income poverty is more pronounced in rural (46%) than urban (26%) areas.

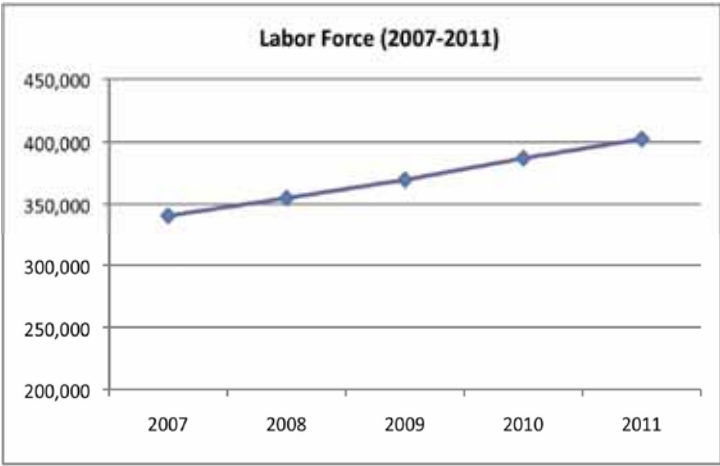
As far as **agriculture** is concerned, the majority of farmers are engaged in subsistence cultivation, employing family members on small plots of land: average landholdings are around 1.2 hectares. Agriculture productivity is also low: output per worker is less than one-tenth of that in industry and services and, as a result, agriculture generates only one-fifth of GDP. Farmers generally lack inputs and machinery, as well as many of the management and other skills that would enable them to take advantage of higher levels of technology. They also face financial constraints: they do not have ready access to credit, and even then may be reluctant to invest because they do not have secure title to their land (the Land and Property Legislation is still under preparation).

The **private sector** faces formidable constraints, and farmers are still adjusting to the elimination of the heavily subsidized Indonesian marketing system. Business Development Services (**BDS**) are available in 5 district capitals only and have limited outreach.

The range of **vocational training** currently available is inadequate and is aimed at the essential occupational areas; administration, management, mechanical, maintenance, and IT skills. The quality of training and skills development is generally low, and skills currently taught don't necessarily fit with labour market opportunities for either the formal or informal sector.

1.2 Unemployment, Underemployment and Poverty

The size of the labour force in Timor- Leste is projected to increase by approximately 15,000/20,000 per year. The size of the labour force in 2008 was at 355,000 and this is expected to increase to 402,000 by 2011, and to double to around 660,000 by 2020. Around 20 percent of the labour force is urban and 80 percent rural. The graph depicts the Projected labour force expansion from 2007 – 2011.



Poverty, unemployment and underemployment are widespread, particularly in rural areas where almost 90% of the population is classified as living in poverty. In these areas, 78% of households depend on subsistence agriculture for their livelihood compared to 17% of households in Dili/Baucau. Industry employs just 4% of the labour force and the majority of these (5.545 out of a total of 7.177) are located in Dili. According to international measurements, 20% of the urban labour force is unemployed, and youth unemployment reaches 43%. Unemployment rates skyrocketed to 8.9% nationwide (and to 27% in Dili) in 2004 compared to 6.2% and 21%, respectively in 2001. Especially distressing are the urban youth unemployment rates – a staggering 44% in 2001.

In addition, Timor-Leste is not only a young nation, but also a country of young people. Government estimates suggest that the working age population will grow at a faster pace, placing even more pressure to the labour market. Given the demographic profile (60% of the population is below the age of 18) coupled with rapid population growth, youth unemployment will remain a pressing and urgent challenge in the near future.

Youth unemployment and underemployment trends in Timor-Leste and their nexus with poverty do not fully capture the youth employment challenge because the latter often shows up in divergent trends between the formal and informal economy and across economic sectors. The reason is that, in absence of unemployment insurance, young jobseekers unable to find jobs in the formal sector have to enter the informal economy to support themselves and their families. Most jobs in the informal economy, especially in Timor-Leste rural areas, are in low productivity activities, where earnings are insignificant and unstable.

In addition, the high youth unemployment rate in Timor-Leste is compounded by a very low rate of entrepreneurship. While many young people are forced to enter self-employment to make ends meet or to bridge periods between jobs, few of them end up building a sustainable business and or manage to receive a credit from a financial institution.

In summary, Timor-Leste is currently squandering the potential of an enormous percentage of its population. This represents a serious threat to a sustainable development of the country and, in the wake of the latest socio-political crisis, Timor-

Leste can least afford it. Focusing on providing youth with employment and targeted business opportunities, therefore, is a must for reducing possible future social destabilization and contributing to the peace, stability and economic prosperity.

2. PROJECT JUSTIFICATION

The ILO's "Global Employment Trends for Youth" (Geneva, October 2006) states that *"Idle youth is a costly group and nothing than an inability to find employment creates a sense of vulnerability, uselessness and redundancy"*.

On May 20th, 2008, Timor-Leste observed the sixth anniversary of its independence with the President and Nobel Prize Laureate Ramos-Horta reminding the young nation of the challenges it faces: *"On this day of independence we have to maintain peace in our nation, fight poverty and protect national unity. This is an obligation of all the people."*

As outlined in the previous section, the **nexus poverty-unemployment-underemployment** is evident in the Timor-Leste rural context. The employment structure of the Timorese rural economy is dominated by farming and a key factor underlying poverty in Timor-Leste is the overwhelming dependence of the population on the farm sector, where the productivity of labor is low. Thus, in the absence of more productive employment opportunities, the vast majority of the rural population, including the youth, falls back on agriculture to eke out a meager living.

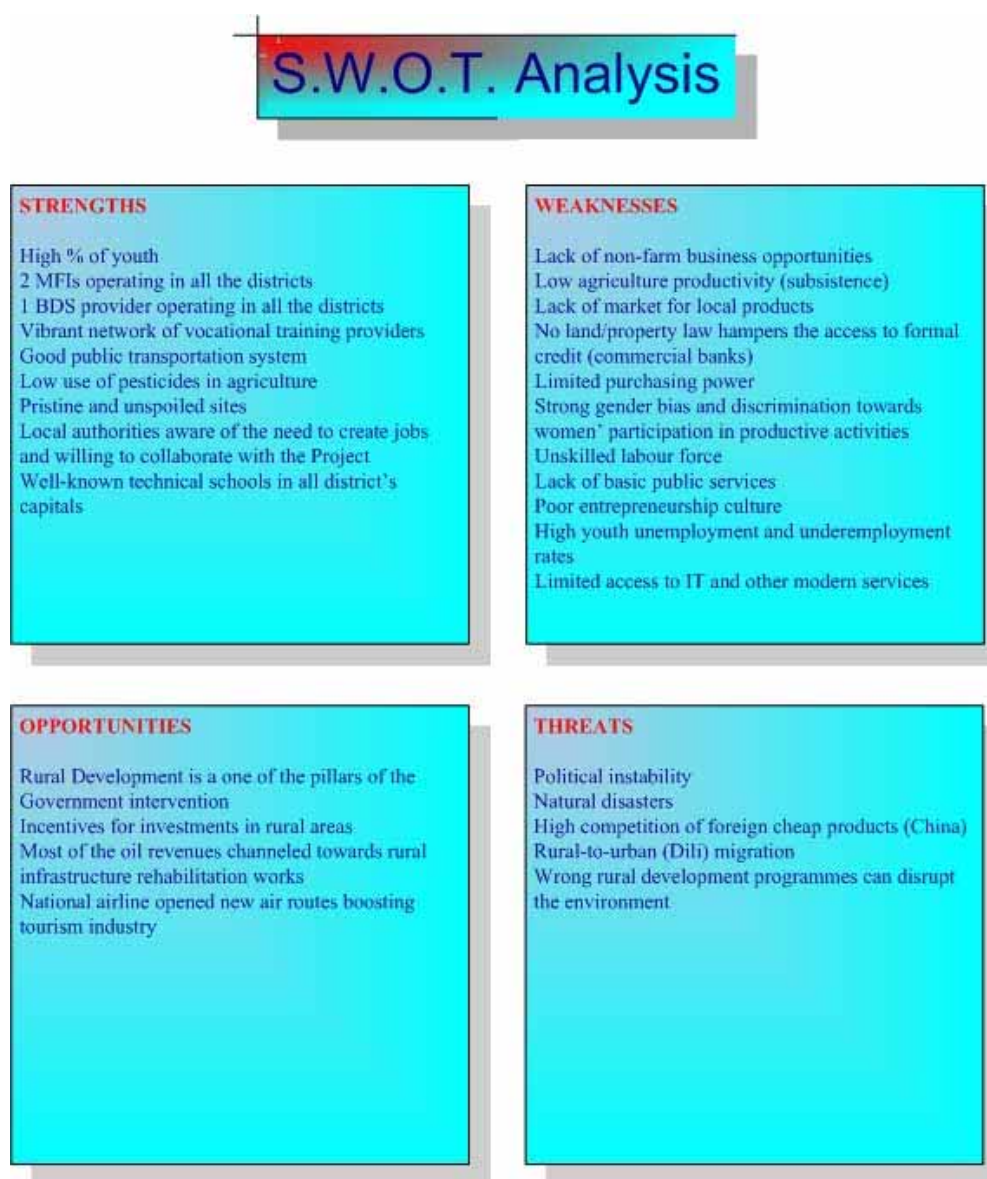
Given this challenging national background, it is evident that Timor-Leste still grapples to reduce its unemployment and under employment rates and raise the living standards of its population.

