



**Australian Government**  
**AusAID**



---

## **Programme Outline**

<b>Programme Number:</b>	<b>TIM/07/03/AUS</b>
<b>Title:</b>	<b>YEP - Youth Employment Promotion</b>
<b>Country:</b>	<b>Timor-Leste</b>
<b>Implementing Agencies:</b>	<b>Secretariat of State for Vocational Training and Employment International Labour Organization</b>
<b>Estimated Start Date:</b>	<b>1 March 2008</b>
<b>Estimated End Date:</b>	<b>31 January 2012</b>
<b>Budget:</b>	<b>US\$ 6,450,040 – AusAID Funding US\$ 10,000,000 - SEFOPE Funding</b>

*“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 15<sup>th</sup> June 2005

## TABLE OF CONTENTS

<b>1. PROGRAMME SUMMARY</b>	<b>4</b>
<b>2. BACKGROUND AND JUSTIFICATION</b>	<b>6</b>
Situation analysis	6
Overview of relevant ILO programmes in Timor-Leste	10
Programme strategy	10
<b>3. PROGRAMME OBJECTIVES</b>	<b>14</b>
Development objective	14
Specific objectives	14
<b>4. TARGETED INTERVENTIONS</b>	<b>14</b>
<b>5. TARGET GROUP AND PARTNERS</b>	<b>26</b>
Ultimate beneficiaries	26
Immediate beneficiaries	26
<b>6. GENDER CONCERNS</b>	<b>27</b>
<b>7. INSTITUTIONAL FRAMEWORK</b>	<b>28</b>
SEFOPE Organisation Chart	29
<b>8. CO-FINANCING ARRANGEMENTS</b>	<b>30</b>
<b>9. MANAGEMENT ARRANGEMENTS</b>	<b>30</b>
YEP Technical Assistance Organisation Chart	31
<b>10. MONITORING AND EVALUATION</b>	<b>32</b>
Monitoring	32
Evaluation	33
<b>11. ASSUMPTIONS AND RISKS</b>	<b>33</b>
<b>12. BUDGET</b>	<b>34</b>

## ACRONYMS

<b>AMFTIL</b>	Association of Microfinance Institutions in Timor-Leste
<b>AusAID</b>	Australian Agency for International Development
<b>BDC</b>	Business Development Centre (= CDE)
<b>CBT</b>	Competency-Based Training
<b>CDE</b>	Centro Desenvolvimento Empresarial (=BDC)
<b>CFW</b>	Cash-For -Work
<b>CTA</b>	Chief Technical Advisor
<b>DEC</b>	District Employment Centre
<b>DESD</b>	Division of Employment and Skills Development
<b>EC</b>	European Commission
<b>EVTF</b>	Employment and Vocational Training Fund
<b>IADE</b>	Instituto de Apoio ao Desenvolvimento Empresarial
<b>ILO</b>	International Labour Organisation
<b>KAB</b>	Know About Business
<b>LMI</b>	Labour Market Information
<b>LFDI</b>	Labour Force Development Institute
<b>MAFF</b>	Ministry of Agriculture, Forestry and Fisheries
<b>MD</b>	Ministry of Development
<b>MEC</b>	Ministry of Education and Culture
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MIS</b>	Management Information System
<b>MLCR</b>	Ministry of Labour and Community Reinsertion
<b>NGO</b>	Non-Governmental Organisation
<b>PSC</b>	Programme Steering Committee
<b>SEFOPE</b>	Secretariat of State for Vocational Training and Employment
<b>STAGE</b>	Skills Training for Gainful Employment Programme
<b>UNDP</b>	United Nations Development Programme
<b>UNMIT</b>	United Nations Mission in Timor-Leste
<b>VET</b>	Vocational Education and Training
<b>WB</b>	World Bank
<b>YCC</b>	Youth Career Centre
<b>YEF</b>	Youth Employment Fund

## 1. PROGRAMME 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 2006 ILO Report on Global Employment Trends for Youth shows that “the inability to find employment originates high costs primarily to youth, but also to the economy and society as a whole”. The Report points out that “idle youth creates a sense of vulnerability, uselessness and redundancy” that have direct impact on the potential for violence, crime, and drug abuse.

This is the cost that Timor-Leste can't afford, and the challenge that the YEP Programme will contribute to address.

The Government of Timor-Leste is taking a number of important initiatives to enhance education and skills training for young people and to expand the employment opportunities for young people as they enter the labour force. This Programme will support and build upon these initiatives, drawing upon ILO expertise and tools in the areas of youth employment, training, entrepreneurship development and labour-intensive works.

To address the obstacles experienced by youth in accessing labour market-driven training and employment opportunities, the YEP Programme will carry out activities towards four specific objectives: (i) A set of policies for Youth Employment consistent with the National Employment Strategy, developed and adopted by the Timor-Leste Government; (ii) Employment and suitable training opportunities for young women and men provided by established Employment Centres and Youth Career Centres, in collaboration with partner organisations; (iii) A *safety net* created for most deprived rural poor through the organisation of Labour-Intensive Public Works in critical periods and geographical areas; (iv) A competency-based education and training system, providing Timorese youth with relevant skills in accordance with the labour market requirements, established and operational.

The Programme will target all the thirteen Districts of Timor-Leste assisting an estimated number of 70,000 beneficiaries during the four years of implementation.

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

## 2. BACKGROUND AND JUSTIFICATION

### Situation analysis

Youth unemployment has skyrocketed worldwide over the past decade to some 88 million, reaching an all time high. Young people now represent nearly half of world's jobless and a recent ILO report<sup>1</sup> estimates that at least 400 million decent and productive employment opportunities will be needed in order to harness the full productive potential of today's youth. The same ILO report says that *"Idle youth is a costly group and nothing than an inability to find employment creates a sense of vulnerability, uselessness and redundancy"*.

The largest youth unemployment rate increase – up to a stunning 85.5%, from 5.2 to 9.7 million – was in South East Asia and the Pacific. Between now and 2015, the global youth labour force will continue to grow, with a particular concentration in the Region, where 11 million are expected to join the labour market.

Timor-Leste is a young nation, which is currently recovering from a deep political crisis. With a population of 924,642, a rate of population growth of 5.8% and a fertility rate of 7.8 births per woman (*Source: National Census 2004*), Timor-Leste is not only a young country, but also a country of young people. According to the most recent surveys and statistics, in fact, 48% of the population is below the age of 17 and youth (aged from 15 to 29) account for about a quarter of the Timorese people. Moreover, the Timor-Leste Living Standards Survey 2001 highlights that the young age structure of the Timorese population continues to generate large cohorts of youth and the increasing trend will continue during the next 5 years, where the **proportion of young people** would flatten at 28%.

