

## **Project Proposal:**

### **Fast track measure for the promotion of employment for unemployed young men and women in Greater Cairo, Egypt**

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## 1. Brief description of the measure

Unemployment among young people and the lack of employment prospects for both qualified and less-qualified young adults is one of the most pressing problems in Egypt. In the past year, the official unemployment figure has increased steadily from 4.1% (2003/04) to just under 9% (2008/09). Unemployment in Egypt affects young people and young adults in particular. 91.5% of the unemployed population in Egypt are between 15 and 30 years old according to the latest collection of data from May 2009 in the framework of the *National Plan for Youth Employment* from the *Ministry of Manpower and Migration* and the *International Labour Organisation (ILO)*. In addition, women are more affected by unemployment than men, by far: The unemployment figure for men in this age range is 19%, whereas for women it is 40% - more than twice as high. There is hardly any help for young people to facilitate their journey out of school and unemployment and into gainful employment. The same applies for offers of advice within businesses regarding questions of personal management and development.

Stable employment is a basic requirement for social and political stability as well as prospective democratisation. Therefore, the measures aim to achieve significant effects on employment through innovative intervention initiatives as quickly as possible and with great signalling effect.

**The aim of the measures is therefore:** Jobseekers (men and women) call upon the services offered by the Employment Centre and enter into sustainable employment.

The measures include the following elements: (i) Bringing together of actors in the field who, even in volatile conditions, can enter into stable partnerships (representatives of the private sector, the Chambers of Commerce), (ii) immediate acquisition of job opportunities, (iii) support and maintenance of effective employment services and (iv) motivation and orientation of unemployed young adults towards more formal and more stable employment.

Facilitating components are technical and organisational consultancy by long and short-term experts, further training measures and materials. The duration is set at 12 months (04/2011 to 03/2012). The total cost of the German contribution for the fast track measure amounts to [REDACTED]. The contribution of the private sector together with the Chamber of Commerce amounts to [REDACTED].

This initiative may be additionally supported by AUSAID in similar amount (e.g. [REDACTED]) in order to speed-up the process, increase the scope and its results and pave the way for broader sized scaling up of the measure.

The project has already started in April 2011 within the given structures of the ongoing "Vocational Education, Training and Employment Program - Mubarak-Kohl-Initiative (MKI-vetEP)", which will be followed by the future Employment Promotion Programme, financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) and executed by the GIZ (07/2011 – 06/2013).

## 2. Analysis of the problem

Unemployment among young people and the lack of employment prospects for both qualified and less-qualified young adults is one of the most pressing problems in Egypt. In the past year, the official unemployment figure has increased steadily from 4.1% (2003/04) to just under 9% (2008/09). Unemployment in Egypt affects young people and young adults in particular. 91.5% of the unemployed population in Egypt are between 15 and 30 years old according to the latest collection of data from May 2009 in the framework of the *National Plan for Youth Employment* from the *Ministry of Manpower and Migration* and the *International Labour Organisation (ILO)*. In addition, women are more affected by unemployment than men, by far: The unemployment figure for men in this age range is 19%, whereas for women it is 40% - more than twice as high.

In general, the transition from school to working life takes a long time. Around half of all male graduates need more than two years before getting their first employment. The situation for young female graduates is even less favourable: Only one in four of them ever find employment at all. This is particularly problematic as the first job that both young men and women get is particularly formative for their later careers. In the majority of cases, it also determines the next job. For 52% of young men and 61% of young women the move out of unemployment and into employment is unsuccessful.

On the other hand, the number of job vacancies which cannot be adequately filled is growing. Across all areas – not only in the modern field – the private sector complains about the deficiency in employability of young jobseekers in particular. Added to this is a near-complete absence of job market information on a local, regional and national level. As far as this information does exist, the proper job knowledge and experience to use it adequately is missing. Private employment agencies exist almost exclusively for highly-qualified personnel. Offers from state job agencies are deemed inefficient. There is hardly any help for young people to facilitate their journey out of school or unemployment and into gainful employment. The same applies for offers of advice within businesses regarding questions of personal management and development.

To achieve political stability in Egypt, immediate action in the fight against unemployment among young people is needed. Making use of existing employment potential, developing structures and competences for job procurement, as well as motivating unemployed youth towards more stable employment are important requirements for this. The involvement of the private sector as an active partner and promoter appears to be the decisive factor for success in the direct achievement of the goal. Together, GIZ, the Chambers of Commerce and other stakeholders can make important contributions to this effort because of their long-standing local experience.