In the light of the recent 2006 and 2007 crises that were fuelled by disenfranchised unemployed youth groups, the Timor-Leste Government is now increasingly concerned about the creation of productive opportunities for young people. In particular, youth employment features high in the agenda of the Secretariat of State for Vocational Training and Employment (SSVTE) and its National Division of Employment, and Self-Employment Department, which will be implementing the Project's activities.

The State Secretariat for Vocational Training and Employment (SSVTE) is a central organ of the Timor-Leste Government that has the mandate to execute, coordinate and assess the policies and programmes in the areas of labour, vocational training and employment. In particular, within the SSVTE's organizational structure, the National Directorate of Employment and its Self-Employment Department have for mission to realize interventions promoting the creation of employment (and self-employment) opportunities at national level. In doing so, the Self-Employment Department establishes partnership with civil societies centres, BDS providers, Micro-Finance Institutions, Secondary Technical Schools and Non-Governmental Organizations (NGOs).

Against the backdrops outlined in the previous session and based upon the findings of the latest poverty assessment carried out by the World Bank, the Project will target the **six most vulnerable districts of Timor-Leste** (Oekussi-Ambeno, Lautem, Bobonaro, Covalima, Manatuto and Ainaro) that are particularly affected by rural poverty, unemployment, livelihoods deficits, and rural-to-urban migration flows.

As a basis of its strategic planning, the Project carried out a thorough **SWOT analysis** (see Annex III) of the six targeted districts, which - given their limited size - present similar challenges and prospects, and prioritized the main problems to be addressed through its interventions. Below a shortened version of the SWOT analysis, highlighting the main features of the Project's territory.



The Project acknowledges that the roots of the underdevelopment of Timor-Leste's rural areas are deep, interlinked and multifaceted and their manifestations are both diverse and complex. Therefore, the Project's activities in the target districts intend to focus on tackling the following critical issues (**problems to be addressed**) hampering the national economic growth and the selected territory revival:

- **High rates of youth unemployment combined with low levels of household income**
- **Weak entrepreneurship culture**
- **Limited markets for local products**
- **Weak access of potential and existing entrepreneurs to financial and non financial business development services**

Building on the competitive advantages emerging from the problem analysis and focusing on the above-mentioned challenges, the Project will employ a holistic and integrated approach to create self-employment opportunities for youth and strengthen the MSE (micro and small enterprise) sector in the six target districts.

While there are no easy and prescriptive solutions to empowering potential and existing micro-entrepreneurs, rapid market-driven skills and general business management training programmes, combined with access to micro-credit and other non-financial business development services, has proven to be able to sharpen business abilities, helping young women and men to develop a competitive edge in starting or improving their own business. After having selected (in a participatory way, involving all relevant local stakeholders) activities with potential to be turned into sustainable businesses and having carried out a rapid market assessment, the Self-Employment Department will refer the beneficiaries to the local vocational training centres which will provide them with appropriate technical skills. After the vocational training, ultimate Project beneficiaries will be referred to local BDS providers which will deliver adapted modules drawn from existing tools developed by ILO, such as the Generate Your Business Idea (GYBI); the Start Your Business (SYB), the Improve Your Business (IYB); the GET Ahead (Gender and Entrepreneurship Together) and the Improve Your Exhibiting Skills (IYES) that are now fully tailored and responsive to the conditions of Timorese entrepreneurs. The third component of the “integrated business support kit”, provided to the Project beneficiaries to facilitate business start-up and/or growth, is access to finance. Through the ongoing collaboration with Timorese Micro Finance Institutions operating in the six target districts, funds will be made available to successful business plans.

The main source of funds for the Project activities will be the Government budget allocation to employment promotion initiatives. The State Secretariat for Vocational Training and Employment administers an “Employment and Vocational Training Fund” (EVTF) which is a flexible funding mechanism for community empowerment and local development Projects implemented by local partner organisations. The main activities funded by the EVTF include: self-employment promotion interventions; vocational training and business management training. Therefore, local Microfinance Institution, Vocational Training Centres and BDS providers will be entitled to submit a proposal to the Fund in order to receive financial resources to implement community development activities that promote employment and contribute to poverty reduction. Project’s activities will be identified and selected through an extensive participative approach, involving local Government, community representatives, entrepreneurs, training providers, local financial institutions as well as traditional and religious leaders. An in-depth assessment on the availability of local natural, human resources and technology as well as the existence of a market for the goods/services to be produced / provided will be key factors for the approval of the micro-Project proposals submitted by the Project partners. The Self-Employment Department of the State Secretary for Vocational Training and Employment will coordinate the Partner Organisations’ interventions in the target communities and will ensure continue monitoring of all the Project’s activities. The ILO Office in Timor-Leste will provide relevant technical assistance and will support training and BDS providers in delivering quality services to the Project ultimate beneficiaries.

Given the constraints of Timorese micro entrepreneurs to “go public” and find markets for their products and services, the Project will also realize a yearly national trade fair, promoting local products manufactured by the Project beneficiaries. The

exhibition will take place in the capital Dili and will aim at supporting newly created business as well as existing entrepreneurs operating in rural areas to market their products as well as networking with potential suppliers and competitors from other districts.

Finally, the Project, in order to promote an entrepreneurship culture among the youth, will introduce a business awareness course within the curriculum of the secondary technical and agriculture schools as well as the vocational training centres in the target districts. The ILO “Know About Business” (KAB) international programme will be used as a main tool for this strategic component of the Project.

The Project will promote the use of alternative sources of energy as a potential business opportunity and will encourage a balanced women’s participation in all the activities at all levels

Timor-Leste is a young country that until now failed to provide youth with hope and concrete decent employment and career development perspectives. The Project will assist Timor-Leste to develop from the current status of a country of young people, into a country for young people.

3. TARGET GROUPS

3.1 Ultimate / indirect beneficiaries

Definition of Youth

Many international organizations, including the World Bank and UN, currently define youth as those between the ages of 15 and 24 years. This age bracket is used in statistical data analysis and makes comparisons of data possible across time and countries. However, for a qualitative analysis, additional considerations to age are relevant. These qualitative indicators are obviously culturally constructed and highly depending on the economic conditions in the country. Since youth is a transitional phase in life, between childhood and adulthood, several developing and emerging economies define youth within the range of 15 to 29 years old, recognising the effects high rates of unemployment has in delaying adulthood. At present, the Government of Timor-Leste has not officially defined an age range for “youth” or other specific policies targeting young people beyond school age. The current Project, considering the high rate of unemployment in Timor-Leste, uses a definition of youth as being between the ages of 15 and 29.