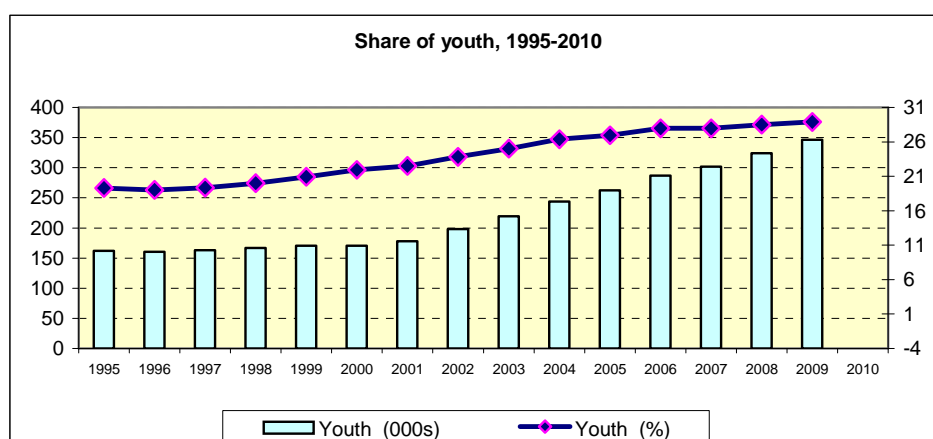


Fig.1. Youth are accounting for an increasing share of the population.

<sup>1</sup> Global Employment Trends for Youth (Geneva, October 2006)

The above-mentioned statistics show just one of the multiple dimensions of the current Timor-Leste socio-economic “youth challenge”.

According to another recent survey<sup>2</sup>, the overwhelming anxiety of Timorese youth is the lack of employment opportunities. This primary concern of young people is supported by socio-economic data, displaying a **youth unemployment rate** at 43%, and indicating that 15,000-20,000 young people enter the labour market every year. The unemployment rate is undeniably increasing, particularly among those with some secondary education. In addition to that, about 56% of the youth have subsistence farming as the dominant occupation and only about 13% of the men and 9% of the women of the total population are engaged in wage employment. In terms of youth unemployment, another aspect that should be taken into consideration is the profound distinction between the rural and the urban contexts: the Timorese youngsters are overrepresented in urban areas, where 23.5% of them are currently unemployed.

Youth unemployment and underemployment trends in Timor-Leste 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. Youth, in fact, share the problems common to all micro and small entrepreneurs, but in addition, age works against them in terms of their greater difficulties of getting access to credit (youth are considered a high-risk group by financial institutions due to the lack of experience and collateral) and they definitely lack of networks. Youth are therefore concentrated in low-productivity and survival-type activities in the informal economy.

In relation to the **education situation**, it is undeniable that the youth is the most educated group of the Timor-Leste population. About 60% of the young aged 15-19 years have some secondary education, which is about twice as many as those aged 25-29. This should be compared with the fact that 72% of the total population has no schooling. On the supply side, Timor-Leste system of secondary technical schools and vocational training centres is in need of strengthening with regard to competency-based training and linkages with the private sector (less than 1% of the employers report using educational institutions to recruit employees). It is equally important that schools and training centres are aware of career and job opportunities in the public and private sector and have access to labour market statistics that could inform them about labour market conditions awaiting their graduates. Moreover, many school leavers enter the labour market unprepared and with expectations that are very different from the reality.

---

<sup>2</sup> Lene Ostergaard, Youth Social Analysis Mapping and Youth Institutional Assessment, June 2005.

The recent Training Providers assessment, conducted by the ILO STAGE Programme, has revealed some important and concerning aspects regarding the operation and characteristics of the current **Vocational Training System** in Timor-Leste: (i) Training offers of different quality, and little coordination among Training Providers; (ii) Inappropriate relationship between the training offer and economic needs, expressed in the demand for trained workers; (iii) Lack of coherent evaluation of the training and training provider missing in most of the organizations, including internal and external success rates of the training; (iv) Weak capacity of Training Providers to set up trainings adapted to the different learning styles of the Timorese adults and to differentiate the delivering of the courses in order to include different target groups and promote equal opportunities; (v) Low level of competitiveness of the economy, related with low levels of training and poor productivity performance; (vi) Signs of exhaustion of the training system in place. As a result, the lack of a skilled workforce represents a major constraint for the competitiveness of Timorese entrepreneurs that more and more are being forced to operate in the global market to import the skills they require. Furthermore, employers in Timor-Leste cannot rely on Vocational Certificates to guarantee a particular level of operational skill and technical knowledge.

**School-to-work transition** is often hindered by the fact that young people lack the knowledge and skills required by the labour market. The problem is partly attributable to the fact that, as mentioned above, education and training systems offer curricula that are irrelevant or unrelated to the needs of the labour market and for a productive working life. Young people therefore tend to have a longer period of job search as compared to adults. Some, especially young women, may become discouraged and give up actively looking for work. Part of the problem may also be due to the fact that aspirations of Timorese youth are unrelated to the realities of the labour market, a problem aggravated by the mentioned lack of proper career guidance and counselling in the education/training institutions.

**Career guidance** to inform young people about education or training options and about the consequences of their choices for career and earning prospects is also lacking in the current Timor-Leste panorama. In the absence of such advice and information, many young women and men continue to enter jobs in which they do not use the skills and qualifications obtained through formal and/or non-formal education, thus leading to inefficiencies in the labour market.

The other side of the medal is represented by the **access to information** about training and employment opportunities. University students in Dili - for example - declare that information comes mainly through newspapers, radios and television, which many of people cannot afford to buy or do have little access to. From a rural perspective, apart from the Employment Centres of the SEFOPE (located in Dili, Maliana, Baucau, Oecusse), there is virtually no information about job, educational and training opportunities and, since in the districts national television or radio are almost nonexistent, the majority of Timorese young jobseekers rely only on informal networks and contacts to search for jobs.

Both Timorese youth and adult workers face the same constraints related to the quantity and quality of jobs. However, the share of adverse effects, felt by all workers when aggregate job demand is low, is disproportionately larger for young potential workers. The reason for this is that youth experience certain *age-specific difficulties in the labour*



*market*. As first-time jobseekers, they often lack working experience, which tends to be much valued by employers. Getting such first experience is a major difficulty most Timorese youth face, especially because education and training systems rarely offer entry channels from education / training institutions into the labour market.

The Timor-Leste Government is making every effort to create an enabling environment for domestic as well as foreign investment to grow; but keeping the current trend in view, it is unlikely that, at least in the foreseeable future, the surplus person-power would be effectively absorbed in mainstream industries and services. The country thus still grapples to reduce its unemployment and under employment rates and raise the living standards of its population. Moreover, in the light of the recent events, the Government is 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, the Ministry of Education and Culture and the Secretariat of State for Youth and Sport.

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 training opportunities, therefore, is a must for reducing possible future social destabilisation and contributing to the peace, stability and economic prosperity.

## Overview of relevant ILO programmes in Timor-Leste

The ILO's country programme in Timor-Leste has increased substantially over the last years, with funds coming from a wide range of donors and solid partnerships developed with other UN Agencies. Currently, the main intervention of the ILO in Timor Leste is the European Commission-funded **STAGE (Skills Training for Gainful Employment)** Programme. The STAGE Programme aims to reduce poverty and promote economic growth, building national capacity to deliver a demand driven micro enterprise and skills training, and contributing to the establishment and development of income generating activities within communities. STAGE provides the SEFOPE with the competences, instruments, and methodologies to coordinate and monitor vocational and micro enterprise skills and deliver effective employment services. Moreover, it strengthens the capacity of existing rural training providers to deliver flexible and integrated vocational and business management training, and empowers communities through the provision of skills and micro-enterprise start-up support. Addressing the needs of the youth seeking training and employment chances, the YEP Programme is a natural complement of the STAGE Programme. The successful symbiosis between the STAGE Programme team and the SEFOPE staff will represent the foundation on which the YEP Programme structure will be built.