### **3. Description of the measure**

#### **3.1 Aim and progress indicators**

##### **Aim of module:**

Job seekers (men and women) have better access to sustainable employment and careers advice in significant numbers

##### **Progress indicators**

- (1) A national employment pact is established and at least 1,500 members sign up to a corresponding declaration by the end of April 2012 (document analysis).
- (2) By the end of May 2011, 15 careers advisors and job agencies (*Employment Facilitators*) have taken on placement and consultative tasks and are contracted to the Employment Centres (Analysis of employment contracts).
- (3) An *Employment Centre* of the national employment pact is established and running by the end of April 2012 (document analysis).
- (4) 5,000 job or training placements are filled sustainably by April 2012.
- (5) 20,000 job seekers have called upon the services of the Employment Centre by April 2012.
- (6) 50% of the young adults advised can envisage entering into “Blue Collar Jobs” by September 2011 (Interviewing participants).

These figures (especially 2-5) can be significantly increased by additional financial allocation by AUSAID.

#### **3.2 Target groups and other participants**

The target group for these measures is unemployed young adults, with particular consideration for young women.

Other target groups are Egyptian businesses whose further development can be helped by the advisory service to significantly improve the use of employment potential.

#### **3.3 Cooperating Partners**

Agents are established businesses communities and industrial associations in Egypt, the Chamber of Commerce and NGOs.

### 3.4 Organisation of the measure

In Greater Cairo, work and training placements which can be acquired at short notice, are offered. Suppliers and promoters are the members of the “*National Employment Pact*”, which shall be established within the month of May, 2011 under the leadership of the German-Arab Chamber of Industry and Commerce.

In order to make use of the employment potential, Employment Centres are built and the corresponding personnel are trained. Career guidance and job procurement as match making of job seekers with suitable jobs are at the centre of the essential service. Moreover, these measures are flanked by job fairs and measures for job promotion. Job promotion in the framework of media campaign addresses, in particular, the job sector which offers a great amount of employment potential, but in the Egyptian context, has a low social status and therefore the positions are hard to fill.

**The strategic starting point** of the initiative is to generate structures which facilitate an improved utilisation of existing employment potential. The requirement is the generic self-interest of each business in improving the economic situation, bearing the problems surrounding employment in mind. These partners guarantee stability in the very volatile political and social conditions today.

**Another strategic starting point** is to use existing structures (dual-system structures, structures of the “Promotion of employment and the job market programme/MKI-vetEP” promoted by BMZ), and to access the experience, ideas and products of current programmes (MKI-vetEP).

**The facilitating components of the German contribution** basically include advising organisations in the establishment of the *Employment Centre*, the training and education of job agents/career advisors (Employment Facilitators), technical support in the development of databases for job procurement and advice in the design and implementation of Employment Fairs und Job Promotion measures.

### 3.5 Total cost and time frame

At present, the total external financing of the fast track measure is 200,000 EUR as German contribution. The contribution from the partners of the National Employment Pact including the provision of premises, staff and financing amounts to 100.000 EUR.

Including a possible contribution of [REDACTED] by AUSAID the total cost amounts to [REDACTED]

The duration is scheduled for one year (04/2011 to 03/2012).

### **3.6 Effects and risks**

The desired outcomes of these measures make a contribution to the stability of the socio-political situation in Egypt. At the same time, medium-sized Egyptian companies and the investment climate in Egypt can expect a positive effect.

The measures are carried out in close cooperation with the Chamber of Commerce, businesses and local economic corporations and through established partnerships, they guarantee a sustained effect.

The model character of the measures opens up the perspective for dissemination in the local region, as well as in the neighbouring countries of the MENA region.

Nevertheless, the risk of these measures must be taken into consideration, in view of the current economic and political developments. The formation of stable political relationships and the maintenance of a controllable structure in Egypt, which is also necessary to retain economic growth, is key for implementation.

### **3.7 Opportunities for further enlargement and herewith increasing of effects and impacts on Employment Promotion in Egypt**

Presently, a new BMZ-financed and GIZ-supported Employment Promotion Program is scheduled to start by 07/2011 and it is proposed to jointly undertake this new and promising initiative.

A summary of the project proposal as discussed with the Egyptian partners and as presented to the German authorities is enclosed for information and review. A more detailed document can be submitted in short notice. The German Contribution to this Program with an allocation of € 2.44 Mio is already secured.

The project structures (offices, equipment, staff etc.) do exist via the still ongoing "Vocational Education, Training and Employment Program - Mubarak-Kohl-Initiative (MKI-vetEP), enabling the immediate start of the new project by July 2011. The potential additional co-financing contribution by AUSAID in an amount comparable to the German allocation could significantly expand and intensify its results and impact. The German Government strongly supports this kind of joint undertakings.