The ultimate beneficiaries of the Project are young women and men from 15 to 29 years of age. Needless to say that a natural limit to the participation in the Project activities is the minimum age of the workers. The SSVTE, in the process to ratify the ILO Convention N. 182 “*Worst Forms of Child Labour*”, clearly state in the Article 11.2 of the Labour Code of the Republic of Timor-Leste that “*Employment of, or work by, a Child under the age of 15 (fifteen) shall be prohibited*”.

In order to contribute to poverty reduction and employment creation equally for young women and men the services and activities initiated by the Project and its partners in the six targeted districts must reach the young people themselves who are:

- Unemployed out-of-school young women and men willing to start-up their own business.
- Young existing entrepreneurs.
- Students and graduates of secondary technical schools of the Ministry of Education and Ministry of Agriculture, Forestry and Fisheries as well as Vocational Training Centres.

Given its specific focus on youth, the current Project will assist at least 2,000 out of school young women and men (both potential and existing entrepreneurs) looking for quality business opportunities, as well as 2,000 students of secondary technical and / or schools receiving self-employment promotion.

3.2 Immediate / direct beneficiaries

Immediate beneficiaries, on the other hand, will be those private and public institutions directly involved in the implementation of the Project activities

- Instituto de Apoio ao Desenvolvimento Empresarial (IADE) of the Ministry of Economy and Development and its Business Development Centres (BDCs).
- Division of Professional Training of the Ministry of Education.
- Directorate of Agriculture Technical Training Services of the Ministry of Agriculture.
- Local administrations, including District, Sub-district, Suco, Aldeia representatives.
- Youth Organisations and Networks.
- Micro-Finance Institutions.
- Vocational Training Centres.
- Teachers, trainers, managers and technicians of the above-mentioned institutions.

Given its specific focus on youth, the Project will assist a total of 7,500 young women and men, looking for quality self-employment opportunities.

Under its specific objective 1, the Project will assist 1,500 students of secondary technical and agriculture schools to have access to entrepreneurship education.

Moreover – under the Specific Objective 2 – the Project will facilitate LED activities in the six target districts supporting 6,000 youth in starting / improving their own business, as well as improving access to market for their products / services. Out of the 6,000 youth benefiting from the Project's LED activities, 3,000 will receive a credit from a partner MFI, 2,000 will receive business support from a partner BDS provide and 1,000 will participate in vocational training courses organised by the partner training centres.

4. PROJECT PARTNERS

Ministry of Economy and Development

- In charge of the operation of the business development centers in the Project districts.
- Provision of business start-up training and post-training counseling services (through IADE/BDCs).
- Responsible for micro-finance policies.
- Environmental policies and programmes (through SoS Environment).

Institute for Business Support (IADE) / Business Development Centers (BDCs)

- Promote private sector national investment.
- Offer capacity building and training programmes to existing and potential entrepreneurs through its Business Development Centers (BDCs).

Ministry of Agriculture

- Through the three Secretary of States (Agriculture & Arboriculture, Fisheries and Livestock), the Ministry provides policy guidelines and technical expertise in agriculture, horticulture, livestock, livelihood, and fisheries required for the implementation of the Project.
- Agriculture offices in the districts assist in coordination and monitoring of local Project activities.

Secretariat of State for Rural Development and Cooperatives

- Articulation of rural development policies.
- Integration of youth concerns into rural development and livelihoods policies.

Secretariat of State for Youth and Sports

- Articulation of youth policies.
- Referral to the youth career centers.

Youth Council

- Mobilization of youth networks and groups.
- Referral to the youth career centers.

Community Youth Centers

- Mobilization of youth for community-based development Projects.
- Mobilization of youth for volunteer community-based activities.
- Referral to employment registration and placement, job placement schemes, on-the-job training.
- Provide venue for community-based activities (out-of-school soft-skills/ literacy and financial education/ sector job training/ rural productivity skills training/ entrepreneurship, etc.).
- Referral to women's cooperatives and rural production.
- Awareness-raising and counseling on safe migration within Timor-Leste and overseas.

Youth Groups and Networks

- Community-based awareness-raising and services for young people.
- Referral to livelihoods activities and employment registration and services.

- Mobilization of youth in pilot districts.

Suco Councils (i.e. Local authorities)

- Facilitate access to local communities.
- Ensure local ownership of Project activities.

International Labour Organization

- Overall technical assistance to State Secretariat for Vocational training and Employment

Micro-Finance Institutions

- Provision of micro-finance at community level.
- Provision of counseling and business advice.
- Referral to local development Projects, training and employment registration and counseling.

NGOs (National and International)

- Mobilization of local communities.
- Provision of out-of-school skills training.
- Facilitation and technical support for women's cooperatives and rural production.
- Facilitation of small-scale community-based development Projects.
- Provision of out-of-school skills training.
- Banking literacy.

Trade Unions

- Community-based awareness-raising and services for members and potential members
- Referral to livelihoods activities and employment registration and services
- Mobilization of youth in pilot districts
- Monitoring of work conditions for youth in pilot districts in rural and urban areas

Training Providers

- Provision of community-based training, (out-of-school soft-skills/ productivity skills/ entrepreneurship, etc.).
- Referral to local development Projects, micro-finance and employment registration and counseling.

5. PROJECT COMPONENTS

Development Objective: in the four-year timeframe, the Project will contribute to poverty alleviation in the most vulnerable districts of Timor-Leste (Oekussi-Ambeno, Lautem, Bobonaro, Covalima Manatuto and Ainaro), through creating self-employment opportunities for youth and providing financial and non-financial support to Micro and Small Entrepreneurs (MSEs).

Specific Objective 1: by the end of the Project, secondary technical and agricultural schools, in the districts of Oekussi-Ambeno, Lautem, Bobonaro, Covalima Manatuto and Ainaro, will have the capacity to deliver quality entrepreneurship education to their students.

Specific Objective 2: by the end of the Project, youth in the districts of Oekussi-Ambeno, Lautem, Bobonaro, Covalima Manatuto and Ainaro will have created and/or improved their own businesses and successfully market their products/services.

5.1 Project Objectives and Activities

Focusing on its two Specific Objectives, the Project's targeted interventions will cover two main areas of actions: entrepreneurship education and business creation/development. Each of these areas of actions has a specific target group; however, the outputs achieved under the first Specific Objective are designed to contribute to the achievement of success of the second one.

The following Outputs are envisaged upon completion of the Project, and as a result of the contributions from the Government of Timor-Leste through budget allocation of the State Secretariat of Vocational Training and Employment.

Specific Objective 1: by the end of the Project, secondary technical and agricultural schools, in the districts of Oekussi-Ambeno, Lautem, Bobonaro, Covalima, Manatuto and Ainaro, will have the capacity to deliver quality entrepreneurship education to their students.

The activities under the Specific Objective 1 will address the need to tackle the youth



employment challenge through the development of an entrepreneurship culture among young people. Entrepreneurship, in the context of the Project, is defined in its broadest sense as the ability to identify, assess and act upon opportunities. The entrepreneurship culture that the Project seeks to develop among young people is therefore broader than the notion of enterprise and business management skills, since it also focuses on the attitudes and characteristics needed to become active and productive citizens.

In its four-year timeframe, the Project, with relevant technical assistance from the ILO, will assist the Ministry of Education (MoE) and the Ministry of Agriculture (MoA), in implementing and testing a long-cycle (three years) enterprise education for in-school youth (Secondary Technical Schools of MoE and MoA).

The ILO “Know About Business” (KAB) training programme (see box below) will be adapted to the Timor-Leste context and introduced in the national curriculum at secondary technical level.

Output 1.1 Know About Business (KAB) training programme adapted to Timor-Leste’s context and available in all the target schools.