In the immediate aftermath of the April/May 2006 crisis, the ILO and UNDP Offices in Timor-Leste in close collaboration with the former MLCR successfully launched a Cash-For-Work intervention to provide Timorese youth with immediate short-term employment opportunities. The **Servi Nasaun** (Serve the Nation) Project, implemented through the DESD and the District Employment Centres of the former MLCR (already supported by the ILO under the STAGE Programme), in its six-month lifetime, contributed to decrease the unrest caused by unoccupied youth and, through direct cash-injections, allowed more than 30,000 youth to provide for their immediate needs. The YEP Programme will build on this experience and capitalize the lesson learned in the implementation of the "Short-Term Employment Creation, through Labour Intensive Public Works" Strategic Component.

Given of the achievements attained by the *Servi Nasaun* Project, the former MLCR and the ILO and UNDP Offices in Timor-Leste have been requested to expand, both in terms of timeframe and geographical coverage, this kind of intervention. Given the specific context in which it was be implemented (focus on rural areas), the **Serbisu Ba Dame** (Work for Peace) Project, funded by the European Commission, scaled-up the level of the *Servi Nasaun* Cash-For-Work activities, through labour-based rural infrastructure rehabilitation works, creating thus direct and indirect opportunities for income generation and employment for more than 23,000 unemployed youth. The YEP Programme will benefit from the management structure initiated under the *Serbisu ba Dame* Project and will ensure its sustainability within the SEFOPE.

## Programme strategy

In response to this global youth employment challenge, the World Bank, the ILO and the United Nations, set-up the Youth Employment Network, created under the impetus of the [Millennium Declaration](#) which refers to "*develop and implement strategies that*

*give young people everywhere a real chance to find decent and productive work."* Youth Employment was subsequently integrated in the [Millennium Development Goals](#), becoming an important goal in its own right and a key contribution to meeting other Millennium Goals, including those relating to poverty reduction. The ILO and its partners have developed major programmes in a range of countries on youth employment, bringing together best practice that can now be used for the design of interventions in Timor Leste (<http://www.ilo.org/public/english/employment/yett/>)

In the light of the factors that generated and resulted from the current crisis, and based on the experience gained through the implementation of previous ILO Projects, the design of the YEP Programme focuses on the enhancement of youth employability and the creation of employment opportunities for young women and men. Moreover, through the implementation of the YEP Programme, it is expected that unrest caused by unoccupied youth will decrease, contributing to the lowering of tension and enhanced stability.

To emphasise the importance of integrated support for in-school and out-of-school Timorese youth, the YEP Programme is designed around four closely inter-related strategies. These strategies address the needs and obstacles faced by Timorese youth from their participation in the formal and non-formal education systems to their entry into the world of work. Each strategy will encompass direct action as well as building institutional capacity of partner organisations at the national and local levels.

The first strategic component is centred on facilitating the development of a set of policies that will frame the Government and development partners' interventions in the effort of tackling the youth employment challenge. The YEP Programme will support the Timor-Leste Government in developing and adopting a National Youth Employment Action Plan (see box under Programme Output N. 1.1), consistent with the National Employment Strategy, which will lead the overall Secretariat of State for Vocational Training and Employment's strategy of reducing youth unemployment and under-employment. In addition, the Programme will support the establishment, within the SEFOPE legal framework, of a Youth Employment Fund, supporting employment and employability interventions and implementing the recommendations of the National Youth Employment Action Plan. Finally, the first strategic component of the Programme will provide technical and legal support to the SEFOPE for the creation of the Labour Force Development Institute, which will be responsible for the establishment of a system whereby organizations delivering Vocational Education and Vocational Training may be nationally accredited and the training they provide may be nationally certified and internationally recognized.

As mentioned above, many Timorese young women and men experience long spells of unemployment when they look for the first job. Unsuccessful attempts to seek work in the formal economy often leads to discourage youth who eventually end up in the informal sector where quality, productivity and security are low or. The second strategic component of the YEP Programme will promote a supportive environment for successful school-to-work transition of Timorese secondary technical schools and vocational training graduates and enhanced access of out-of-school youth to life-long learning and employment opportunities, through high quality labour market information and career guidance. Youth Career Centres will be established within the existing SEFOPE's Employment Centres, to provide career guidance and counselling to in-

school an out-of-school youth and to disseminate relevant information on training and employment opportunities. Furthermore, the YEP Programme will address the lack of entrepreneurship culture among Timorese youth, through sound entrepreneurship education and enterprise development interventions targeting both students and graduates of the secondary technical education and vocational training providers as well as out of school youth.

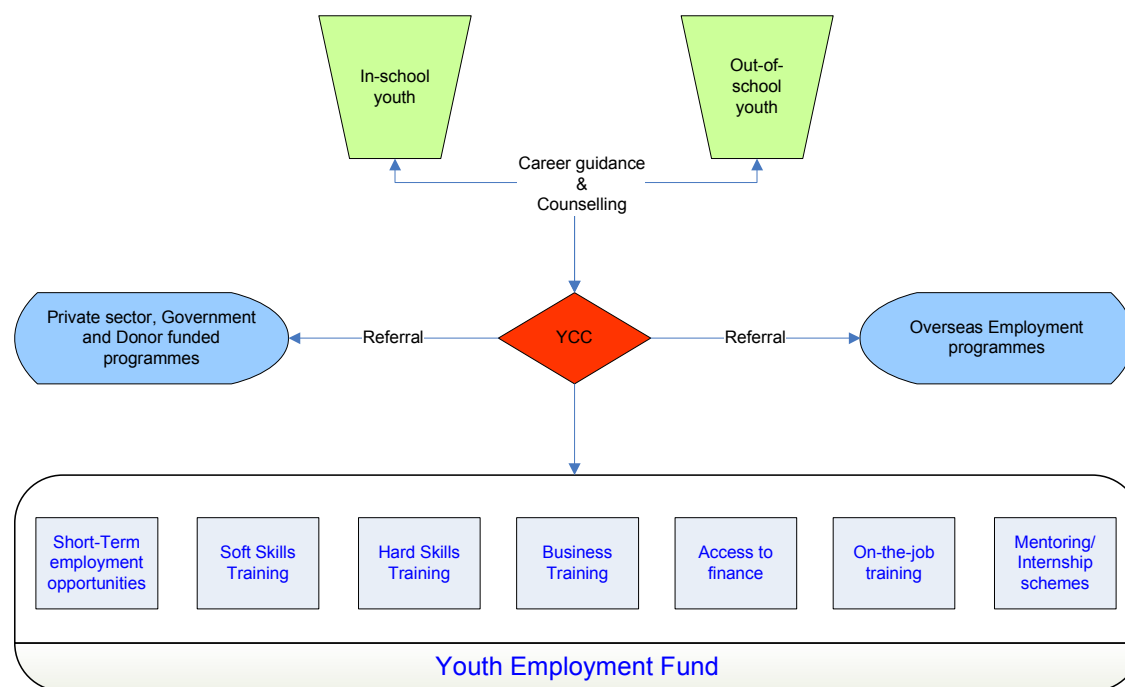


Fig.2. Youth Career Centres play a central role in helping first-time jobseekers

Through targeted career guidance and counselling services delivered by the Youth Career Centres, the YEP Programme will provide in- and out-of-school young women and men from 15 to 29 years of age with:

- Quality career planning and advices on available education and training options, enhancing employability and responding to the real need of the labour market.
- Up-to date information on available employment opportunities at local level and labour market trends.
- Individual referral services to relevant stakeholders offering empowerment, education and employment options.
- A youth-friendly platform to access vacancies posted by Employers, Government and Donor funded programmes.
- An open space to dialogue with employers, training providers and financial institutions.