Activities:

- 1.1.1 Identify entrepreneurship training needs of secondary technical schools.
- 1.1.2 Adapt the ILO KAB training modules to Timor-Leste’s reality.
- 1.1.3 Translate adapted KAB material into Tetum and Portuguese.
- 1.1.4 Print KAB modules and make them available in all the target schools

Output 1.2 Timorese KAB trainers/key facilitators able to train teachers.

Activities:

- 1.2.1 Identify and select Timorese potential KAB trainers/key facilitators.
- 1.2.2 Train Timorese KAB trainers/key facilitators.

Output 1.3 Timorese KAB teachers able to train students in secondary technical/agriculture schools.

Activities:

- 1.3.1 Present KAB programme to all relevant stakeholders of MoE / MoA as well as to the directors of all secondary technical /agriculture schools.
- 1.3.2 Identify and select potential KAB teachers.
- 1.3.3 Train KAB teachers.
- 1.3.4 Organize yearly Refresher Courses for KAB teachers.

Output 1.4 Established M&E framework ensures quality of entrepreneurship education.

Activities:

- 1.4.1 Organize yearly workshops for directors of secondary technical and agriculture schools.
- 1.4.2 Carry out regular monitoring missions to all the target schools.
- 1.4.3 Carry out yearly KAB impact assessments.

Output 1.5 Entrepreneurship education recognized as a main subject within the secondary technical education national curriculum.

Activities:

- 1.5.1 Adapt KAB programme to Timor-Leste secondary technical education curriculum.
- 1.5.2 Prepare and sign Memorandum of Understanding (MoU) among MoE, MoA, SSVTE and ILO for KAB implementation.

Know About Business (KAB)

The ILO KAB programme is a set of training materials for entrepreneurship awareness, focusing on imparting the notion of “entrepreneurship” to students by socialising them to the ideas of opportunities, challenges, procedures, characteristics, attitudes and skills needed for successful entrepreneurship.

The KAB programme can be adapted to vocational education, secondary education and higher education and it is designed for an 80 to 120 sessions’ course for young trainees and students between 15 to 25 years.

The KAB package comprises a Facilitator Handbook and nine modules. Each module represents a key area of entrepreneurship and is divided into several topics. The KAB modules are:

Module 1: What is Enterprise?

Module 2: Why Entrepreneurship?

Module 3: Who are entrepreneurs?

Module 4: How do I become an entrepreneur?

Module 5: How do I find a good business idea?

Module 6: How do I organise an enterprise?

Module 7: How do I operate an enterprise?

Module 8: What are the next steps to become an entrepreneur?

Module 9: How to develop one’s own business plan?

The titles of the modules are in the form of questions, which trainees and students should be able to answer after the completion of the module.

Also parts of the package are a Learners’ Workbook and a Business Game, which simulates transactions within an enterprise and among market actors.

Teachers and instructors are also trained to run a real school business during the one year training cycle.

As an Expected outcome of the Programme, young people educated with KAB will have a positive approach to entrepreneurship and will be more inclined to create their own business. Youth unemployment will be reduced as young women and men will increase their employability for wage employment and their capability to create gainful self-employment or set-up their own business. In a long run KAB entrepreneurship education will change attitudes in the society toward a positive enterprise culture.

Specific Objective 2: *by the end of the Project, youth in the districts of Oekussi-Ambeno, Lautem, Bobonaro, Covalima Manatuto and Ainaro will have created and/or improved their own businesses and successfully market their products/services.*

The Specific Objective 2 will be achieved through a series of Project’s Outputs geared towards offering a range of inter-linked sets of services to out-of-school youth aged 15 to 29 years, using the EVTF (see box below) of the SSVTE as a main financial mechanism.

Based upon a comprehensive socio-economic assessment of the business environment and potential of the six target districts, and capitalizing on the results of extensive consultations with local communities, the Project will develop LED District Action Plans, identifying the activities supporting youth in creating/improving their businesses.

Project partners will be consequently invited to submit proposals to the EVTF in order to implement the Project activities such as: Business Management Training, Business Counselling, Vocational Training and Micro-credit.

As a result of the Project partners' interventions, new micro-small businesses will be created in the target districts and existing entrepreneurs will have improved and expanded their operations, creating additional employment opportunities for young unemployed women and men. Yearly Trade Fairs will further support Project ultimate beneficiaries in market their product and services.



Output 2.1 A socio economic mapping of the six districts provides relevant knowledge of the business environment and opportunities.

Activities:

- 2.1.1 Develop statistical indicators for the socio economic mapping.
- 2.1.2 Establish and train a team of enumerators.
- 2.1.3 Conduct the socio economic mapping in the six target districts
- 2.1.4 Data entry and analysis
- 2.1.5 Publish and disseminate the socio economic mapping report.

Output 2.2 Local Economic Development (LED) District Action Plans endorsed by local communities

Activities:

- 2.2.1 Carry out activities' identification missions to six target districts.
- 2.2.2 Discuss and analyze activities to be supported with all relevant stakeholders at both local and central level
- 2.2.3 Design LED District Action Plans.
- 2.2.4 Socialize LED District Action Plans to Project partners (BDS providers, Vocational Training centres, Micro Finance Institutions).

Output 2.3 Young potential and existing entrepreneurs received a combined assistance from Project partners to start and improve their own businesses.

Activities:

- 2.3.1 Organize a workshop to share EVTF guidelines to all Project partners.
- 2.3.2 Define, with partner training providers, appropriate curricula for vocational and business management training.

- 2.3.3 Assist Project partners in selecting ultimate beneficiaries.
- 2.3.4 Assist Project partners in developing proposals to be submitted to the EVTF.
- 2.3.5 Evaluate (approve and reject) Project partners' proposals against EVTF guidelines and criteria.
- 2.3.6 Disburse funds to Project partners to kick start activities at community level.

Output 2.4 Project ultimate beneficiaries have enhanced access to market for their products and services.

Activities:

- 2.4.1 Establish the Trade Fair Organizing Committee.
- 2.4.2 Design Trade Fair plan.
- 2.4.3 Organize yearly Trade Fairs for Project beneficiaries in the capital Dili.
- 2.4.4 Organize the "Best Young Entrepreneur" awards in the framework of the Trade Fairs.

Output 2.5 Established Monitoring and Evaluation (M&E) framework ensures continuous support to Project beneficiaries.

Activities:

- 2.5.1 Carry out regular monitoring mission using EVTF M&E kit.
- 2.5.2 Carry out yearly Impact Assessments on Project activities and disseminate the Impact Assessment reports to all relevant stakeholders.
- 2.5.3 Register Project's beneficiaries and data entry in SSVTE Data Base.
- 2.5.4 Revise implementation strategy based on results of M&E (emerging needs, further support to Project's beneficiaries, etc.).

The Employment and Vocational Training Fund (EVTF)

The EVTF is a Timor-Leste Government Fund under the tutelage of the State Secretariat for Vocational Training and Employment.

The main objective of the Employment and Vocational Training Fund is to provide financial resources to community-based organization (BDS providers, training centres and micro finance institutions) for the implementation of activities that contribute to the improvement of the living conditions of the unemployed and vulnerable people in Timor-Leste.

The EVTF is considered to be a model of transparency, accountability and sustainability and represents a fundamental component of the Timor-Leste Local Economic Development strategy.

5.2 Implementation Strategy

The Project will be executed by the State Secretariat of Vocational Training and Employment through its Self-Employment Department, in close collaboration with the Ministry of Education and Ministry of Agriculture as well as local partner organizations in the six target districts.

The technical and management responsibility for the Project will be provided through the Head of Self-Employment Department and his team, with technical support from the ILO Office in Timor-Leste and its existing programmes. Day to day administrative

and financial services support will be provided by the appointed administrative and financial officers.

To contribute to the Project outreach and build the capacity of the newly established six district offices, locally recruited technicians will be employed under government conditions and trained/coached by the Project staff.