In particular, through the establishment, within the SEFOPE legal framework, of the above-mentioned Youth Employment Fund, the YEP Programme will directly provide financial resources for the following youth employment promotion activities:

- On-the job training;
- Training-Enterprise Integrated Programmes;
- Skills training and retraining programmes;
- Business management training;
- Access to micro-finance;

- Life and soft skills;
- Internship/Mentoring schemes.

Finally, the YEP Programme, through its operational arm represented by the job-mediation services of the Youth Career Centres, will build strong and effective linkages with ongoing short and medium-term employment promotion initiatives (Private sector, Government, Donor-funded and Overseas Employment programmes) able to absorb a bulk of unemployed youth.

The third YEP Programme strategic component will address the need of establishing, within the SEFOPE, a flexible structure representing a concrete step towards the use of Labour-Intensive works as a *safety net* to target specific areas that have high unemployment and poverty rates, or to counter other specific humanitarian and social shock or simply to provide cash transfers to poor households during critical times. The Labour-Intensive methodology will ensure that most of the funds will be channelled directly into the local economy instead of purchasing expensive machinery, which traditionally represents a major cost factor in infrastructure related works and leads to unsustainable maintenance plans. Apart from injecting cash into rural economy, the second purpose of this intervention is providing local communities with quality rural infrastructure. The Labour-Intensive Public Works will be, as much as possible, synchronized to the timing of agricultural slack seasons, when the market demand for labour is low, offering to the beneficiaries an opportunity of employment during these off-peak seasons and providing them with an annual income approximately equal to the poverty line. In the aftermath of the crisis, this type of public workfare programs will represent an important counter-cyclical action ensuring a *continuum* between relief and development interventions.

To complement the above focus on youth employment and employability, the fourth strategic component of the YEP Programme proposes the establishment of a Labour Force Development Institute (LFDI) that will be responsible for the revamping of the Timor-Leste vocational training system, ensuring its adequacy and relevancy towards the existing and potential labour market requirements. The LFDI will put in place a national system of competencies, based on standards set by the different industry sectors in conjunction with institutions involved in the organization and implementation of vocational education and training. The LFDI will place particular attention to the infusion of academic, technical and soft skills with practical work experience to establish national and eventually-regionally-accepted standards, as well as to the development of a national certification framework that will promote the mobility and employability of the Timorese labour force.

### 3. PROGRAMME OBJECTIVES

---

#### Development objective

In the four years timeframe, the YEP Programme will contribute to social stability and poverty reduction in Timor-Leste, through the enhancement of youth employability and the creation of employment opportunities for young women and men.

#### Specific objectives

1. A set of policies for Youth Employment consistent with the National Employment Strategy, developed and adopted by the Timor-Leste Government.
2. Employment and suitable training opportunities for young women and men provided by established Employment Centres and Youth Career Centres, in collaboration with partner organisations.
3. A safety net created for most deprived rural poor through the organisation of Labour-Intensive Public Works in critical periods and geographical areas.
4. A competency-based education and training system, providing Timorese youth with relevant skills in accordance with the labour market requirements, established and operational.

### 4. TARGETED INTERVENTIONS

---

Based on the afore-mentioned four specific objectives, the YEP Programme's targeted interventions will cover four main areas of action:

1. Development of Youth Employment Policies.
2. Promotion of a supportive environment for successful school-to-work transition and enhanced access of out-of-school youth to life-long learning and employment opportunities.
3. Creation of Short-Term Employment opportunities, through Labour Intensive Public Works.
4. Establishment of inclusive structures for the development of market-driven vocational education and training.

Each of these “Strategic Components” has a specific target group; however, the results achieved in one strategic component are designed to contribute to the achievement of success in other components.

## Strategic Component 1

### Development of Youth Employment Policies.

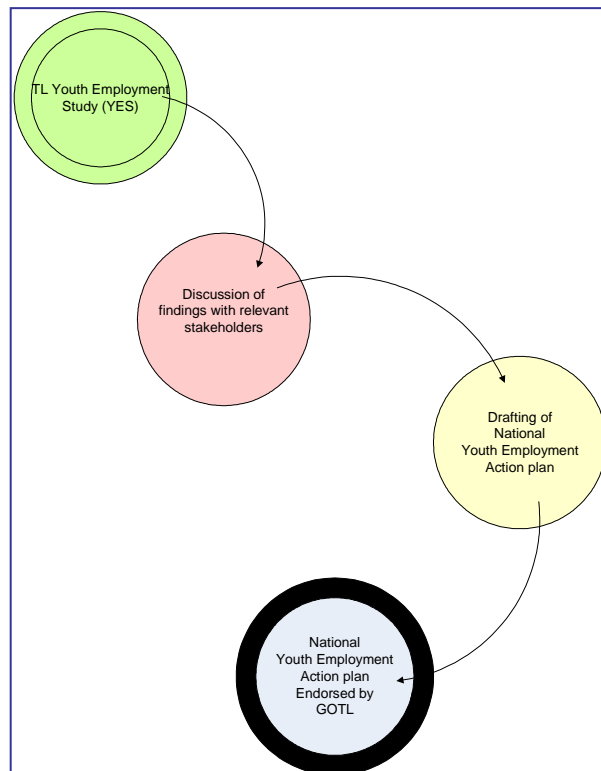
#### Programme Output N. 1.1

#### A National Youth Employment Action Plan reflecting the National Employment Strategy developed and adopted by the Timor-Leste Government.

The recognition of the Timor-Leste Government of the importance of youth education, training and employment for the country's future development has become evident in the immediate aftermath of the recent crisis. Nevertheless, a set of policies tackling the youth employment challenge is not yet in place in the current political scene. To fill this gap, the YEP Programme proposes a phased approach of policy development, implementation and awareness.