The Project will continue to recognize the different natures of local partner organizations, (i.e. Vocational and Business Training Providers, local NGOs, private business, etc.) and provide them with the necessary support and information. This continued assistance will contribute to build local partners' capacity to design LED proposals to be submitted to the EVTF and provide ultimate Project beneficiaries with Labour market-oriented competencies and appropriate instruments to further develop their own communities.

LOGICAL FRAMEWORK MATRIX

Development Objective: in the four-year timeframe, the Project will contribute to poverty alleviation in the most vulnerable districts of Timor-Leste (Oekusi-Ambeno, Lautem, Bobonaro, Covalima, Manatuto and Ainaro), through creating self-employment opportunities for youth and providing financial and non-financial support to Micro and Small Entrepreneurs (MSEs).

Specific Objective	Outputs	Activities	Indicators	MoV	Assumptions & Risks
1. By the end of the Project, secondary technical and agriculture schools, in the districts of Oekusi-Ambeno, Lautem, Bobonaro, Covalima, Manatuto and Ainaro, will have the capacity to deliver quality entrepreneurship education to their students.	1.1 Know About Business (KAB) training programme adapted to Timor-Leste context and available in all the target schools.	1.1.1 Identify entrepreneurship training needs of secondary of secondary technical schools. 1.1.2 Adapt the ILO KAB training modules to Timor Leste's reality. 1.1.3 Translate adapted KAB material into Tetum and Portuguese. 1.1.4 Print KAB modules and make them available in all the target schools.	<ul style="list-style-type: none"> At least, 30 KAB kits (sets of manuals) available in the 6 secondary technical/agriculture schools (5 kits per each schools). 	<ul style="list-style-type: none"> KAB kits in Tetum and Portuguese. 	<p>Macro Level:</p> <ul style="list-style-type: none"> The political and economic situation in Timor Leste remains stable and continues to enable the Project to undertake its activities. Youth Employment and Underemployment issues feature high in the Government's agenda. Ministry of Education and Ministry of Agriculture remain committed to introduce entrepreneurship education in their curricula. Self-Employment Department of SSVTE will appoint the required staff to enable the Project to achieve the expected outputs. <p>Meso Level</p> <ul style="list-style-type: none"> The secondary technical agriculture schools are willing to participate in Project activities and
	1.2 Timorese KAB trainers/key facilitators able to train teachers.	1.2.1 Identify and select Timorese potential KAB trainers/key facilitators. 1.2.2 Train Timorese KAB trainers/key facilitators.	<ul style="list-style-type: none"> Timorese Trainers / key facilitators trained. 	<ul style="list-style-type: none"> Training of Trainers / key facilitators' report. 	
	1.3 Timorese KAB teacher able to train students in secondary technical / agriculture schools.	1.3.1 Present KAB programme to all relevant stakeholders of MoE / MoA as well as to the directors of all secondary technical/agriculture schools. 1.3.2 Identify and select potential KAB teachers. 1.3.3 Train KAB teachers. 1.3.4 Organize yearly Refresher Courses for KAB teachers.	<ul style="list-style-type: none"> At least 18 KAB teachers (3 per each schools). At least 1,500 students have access to KAB programme. 	<ul style="list-style-type: none"> Training of Teachers' reports. Refresher Courses reports. Secondary technical and agriculture schools files. 	

	1.4 Established M&E framework ensures quality of entrepreneurship education.	1.4.1 Organize quarterly KAB steering committee meeting. 1.4.2 Organize yearly workshops for directors of secondary technical and agriculture schools. 1.4.3 Carry out regular monitoring missions to all the target schools. 1.4.4 Carry out yearly KAB impact assessments	<ul style="list-style-type: none"> • 16 Steering Committee Meetings organized. • 4 workshop for directors of secondary technical and agriculture schools. • At least 48 monitoring missions realized. • 4 Impact Assessments realized. 	<ul style="list-style-type: none"> • Minutes of Steering Committee Meetings. • Workshop reports. • Monitoring missions' reports. • Impact Assessments' reports. 	<p>appoint motivated and professional teachers and trainers to deliver the KAB programme.</p> <p>Micro Level:</p> <ul style="list-style-type: none"> • Students of Secondary Technical Schools are willing to actively participate in entrepreneurship courses.
	1.5 Entrepreneurship education recognized as a main subject within the national secondary technical education curriculum.	1.5.1 Adapt KAB programme to Timor-Leste secondary technical education curriculum. 1.5.2 Prepare and sign Memorandum of Understanding (MoU) among MoE, MoA, SSVTE and ILO for KAB implementation.	<ul style="list-style-type: none"> • KAB is a subject in the curriculum of the secondary technical and agriculture schools. 	<ul style="list-style-type: none"> • MoE curriculum for secondary education. 	
2. By the end of the Project, youth in the districts of Oekusi-Ambeno, Lautem, Bobonaro, Covalima, Manatuto and Ainaro will	2.1 A Socio economic mapping of the six districts provides relevant knowledge of the business environment and opportunities.	2.1.1 Develop statistical indicators for the socio economic mapping. 2.1.2 Establish and train a team of enumerators. 2.1.3 Conduct the socio economic mapping in the six target districts. 2.1.4 Data entry and analysis. 2.1.5 Publish and disseminate the socio economic mapping report.	<ul style="list-style-type: none"> • Socio economic mapping carried out. 	<ul style="list-style-type: none"> • Survey report. 	<p>Macro Level:</p> <ul style="list-style-type: none"> • The political and economic situation in Timor Leste remains stable and continues to enable the Project to undertake its activities. • Youth Employment and Underemployment issues feature high in

<p>have created and/or improved their own businesses and successfully market their products/services.</p>	<p>2.2 Local Economic Development (LED) District Action Plans endorsed by local communities</p>	<p>2.2.1 Carry out activities' identification missions to six target districts. 2.2.2 Discuss and analyze activities to be supported with all relevant stakeholders at both local and central level. 2.2.3 Design LED District Action Plans. 2.2.4 Socialize LED District Action Plans to Project partners (BDS providers, Vocational Training Centers, Micro Finance Institutions).</p>	<ul style="list-style-type: none"> • 6 LED District Action Plans approved by District Administrators and disseminated. 	<ul style="list-style-type: none"> • LED District Action Plans' documents 	<p>the Government's agenda.</p> <ul style="list-style-type: none"> • The Timorese Government will continue to support LED initiatives and provide enabling business environment. • State Secretariat for Vocational Training and Employment continues willing to provide technical support to Project's partners. • State Secretariat for Vocational Training and Employment continues to allocate funds to the EVTF. • Self-Employment Department of SSVTE will appoint the required staff to enable the Project to achieve the expected outputs. <p>Meso Level:</p> <ul style="list-style-type: none"> • The BDS providers and training centers are willing to participate in the Project activities and appoint motivated and professional trainers/counselors / staff to Project activities. • The MFIs are willing to participate in the Project activities and consider loan applications from the Project ultimate beneficiaries. <p>Micro Level:</p> <ul style="list-style-type: none"> • The ultimate beneficiaries are willing
	<p>2.3 Young potentials and existing entrepreneurs received a combined assistance from Project partners to start and improve their own businesses.</p>	<p>2.3.1 Organize a workshop to share EVTF guidelines to all Project partners. 2.3.2 Define, with partner training providers, appropriate curricula for vocational and business management training. 2.3.3 Assist Project partners in selecting ultimate beneficiaries. 2.3.4 Assist Project partners in developing proposals to be submitted to the EVTF. 2.3.5 Evaluate (approve and reject) Project partners' proposals against EVTF guidelines and criteria. 2.3.6 Disburse fund to Project partners to kick start activities at community level.</p>	<ul style="list-style-type: none"> • At least 36 EVTF proposals submitted by Project partners. • At least 3,000 young potential/existing receive micro credit from partner MFIs in the 6 target districts. • At least 2,000 young potential/existing entrepreneurs participate in business management training from BDS providers in the 6 target districts. • At least 1,000 young potential/existing entrepreneurs participate in vocational training from Vocational Training Providers in the 6 target districts. 	<ul style="list-style-type: none"> • Minutes of EVTF evaluation panel. • SSVTE's database. • Project partners' reports. • Monitoring missions' reports. 	<p>Meso Level:</p> <ul style="list-style-type: none"> • The BDS providers and training centers are willing to participate in the Project activities and appoint motivated and professional trainers/counselors / staff to Project activities. • The MFIs are willing to participate in the Project activities and consider loan applications from the Project ultimate beneficiaries. <p>Micro Level:</p> <ul style="list-style-type: none"> • The ultimate beneficiaries are willing
	<p>2.4 Project ultimate beneficiaries have enhanced access to market for their product and services.</p>	<p>2.4.1 Establish the Trade Fair Organizing Committee. 2.4.2 Design Trade Fair Plan. 2.4.3 Organize yearly Trade Fairs for Project beneficiaries in the capital Dili. 2.4.4 Organize the "Best Young Entrepreneur" awards in the framework of the Trade Fair.</p>	<ul style="list-style-type: none"> • At least 4 national Trade Fairs organized. 	<ul style="list-style-type: none"> • Trade Fairs Organizing Committee reports. • Press release. 	<p>Meso Level:</p> <ul style="list-style-type: none"> • The BDS providers and training centers are willing to participate in the Project activities and appoint motivated and professional trainers/counselors / staff to Project activities. • The MFIs are willing to participate in the Project activities and consider loan applications from the Project ultimate beneficiaries. <p>Micro Level:</p> <ul style="list-style-type: none"> • The ultimate beneficiaries are willing