#### Main activities:

1. Carry out a “Timor-Leste Youth Employment Study” (YES) in order to assess the capability of secondary technical education and vocational training providers to respond to the needs of employers and assess their main concerns in recruiting young workers. Disseminate and discuss the findings of the report with relevant national stakeholders.
2. Carry out consultations with national stakeholders to address youth unemployment and under-employment issues.
3. Develop a National Youth Employment Action Plan and Policy Recommendations for Youth Employment in order to incorporate Youth Employment Goals in Macro Policy.
4. Present to Government and Development Partners the endorsed Youth Employment Action Plan with the Policy Recommendations for Youth Employment.
5. Mainstream the gender dimension of youth employment in policies and programmes.
6. Publish and distribute to relevant stakeholders all the relevant documents produced.
7. Awareness raising and social marketing (socialisation) campaigns on the youth employment challenges and National Youth Employment Action Plan.
8. Develop “linkage support programmes” with existing Employers Organisation (i.e. Timor-Leste Employers Forum) to foster their involvement in the on-the-job training programmes funded by the Youth Employment Fund.
9. Monitoring, evaluation and reporting on the progress of the Youth Employment Action Plan.



### **The objectives of the National Youth Employment Action Plan**

*The National Youth Employment Action Plan will be a concerted effort by the Timor-Leste Government, social and development partners to achieve the following objectives:*

- 1. To identify the key issues and challenges faced by young women and men in their transition through education to the workplace.*
- 2. To acknowledge that many policies, programmes and activities already exist and to provide a platform for sharing of information and knowledge at national and district levels, that will enrich the various initiatives already being undertaken.*
- 3. To set priorities for action by policymakers and other stakeholders.*
- 4. To demonstrate the need for, and benefit of, an integrated approach to addressing the youth employment challenge.*
- 5. To provide a set of policy recommendations that can contribute to the creation of quality jobs, thereby reducing unemployment, under-employment and the numbers of young people living and working in poverty.*
- 6. To stimulate action by individuals and groups of stakeholders to involve themselves in processes and programmes that directly and indirectly contributes to the generation of more and better jobs for young men and women.*
- 7. To urge district level authorities to mainstream youth employment issues into economic and social policies, strategies and programmes at district level.*
- 8. To encourage young men and women to participate in dialogue and collective action as a necessary pre-requisite for an accurate and effective response.*

### **Programme Output N. 1.2**

**A Youth Employment Fund, supporting employment and employability interventions and implementing the recommendations of the National Youth Employment Action Plan, established within the SEFOPE legal framework.**

The YEP Programme Output N. 1.2 aims at establishing a flexible mechanism allowing the SEFOPE and / or other donors to channel financial resources to activities targeting unemployed youth. It is expected that the use of the Youth Employment Fund will lead to an increased rate of budget expenditure of the SEFOPE and will constitute the major instrument for the Government of Timor-Leste to tackle the youth employment challenge. Therefore, the Youth Employment Fund, with its Employment Promotion Management Board, will represent, simultaneously, the backbone of the overall YEP Programme and the milestone of its financial sustainability.

### **Main Activities:**

1. Develop appropriate Employment Promotion Legislation representing a legal instrument conducive to the establishment of active employment policies for the implementation of the National Youth Employment Action Plan.
2. Set up the management structure of the Youth Employment Fund within the SEFOPE and ensure its harmonisation with the EVTF (see box below) operational procedures.
3. Assist the SEFOPE in the establishment of an Employment Promotion Management Board, which will ensure common strategic planning, monitoring and coordination of employability and employment promotion initiatives.
4. Assist the SEFOPE in developing a modern set of administrative and financial procedures enabling fast implementation without compromising transparency, accuracy and accountability.



### **The Youth Employment Fund**

*The Youth Employment Fund will make use of the EVTF (Employment and Vocational Training Fund) mechanisms established by the ILO STAGE Programme, within the former Ministry of Labour and Community Reinsertion (now, SEFOPE) with the objective to provide financial resources to training and employment promotion initiatives.*

*The EVTF has been in full fledged implementation during the last two years, managed by the Ministry of labour and Community Reinsertion, and under the direct control and supervision of the Ministry of Planning and Finance. The EVTF is considered to be a model of transparency and accountability, representing a fundamental component towards programmes sustainability.*

### **Programme Output N. 1.3**

**An appropriate legal framework for the creation of a Labour Force Development Institute developed and adopted by the Timor-Leste Government.**

The Programme Output N. 1.3 will build upon previous activities realized by the ILO STAGE Programme, which assisted the SEFOPE in the preparation of the draft law for the establishment of the Labour Force Development Institute (LFDI). The YEP Programme will provide further support to the SEFOPE for the integration of eventual recommendations of the Council of Ministers in the draft law, as well as in the preparation of the LFDI statutes/administrative instructions.

#### **Main Activities:**

1. Establish an inter-ministerial working group, involving the Secretariat of State for Vocational Training and Employment and the Ministry of Education and Culture, for the preparation of the LFDI secondary legislation.
2. Develop the LFDI statutes.
3. Develop the administrative instructions for the implementation of the LFDI.

### **Strategic Component 2**

**Promotion of a supportive environment for successful school-to-work transition and enhanced access of out-of-school youth to life-long learning and employment opportunities.**

### **Programme Output N. 2.1**

**Youth Career Centres, established within the existing Employment Centres under the management of the National Division of Employment of the SEFOPE, able to provide career guidance and counselling to in-school and out-of-school youth.**

This Programme Output builds on the ILO-STAGE experience in providing the former DESD of MLCR with relevant capacity building and technical support. In order to expand the coverage of the existing employment services, the YEP Programme will support the creation of three new employment centres and the establishment of a Youth Career Centre in each Employment Centre under the management of the National Division of Employment of the SEFOPE. Youth career and counselling training packages will be developed and delivered to the newly recruited Youth Career Centres' staff.

**Main activities:**

1. Support the SEFOPE in establishing three new Employment Centres.
2. Create Youth Career Centres within all the existing SEFOPE Employment Centres.
3. Assist the SEFOPE in consolidating a flexible and sustainable Labour Market Information system at central and district levels.
4. Design appropriate reference material to support career guidance and counselling.
5. Develop career guidance and counselling training package and other relevant learning aids and deliver them to the YCCs' staff.
6. Implement gender awareness training for all the newly recruited SEFOPE staff.
7. Train and/or capacitate core SEFOPE staff in:
  - Employment and labour market policies;
  - Self-employment promotion policies and programmes;
  - Addressing youth employment problems;
  - Training and skills policies;
  - Mainstreaming gender equality.

**Programme Output N. 2.2.**

**Access of unemployed and under-employed youth to relevant information on training and employment opportunities is enhanced.**

Using all the media supports available and the network of existing Youth Associations, the YEP Programme will design specific youth-oriented “Public Information Services” that will allow the SEFOPE to intensively disseminate information on employability and employment opportunities available to Timorese youth.

**Main activities:**

1. Enhance the visibility of the SEFOPE’s Employment Services, with particular focus on the Youth Career Centres.
2. Develop a vigorous Multimedia Public Awareness Campaign Promoting Youth Employment and Youth Entrepreneurship.
3. Assist the SEFOPE in developing and implementing a media strategy (Public Information Services) to spread the information on available education, training as well as employment opportunities for youth.
4. Create a youth-friendly platform for young women and men to access vacancies posted by Employers, Government and Donor-funded programmes.

**Programme Output N. 2.3**

**In-school youth are in a position to make well-informed choices about education, training and career plans.**

The YEP Programme proposes to support career guidance and counselling in secondary technical education and vocational training providers through the SEFOPE’s Youth Career Centres, aiming at outlining options with regard to personal and professional development. Career guidance and counselling are based on information about educational opportunities such as whether to enrol in formal education or seek non-formal alternatives, what level of education is necessary to access certain jobs, where to access technical and vocational training, and whether to proceed to academic or vocational education. Career guidance also includes up-to-date labour market information, which will help building awareness among youth about employment options.

**Main activities:**

1. Assist Youth Career Centres in planning regular visits to Secondary Technical Schools of MEC and MAFF as well as targeted Vocational Training Providers.
2. Support the Youth Career Centres’ staff in providing quality career guidance and counselling to secondary technical education and vocational training graduates.
3. Regularly make available to Secondary Technical Schools of MEC and MAFF as well as to targeted Vocational Training Provider up-to-date information on labour market needs, complementary training and on-the-job training opportunities, self-employment support and internship or mentoring schemes.
4. Identify and support, through the Youth Employment Fund the following activities targeting secondary technical education and vocational training graduates:
  - a. On-the job training;
  - b. Training-Enterprise Integrated Programmes;
  - c. Business management training;

- d. Access to micro-finance;
- e. Internship/Mentoring schemes.

#### **Programme Output N. 2.4**

#### **Secondary technical education students have access to enhanced entrepreneurship and business creation education.**

This Output will address the need to address the employment challenge through the development of an entrepreneurship culture among young people. Entrepreneurship in the context of the YEP Programme is defined in its broadest sense as the ability to identify, assess and act upon opportunities. The entrepreneurship culture that the programme 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.

For the past two years SEFOPE, MD, MEC and MAFF, supported by the ILO, have been implementing and testing a range of learning materials for students, potential and existing entrepreneurs and teachers and trainers. These enterprise education and business start-up materials dovetail and complement one another and focus on two main target groups: i) general and longer-cycle enterprise education for in-school youth (Secondary Technical Schools of MEC and MAFF), and ii) short-cycle business start-up skills for out-of-school youth. The YEP Programme will fine-tune the existing modules and make available new learning materials, teacher training and teacher coaching, while the Government counterparts have officially committed to promoting the programme, as well as conducting regular monitoring and evaluation.

#### **Main activities:**

1. Continued capacity building of the National Division of Employment of the SEFOPE and of the Division of Professional Training of the MEC and the teachers and directors of all the Secondary Technical Schools in the implementation of the entrepreneurship education programme (*see box below*).
2. Continued monitoring of the current entrepreneurship education programme in secondary technical schools, analysis of results, and feedback to the Ministry of Education and Culture and Secretariat of State for Vocational Training and Employment.
3. Review, through extensive field-testing and participatory feedback processes, existing entrepreneurship and enterprise start up training materials for delivery to in-school and out-of-school youth.
4. Print relevant learning material for students and teachers participating in the entrepreneurship courses.
5. Capacity building of public and private sector training providers to deliver the business start-up training programmes to vocational training and secondary technical schools graduates, including delivery mechanisms, training of trainers programmes and linkages to financial services.

#### **Entrepreneurship education in the Timorese secondary technical education**

*The ILO STAGE Programme in Timor Leste, in collaboration with the former Ministry of Labour and Community Reinsertion (now SEFOPE) and the Ministry of Education and Culture, has introduced a pilot entrepreneurship course (Know About Business - KAB) in the Timor-Leste secondary technical schools.*

*The 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.*

### **Programme Output N. 2.5**

**Access of unemployed and under-employed out-of-school youth to market-oriented livelihood and hard and soft skills development opportunities is increased.**

This output is geared towards offering a range of inter-linked sets of services for out-of-school youth aged 15 to 29 years, through the established SEFOPE's Youth Career Centres.

#### **Main activities:**

1. Enhance SEFOPE Employment Centres' job mediation and placement services.
2. Assist the SEFOPE in the identification and development of community initiatives with potential to generate employment.
3. Assist the SEFOPE in the establishment of strategic partnership with key organisations operating at community level, with particular focus on local Youth Associations.
4. Identify and support, through the Youth Employment Fund the following activities targeting unemployed and under-employed out-of-school youth:
  - a. On-the job training;
  - b. Skills training and retraining programmes;
  - c. Business management training;
  - d. Access to micro-finance;
  - e. Internship/mentorship schemes;
  - f. Life and soft skills.
5. Create effective operational connections and linkages with the Strategic Component III (Programme Output N. 3.2) and other relevant public works Programmes set up by the Government and other Development Partners in order to ensure an extensive participation of youth through Youth Career Centres referral services.
6. Explore strategic alliances with finance institutions to provide credit to young entrepreneurs.
7. Explore partnerships with local organisations and/or Youth Associations for the provision of soft and life skills to the workers.

### **Strategic Component 3**

**Creation of Short-Term Employment opportunities, through Labour Intensive Public Works.**

### **Programme Output N. 3.1**

**SEFOPE capacity to execute Labour Intensive Public Works as a *safety net* for rural poor is built.**

Following well-defined developed guidelines, the YEP Programme will establish, within the SEFOPE structure, a flexible and needs based mechanism, which will allow the SEFOPE to implement Cash-Transfers Projects through Labour-Intensive Public

Works. A trained SEFOPE team of Timorese engineers will ensure the proper design, implementation and supervision of the selected activities. The capacity building of the SEFOPE will not be limited to the technical staff at central and district levels (district engineers, district operation officers and district field supervisors), but will also tackle the logistic and administrative constraints typical of such large-scale interventions. Based on the experience capitalised from previous ILO/MLCR projects (*Servi Nasaun* and *Serbisu ba Dame*), the YEP Programme will explore innovative avenues to ensure the technical and organisational sustainability of this Strategic Component.

#### **Main activities:**

1. Assist the SEFOPE in designing a set of guidelines for cash-transfers through Labour-Intensive Public Works.
2. Set-up, within the SEFOPE, a specific management and technical team able to:
  - Identify and assess the feasibility of the works to be undertaken;
  - Develop district action plans according to the priorities of the local authorities;
  - Mobilise the communities for the selection of workers;
  - Register the workers and enter the data in the SEFOPE database;
  - Ease all the logistic and administrative activities related to the ongoing works;
  - Supervise the works on site and ensure the quality of the output.
3. Establish, within the SEFOPE, an effective logistic and administrative structure, based on transparent procedures, ensuring timely and accurate procurement and payments to the workforce.
4. Develop technical training modules and other learning aids on Labour-Intensive Public Works and deliver them to the relevant SEFOPE staff.
5. Introduce a Gender Equality perspective in the Strategic Component structure and activities.