	<p>2.5 Established Monitoring and Evaluation (M&E) framework ensures continuous support to Project beneficiaries.</p>	<p>2.5.1 Carry out regular monitoring missions using EVTF M&E kit.</p> <p>2.5.2 Carry out yearly Impact Assessments on Project activities and disseminate the Impact Assessment reports to all relevant stakeholders.</p> <p>2.5.3 Register Project's beneficiaries and data entry in SSVTE Data Base.</p> <p>2.5.4 Revise implementation strategy based on results of M&E (emerging needs, further support to Project's beneficiaries, etc.).</p>	<ul style="list-style-type: none"> • At least 48 monitoring missions carried out in the 6 target districts. • 4 Impact Assessments carried out. • All Project beneficiaries register in the SSVTE's database. 	<ul style="list-style-type: none"> • Reports of Monitoring • Impact Assessments' reports. • EVTF M&E kit. • SSVTE's database. 	<p>to participate in the Project activities and able to contribute to the cost of their training/counseling.</p> <ul style="list-style-type: none"> • The availability of potential trainers/teachers and entrepreneurs having the necessary background and competence to benefit from the training events implemented by the Project.
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6. MONITORING AND EVALUATION

6.1 Monitoring

The Project will be primarily monitored by a Project Steering Committee (PSC), chaired by the Secretary of State for Vocational Training and Employment, integrating the National Directors for Employment and Vocational Training and the Head of the Self-Employment Department of the SSVTE. Representatives of Ministry of Education, Ministry of Agriculture, Project's partners and ILO will also participate in the PSC as observers. The PSC will monitor the progress of the activities through the Progress Reports prepared and presented by the Head of the Self-Employment Department. The PSC will meet on a six-month basis and also approve the Project Work Plan for the following six-month period.

Further, in order to ensure that a holistic objective of local development and youth employment promotion is achieved, the monitoring and evaluation of the Project will be coordinated by a focal point (M&E Officer) appointed within the Self-Employment Department, for the whole duration of the Project. At the inception stage, the M&E Officer will establish a M&E framework with sets of output indicators and targets, including gender-specific ones, whilst for the remainder of the period s/he will closely monitor the implementation process, together with relevant staff of the Self-Employment Department, and provide feedback to the Project management team and stakeholders.

Within the M&E framework, the M&E Officer will prepare a M&E Plan, specifying monitoring tasks, methods and timelines. This M&E Plan will be reviewed on a 12-month basis and will place particular attention on the development of a system that allows integrated monitoring of all the Project activities. The M&E Officer will have regular interaction with the Project management and Project's partners.

The Head of the Self-Employment Department will prepare and submit six-month progress reports including financial statements to the PSC meetings. Specifically, the reports will include information on progress towards intended Project's outputs, highlighting key Project's activities, achievements and lesson learned.

The Project will develop a Management Information System (MIS) for Project management purposes, as well as a separate data base/file for impact assessments at the beneficiary levels. This information will be used by the M&E Officer and it will be made available to the Project Steering Committee and evaluation missions.

Monitoring is also a tool for awareness raising that is useful for Project's partners. The results of monitoring activities can also be used as advocacy tools in efforts to obtain greater support from policy makers and from the public at large for the initiatives in the fields of local economic development, education, training and employment for youth.

6.2 Evaluation

The SSVTE will adhere to internationally-established good practices in evaluation according to which the Project management and responsible officials are required to ensure that evaluations are credible and independent, that they contribute to institutional learning and reinforce accountability and transparency. Moreover, the ILO Office in Timor-Leste will provide technical expertise to ensure a quality M&E of the Project.

In the case of the current Project, it is proposed a mid-term and a final evaluation. The mid-term evaluation will be carried out in the mid-course of the Project, which will allow the Project Steering Committee to analyze the progress and formulate recommendations for possible reorientation/revision/updating of the Project design. A final review will be organized toward the end of the Project.

The reference point for evaluation is the Project document, which provides the background and rationale of the Project, its planned objectives, outputs and activities, and corresponding indicators.

The results of all evaluations will be documented and shared with implementing partners and relevant agencies at national and district levels as inputs for policy development with respect to entrepreneurship and local economic development.

7. THEMATIC CONCERNS

7.1 Sustainability

The main aim of the Project is to achieve sustainability in order to ensure that the SSVTE and its partner organizations will be able to continue to execute the Project activities after the four years of implementation.

As far as the Project is concerned, sustainability refers to three interdependent aspects:

Institutional sustainability: Institutional sustainability refers to the national capacity, command, and leadership to maintain and continue the effective delivery of Project's activities. In the context of the current Project, given that the implementing body is a Government institution, sustainability is intrinsic in the SSVTE mandate as well as in the set of committed, competent national partner organizations.

Technical sustainability: This refers to the ability at national level and without Project support to be able to continue to provide support to ultimate beneficiaries at an adequate level of quality. Technical sustainability should be achieved by the Project through the Self-Employment Department regular presence at community level as well as through the SSVTE's management information and market research systems, providing inputs to local stakeholders for further LED programmes.

Financial sustainability: This relates to the ability of the Project at its various levels, to continue its implementation without financial inputs from external donors. It is expected that the use of the Employment and Vocational Training Fund (EVTF) to finance Project's activities will lead to an increased rate of budget expenditure of the SSVTE and will constitute the major instrument for the Government of Timor-Leste to

tackle the youth employment challenge. Therefore, the EVTF will represent, simultaneously, the backbone of the overall Project and the milestone of its financial sustainability

7.2 Mainstreaming Gender

To ensure a better gender balance at the Direct beneficiaries (trainers and teachers) and Ultimate beneficiaries levels, the Project will undertake focused women promotion activities at these three levels. Greater attention will be given to bringing in more gender focused organizations as partners. Good young women trainers will be actively encouraged by the Project. In addition to this, the Project will ensure the availability of gender disaggregated data in the monitoring and evaluation system and in the progress reports.

7.3 Mainstreaming entrepreneurs with disabilities

Many individuals with disabilities, women and men, can and want to work. But due to attitudinal and physical barriers encountered in their communities, people with disabilities often have difficulty in finding training opportunities or a job. For this reason, many disabled persons have initiated their own income-generating small business activities. It is foreseen to actively promote young women and men with disabilities as participants and beneficiaries of the Project.

7.4 Environment

The Project will make a contribution to the efforts towards for a cleaner and safer environment. It will achieve this by encouraging young potential and existing entrepreneurs who undergo business training to practice clean, safe and environmentally friendly business activities and practises. Linkages and partnerships will be established with other actors involved in this area, where possible.

8. RESOURCES

8.1 Human

- 9 technical officers (9 x 48 work/month)
- 2 finance and administration officers (2 x 48 work/month)
- 2 drivers (2 x 48 work/month)

8.2 Material

- Office's furniture (tables, chairs, filing cabinet etc)
- IT (6 laptops, 3 computer sets).
- 2 cars
- 6 motorbikes
- 1 photocopier machine
- 6 generators

8.3 Financial

- Operation and maintenance costs
- Transports (per-diem)
- Office rental.
- Printing and publications.
- Miscellaneous and supplies.
- Government regular budget
- Employment and Vocational Training Fund (EVTF)

PROJECT BUDGET

Item	Unit Cost	Number of Units	Total Cost
Personnel			
9 Technical Officers (\$250)	\$ 2,250.00	48	\$ 108,000.00
2 Administrations and finance (\$200)	\$ 400.00	48	\$ 19,200.00
2 Drivers (\$150)	\$ 300.00	48	\$ 14,400.00
Transport			
2 Cars	\$ 25,000.00	2	\$ 50,000.00
6 Motorbikes	\$ 3,000.00	6	\$ 18,000.00
Equipment			
6 Laptops	\$ 1,500.00	6	\$ 9,000.00
3 Computer and printer sets	\$ 2,000.00	3	\$ 6,000.00
1 Copy machine	\$ 3,000.00	1	\$ 3,000.00
6 Generators	\$ 3,000.00	6	\$ 18,000.00
Travel			
In country missions (\$15x12 days/month)	\$ 2,340.00	48	\$ 112,320.00
Operations and maintenance			
Fuel	\$ 1,000.00	48	\$ 48,000.00
Car and Motorbike maintenance	\$ 200.00	48	\$ 9,600.00
Electricity	\$ 100.00	48	\$ 4,800.00
Telephone and communication	\$ 200.00	48	\$ 9,600.00
Printing and publications			
Printing cost	\$ 20,000.00	1	\$ 20,000.00
Miscellaneous and supplies			
6 Offices Rental (\$500/month)	\$ 3,000.00	48	\$ 144,000.00
Office Supply and stationary	\$ 500.00	48	\$ 24,000.00
Office furniture	\$ 15,000.00	1	\$ 15,000.00
EVTF			
12 Proposals of Micro Credit	\$ 25,000.00	12	\$ 300,000.00
12 Proposals of Enterprise Training	\$ 15,000.00	12	\$ 180,000.00
12 Proposals of Vocational Training	\$ 15,000.00	12	\$ 180,000.00
Sub Total			\$ 1,292,920.00
Contingency (3%)			\$ 38,787.60
Grand Total			\$ 1,331,707.60

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**ANNEX I
TIMOR – LESTE MAP**

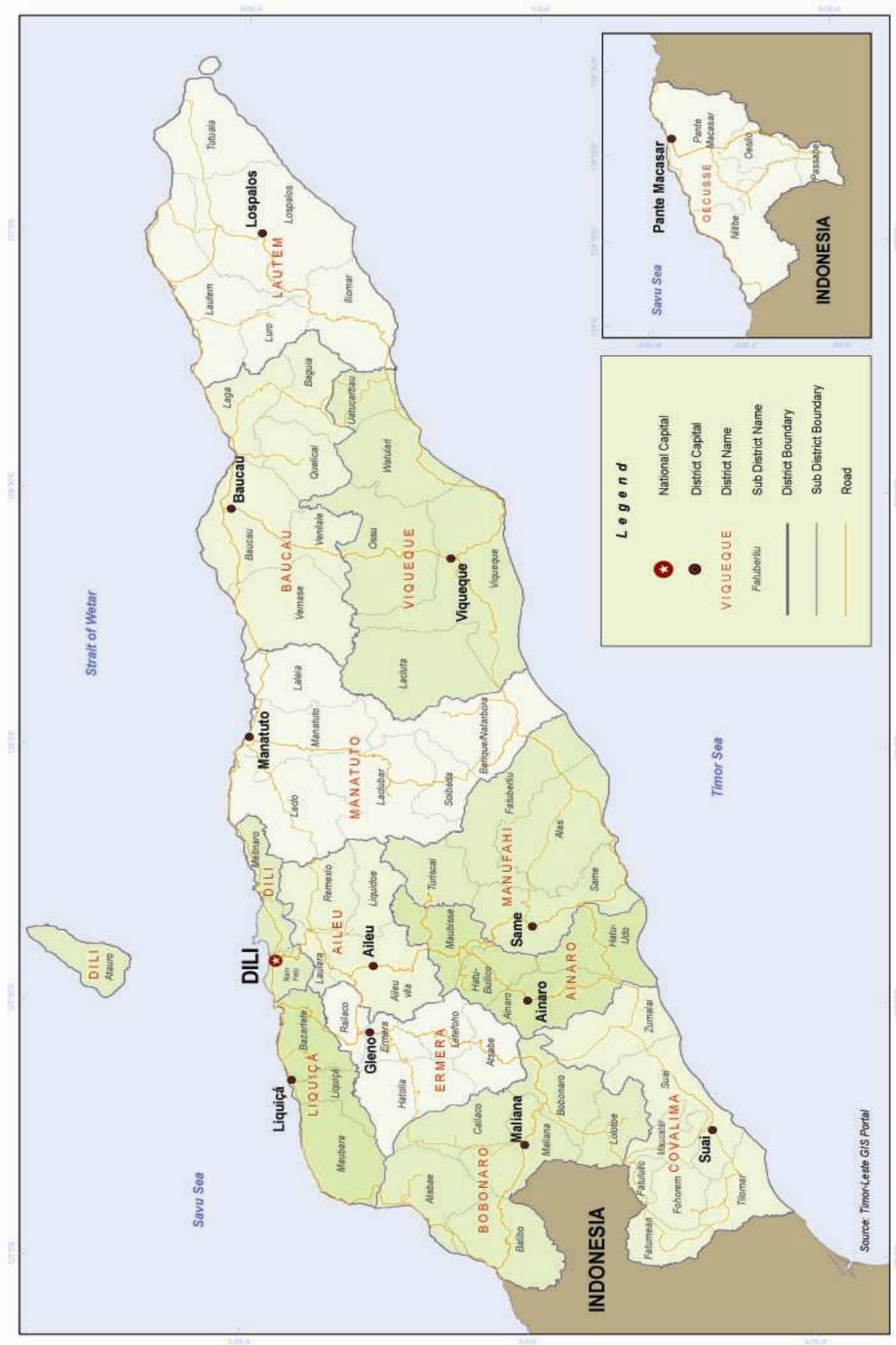
**ANNEX II
PROJECT WORKPLAN**

**ANNEX III
SWOT ANALYSIS**

TIMOR-LESTE Administrative Boundaries

Timor-Leste: 1:700,000
Stock No: S7K0ADIMV0711SEA03Z

Map No: ADM 005
Edition: 1



Legend

- ⊕ National Capital
- District Capital
- District Name
- Sub District Name
- District Boundary
- Sub District Boundary
- Road

VIQUEQUE
Fatuuberliu

Parte Macassar

INDONESIA

Savu Sea

OECUSSE
Parte Macassar
Nito
Oesivo
Oesabito

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Page No: 1 of 1
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Source: Timor-Leste GIS Portal

PROJECT WORKPLAN																
Outputs/activities	1 st year				2 nd year				3 rd year				4 th year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Start up and Management																
Recruitment of Project staff																
Project launching ceremony/inception																
Project monitoring & evaluation framework agreed and implemented	Throughout Project period															
Project Steering Committee																
Project Evaluation																
Specific objective 1: by the end of the Project, secondary technical and agricultural schools, in the six target districts, will have the capacity to deliver quality entrepreneurship education to their students.																
Activities related to Output 1.1:																
1.1.1	Identify entrepreneurship training needs of secondary technical schools.															
1.1.2	Adapt the ILO KAB training modules to Timor-Leste's reality.															
1.1.3	Translate adapted KAB material into Tetum and Portuguese.															
1.1.4	Print KAB modules and make them available in all the target schools															
Activities related to output 1.2 :																
1.2.1	Identify and select Timorese potential KAB trainers/key facilitators.															
1.2.2	Train Timorese KAB trainers/key facilitators															
Activities related to output 1.3																
1.3.1	Present KAB programme to all relevant stakeholders of MoE / MoA as well as to the directors of all secondary technical /agriculture schools.															
1.3.2	Identify and select potential KAB teachers.															
1.3.3	Train KAB teachers.															