#### **Programme Output N. 3.2**

**Short-term employment opportunities created, in all the districts of Timor-Leste, through Labour-Intensive Public Works, organised by the SEFOPE's based on the methodology adopted in the guidelines for cash-transfers through Labour-Intensive Public Works.**

The YEP Programme aims to provide short-term employment opportunities at low wages for unskilled and semi-skilled workers on Labour-Intensive rural infrastructure related works (Road maintenance, irrigation infrastructure rehabilitation, reforestation, soil conservation, etc.), which have been identified as a priority given their high employment creation potential. Activities leading to youth reconciliation and reintegration, such as rehabilitation and/or reactivation of sports and recreational sites, will also be considered. In general, all the works will be identified through a community-driven process, involving local authorities at the district, sub-district, suco and aldeia levels. All the public workfare interventions will be provided through a flexible and needs-based mechanism, following well-defined guidelines approved by the SEFOPE. The works will target poor areas, and try to assure that the assets created are of maximum value to poor people in those areas. The Labour-Intensive Public Works will be, as much as possible, synchronized to the timing of agricultural slack seasons, when the market demand for labour is low, offering to the beneficiaries an opportunity of employment during these off-peak seasons. In general, the duration of employment

offered to the beneficiaries will vary depending on the nature of the work selected for implementation. However, the YEP Programme will give priority to those activities able to offer the workers the possibility to be engaged during a period of up to a maximum of four months. Considering a daily remuneration of US\$2, the scheme promoted by the YEP Programme will ensure an annual income approximately equal to the poverty line. Where possible, the YEP Programme, through the Youth Career Centres and in collaboration with selected partner organisations, will also provide workers with basic hard and soft/life skills (literacy, numeracy, communication, problem solving, working with others, adaptability, independent decision making, health - including HIV-AIDS awareness -, environment protection, work ethics, reproductive rights, domestic violence, fundamental rights at work, etc). Youth will be a priority target of this Strategic Component, but other vulnerable groups like women, poor households, etc, will also benefit.

#### **Main activities:**

1. Identification, in close consultation with local authorities and other stakeholders at District, Sub-District, Suco and Aldeia levels, of Labour-Intensive and low-skilled works in all the 13 Districts of Timor-Leste.
2. Harmonise the activity action plans with Ministry of Public Works and Ministry of Agriculture, Forestry and Fisheries' priorities.
3. Define specific "youth-oriented" selection processes for beneficiaries.
4. Identify workers to be enrolled in the works in close coordination with local authorities at the District, Sub-District, Suco and Aldeia levels.
5. Organize and supervise implementation of field activities, engaging selected beneficiaries.
6. Through the Youth Career Centres, create effective operational connections and linkages for the provision of hard and soft skills training to the selected beneficiaries.

### **Strategic Component 4**

**Establishment of inclusive structures for the development of market-driven vocational education and training.**

#### **Programme Output N. 4.1**

**A Labour Force Development Institute established and fully operational.**

The YEP Programme will promote the creation of a Labour Force Development Institute, which will be responsible for the establishment of a system whereby organizations delivering Vocational Education and Vocational Training may be nationally accredited and the training they provide may be nationally certified and internationally recognized. The system will include government and non-government institutions, formal and informal capacities, and on-the-job or off-the-job short or medium length courses. The Programme will also ensure that qualifications developed through work experience will be eligible for certification. The VET system is to cover all industries, encompassing those skills typically required by employers to make employees effective in their work.

#### **Main activities:**

1. Set up the national structure of the Labour Force Development Institute, within the framework of the Secretariat of State for Vocational Training and



- Employment, including its Execution Commission and subordinated Sub-commissions represented by selected industry sectors, and other stakeholders in the community.
2. Develop a continuous capacity building programme for the national structure of the Labour Force Development Institute, according to capacity gaps identified.
  3. Develop initial conditions for the Administration of the Certification System, including the design and implementation of a computerised database to allow monitoring and auditing, and appropriate registration of accredited training providers, enterprises, and assessors, as well as all competency certificates issued.
  4. Define procedures and create an internal capacity to Audit the certification system, including the preparation of the respective Audit Reports.

#### **Programme Output N. 4.2**

##### **National competency standards for vocational training approved.**

Under its Output N. 4.2, the Programme will be responsible to set up competencies in different sectors of employment, suitable for the Timor-Leste labour market requirements and in accordance with the international standards for vocational training. The sectors of employment are to be identified in accordance with the Government priorities and other factors related with their economic relevance. Setting up these competencies will entail undertaking the necessary research with regard to the job structure in the identified sectors and designing assessment rules and systems.

#### **Main activities:**

1. Determine the most important sectors of employment, taking in consideration Government priorities, and a number of other factors related with the dynamics and economic relevance (potential impact in the global economy of the country), the industry and public interest, and balance of business activity (for example balanced mix of manufacturing and service sectors).
2. Undertake the necessary research with regard to job structure in each priority sector identified, in order to identify the competencies that are involved while performing the respective associated activities (Competencies identified on the basis of job reality).
3. Work in consultation with industry, entrepreneurs, training providers and professional bodies to ensure that defined competencies match the requirements for effective workplace performance.
4. Describe/write identified competencies for each job of each selected sector of employment.
5. Approve national competency standards suitable for the labour market requirements in Timor-Leste, and in accordance with international standards for vocational training.
6. Ensure that competencies identified and described becomes a standard, i.e. an agreed (at the enterprise, sector, country level) valid point of reference for vocational education and training institutions, workers and employers.



**Programme Output N. 4.3****Vocational and technical competencies certified in conformity with the National competency standards.**

Under its Output 4.3, the YEP Programme, through the Labour Force Development Institute, will create a system to certify skills competencies whereby organizations providing technical education and training can issue nationally recognised and industry-endorsed qualification to students, trainees, and workers. Competencies to be certified include the linking of academic and technical skills as well as the human relations skills needed to be successful in the workplace, including a comprehensive range of knowledge, skills and attitudes. The recognition of competencies of workers is a fundamental aspect of the entire competency-based system, since a clear certification system facilitates labour mobility and, therefore, employability.

**Main activities:**

1. Train personnel of Training Centres in the Competency-Based Training (CBT) approach.
2. Ensure that training programmes are not only oriented to generate competencies by taking standards as a basis, but also that training strategies are more flexible to facilitate entrance and re-entrance, and represent a concrete and systematic lifelong learning approach.
3. Encourage Training Providers to promote a greater involvement of the participants in their training process, allowing their decision on what they need from training, as well as the pace and the contents.
4. Organise and conduct a public promotion campaign to inform on the certification framework and its implications on employability.
5. Certify training institutions and companies to become places of certification.
6. Certify qualified individuals as Competency Assessors.
7. Ensure the organization, monitoring, supervision, and evaluation of the competency assessment process, ensuring that certificates are effective proof of a verified competency, and it is based on a well-defined standard.
8. Certify vocational and technical competency in conformity with the national competency standards, and corresponding to a process of formal recognition of the proved competency.
9. Certify competencies acquired through work experience.

## 5. TARGET GROUP AND PARTNERS

---

### Ultimate beneficiaries

#### Definition of Youth

*Many international organisations, 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 YEP Programme, 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 Programme are young women and men from 15 to 29 years of age. Needless to say that a natural limit to the participation in the YEP Programme activities is the minimum age of the workers. The SEFOPE, 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 Programme and its partners must reach the young people themselves who are:

- Out-of-school young women and men from 15 to 29 years of age registered in the established Youth Career Centres.
- Students and graduates of secondary technical schools of the Ministry of Education and Culture and Ministry of Agriculture, Forestry and Fisheries and Vocational Training Centres.
- Workers enrolled in the implementation of the Labour-Intensive Public Works.
- The Timor-Leste labour force, which will gain enhanced employability and wider career development opportunities and the entrepreneurs, which will profit of a better prepared and skilled labour force.