1.3.4	Organize yearly Refresher Courses for KAB teachers.																
Activities related to Output 1.4:																	
1.4.1	Organize yearly workshops for directors of secondary technical and agriculture schools.																
1.4.2	Carry out regular monitoring missions to all the target schools.	Throughout Project period															
1.4.3	Carry out yearly KAB impact assessments.																
Activities related to Output 1.5:																	
1.5.1	Adapt KAB programme to Timor-Leste secondary technical education curriculum.	Throughout Project period															
1.5.2	Prepare and sign Memorandum of Understanding (MoU) among MoE, MoA, SSVTE and ILO for KAB implementation.																
<i>Specific Objective 2: by the end of the Project, youth in the six target districts will have created and/or improved their own businesses and successfully market their products/services.</i>																	
Activities related to Output 2.1:																	
2.1.1	Develop statistical indicators for the socio economic mapping.																
2.1.2	Establish and train a team of enumerators.																
2.1.3	Conduct the socio economic mapping in the six target districts.																
2.1.4	Data entry and analysis.																
2.1.5	Publish and disseminate the socio economic mapping report.																
Activities related to output 2.2:																	
2.2.1	Carry out activities' identification missions to six target districts.																
2.2.2	Discuss and analyze activities to be supported with all relevant stakeholders at both local and central level.																
2.2.3	Design LED District Action Plans.																

2.2.4	Socialize LED District Action Plans to Project partners (BDS providers, Vocational Training Centers, Micro Finance Institutions).																		
Activities related to output 2.3																			
2.3.1	Organize a workshop to share EVTF guidelines to all Project partners.																		
2.3.2	Define, with partner training providers, appropriate curricula for vocational and business management training.																		
2.3.3	Assist Project partners in selecting ultimate beneficiaries.																		
2.3.4	Assist Project partners in developing proposals to be submitted to the EVTF.																		
2.3.5	Evaluate (approve and reject) Project partners' proposals against EVTF guidelines and criteria.																		
2.3.6	Disburse funds to Project partners to kick start activities at community level.																		
Activities related to output 2.4:																			
2.4.1	Establish the Trade Fair Organizing Committee.																		
2.4.2	Design Trade Fair plan.																		
2.4.3	Organize yearly Trade Fairs for Project beneficiaries in the capital Dili.																		
2.4.3	Organize the “Best Young Entrepreneur” awards in the framework of the Trade Fairs.																		
Activities related to output 2.5:																			
2.5.1	Carry out regular monitoring missions using EVTF M&E kit.	Throughout Project period																	
2.5.2	Carry out yearly Impact Assessments on Project activities and disseminate the Impact Assessment reports to all relevant stakeholders.																		
2.5.3	Register Project's beneficiaries and data entry in SSVTE Data Base.																		
2.5.4	Revise implementation strategy based on results of M&E (emerging needs, further support to Project's beneficiaries, etc.).																		

SWOT ANALYSIS

Area of analysis	Internal		External	
	S	W	O	T
Economy	<ul style="list-style-type: none"> • Agriculture • Low use pesticides in agriculture • Fishing • Cattle • Agribusiness • Traditional handicraft 	<ul style="list-style-type: none"> • Low productivity of agriculture / fishing • Lack of non-farm business opportunities • Lack of market for local products • Limited purchasing power of rural communities • “dollarisation” of the economy 	<ul style="list-style-type: none"> • New technologies can improve agriculture productivity • GoTL committed to LED • Incentive for investment in rural area. 	<ul style="list-style-type: none"> • Cultural and traditional practices (bride price etc) can hamper the LED • Political instability • High competition of foreign cheap products (China).
People and Demography	<ul style="list-style-type: none"> • High percentage of youth 	<ul style="list-style-type: none"> • High illiteracy rate • High infant and maternal mortality ratio • High percentage of teen marriages • Very high population growth and fertility rates • Strong gender bias and discrimination towards women’s participation in productive activities. 	<ul style="list-style-type: none"> • Youth engaged in agriculture can increase the productivity 	<ul style="list-style-type: none"> • Uncontrolled population growth can create social problems
Social Actors	<ul style="list-style-type: none"> • Local authorities and leaders • Traditional leaders • Youth groups • Church • NGOs 	<ul style="list-style-type: none"> • Martial art groups create instability 	<ul style="list-style-type: none"> • Social actors can contribute to resolve conflict and bring peace and development • NGOs can offer employment opportunities 	<ul style="list-style-type: none"> • Risk of developing of a culture of dependency from free services
Labor Market	<ul style="list-style-type: none"> • Agriculture sector creates jobs • High number of job seekers 	<ul style="list-style-type: none"> • Job seekers unskilled • High youth unemployment and underemployment rates • Lack of non-farming job opportunities • Weak outreach of employment services • Lack of Labor Market Information • High labor cost 	<ul style="list-style-type: none"> • Increase agriculture productivity is GoTL priority. • GoTL commitment in expanding its Employment Services • Rural infrastructure rehabilitation can create jobs 	<ul style="list-style-type: none"> • GoTL policy change • Rural to urban migration can lead to further decrease of agriculture productivity.

Infrastructure	<ul style="list-style-type: none"> • Good public transportation connecting rural towns 	<ul style="list-style-type: none"> • Poor quality of road network • Electricity network doesn't reach rural villages • Poor water sanitation system • Underdeveloped Irrigation system • Lack of Schools, Hospitals and Public services • Telecommunication network 	<ul style="list-style-type: none"> • Infrastructure rehabilitation high priority for GoTL & donors investments. • Private small contractors can win tenders • Rural communities to be engaged in public works. • Most of the oil revenue channeled towards rural infrastructure rehabilitation works. 	<ul style="list-style-type: none"> • Natural disaster (landslides, erosion, flooding). • Political instability may delay infrastructure rehabilitation.
Environment	<ul style="list-style-type: none"> • Pristine and unspoiled sites • Low pollution • Presence of wild species • Low use of pesticides and chemicals in agriculture 	<ul style="list-style-type: none"> • Use of firewood contributes to deforestation and erosion • "Slash and burn" agriculture • Subsistence agriculture practices 	<ul style="list-style-type: none"> • Organic agriculture • Eco tourism • Diving • National airline opened new air routes boosting tourism industry. 	<ul style="list-style-type: none"> • Wrong rural development programmes can disrupt the environment.
Financial Resources	<ul style="list-style-type: none"> • High demand of financial services. • Good network of MFIs • 2 MFIs operating in all districts. 	<ul style="list-style-type: none"> • No commercial banks • MFIs have limited services (no money transfer service available) • No land & property law (difficult to provide collaterals to financial institutions) • No law regulating MFI services 	<ul style="list-style-type: none"> • Room for the future collaboration between MFIs & Commercial Banks • MFIs have potential to expand services and branches. 	<ul style="list-style-type: none"> • Security situation not conducive for expansion of financial services • Political instability can delay legislation on financial services.
BDS and Training	<ul style="list-style-type: none"> • 1 BDS provider operating in all the districts. • Vibrant network of vocational training providers • Well known technical schools in all district's capital. 	<ul style="list-style-type: none"> • BDS and training providers offer limited ranges of products. • High cost of training and BDS can limit youth participation. • Limited access to IT and other modern services. 	<ul style="list-style-type: none"> • High percentage of unskilled youth in rural areas need access to quality training and BDS 	<ul style="list-style-type: none"> • TL Go changes its current commitment to human resources development