The YEP Programme, through its Youth Career Centres and Employment Centres, will assist at least 70,000 unemployed and under-employed people, out of which 45,000 will be youth.

### Immediate beneficiaries

Immediate beneficiaries, on the other hand, will be those private and public institutions directly involved in the implementation of the activities and that will have access to the advisory and guidance services provided by the YEP Programme.

- National Division of Employment and National Division of Vocational Training of the Secretariat of State for Vocational Training and Employment.
- Division of Professional Training of the Ministry of Education and Culture.
- Directorate of Agriculture Technical Training Services of the Ministry of Agriculture, Forestry and Fisheries.
- Instituto de Apoio ao Desenvolvimento Empresarial (IADE) of the Ministry of Development.
- Secretariat of State for Youth and Sport.
- Local administrations, including District, Sub-district, Suco, Aldeia representatives.
- Youth Organisations and Networks.
- Micro-Finance Institutions, members of AMFITIL (Association of Microfinance Institutions in Timor-Leste).
- Vocational Training Centres.
- Employers' Organisations and their members, including enterprises accredited as places of certification.
- Teachers, trainers, managers and technicians of the above-mentioned institutions.

## **6. GENDER CONCERNS**

---

ILO programmes worldwide have always had a strong emphasis on gender.

The SEFOPE's Gender Cabinet, established by the STAGE Programme, will provide continuous support to the Youth Career Centres, promoting equal opportunities in the access to training and employment. Gender Awareness Training will be provided to all SEFOPE staff involved in the Programme implementation.

In addition to this, the YEP Programme will ensure the availability of gender disaggregated data in the monitoring and evaluation system and in the progress reports.

## 7. INSTITUTIONAL FRAMEWORK

---

The YEP Programme was defined and designed in close consultation and cooperation with the SEFOPE, reflecting the solid relationship developed through the implementation of past and ongoing initiatives.

In this line, YEP will follow the path set by the STAGE Programme being fully integrated within the Secretariat of State for Vocational Training and Employment. As a result, the YEP international expertise will work “directly” with SEFOPE officials, constituting an enlarged stronger “one-team” and representing a continued institution building resource. This approach will facilitate capacity building through the daily sharing of offices and objectives, and through the mutual and continued exposure that encourages permanent sharing of knowledge and experiences.

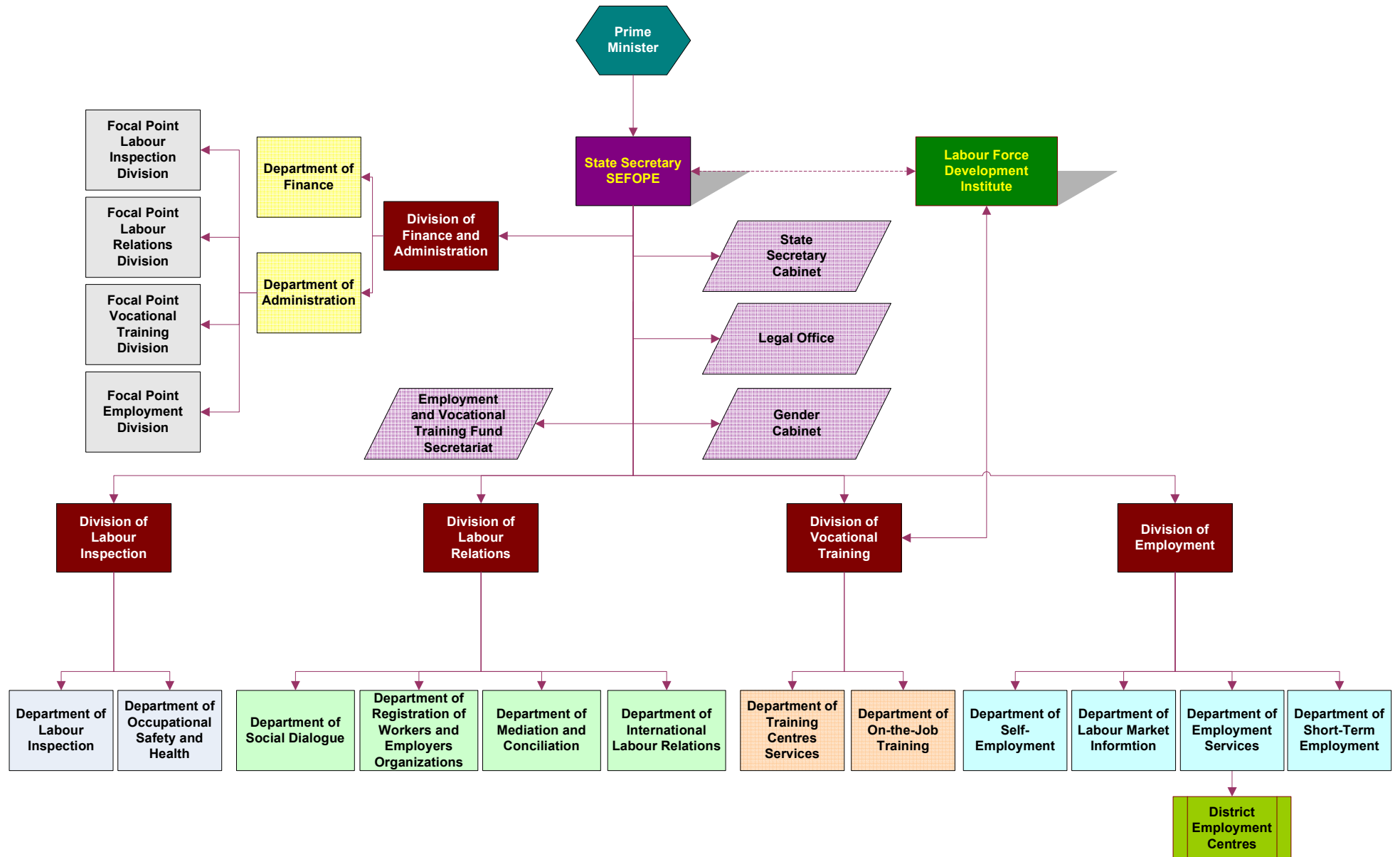
National staff is to be recruited under Government conditions and against employment contracts issued by the SEFOPE, which will facilitate their absorption by the counterpart institution. The YEP “Integrated Implementation Strategy” will allow SEFOPE to gradually select staff with proven abilities and skills for new permanent positions, promoting and enhancing the sustainability of the activities initiated by the Programme.

The Programme will be executed under the responsibility of the ILO in close collaboration with the Secretariat of State for Vocational Training and Employment and with the financial support from the Australian Government (AusAID). The ILO Jakarta Office will provide technical backstopping to the Programme.

A Programme Steering Committee (PSC) will be established to provide overall guidance and direction to the Programme and review its implementation progress periodically. The SEFOPE chairs the Programme Steering Committee while Donor and ILO representatives are represented in it. The PSC will meet on a six-month basis.

The YEP Programme will assist the Secretariat of State for Vocational Training and Employment in the gradual development of its structure in order to create a national capacity to ensure the future sustainability of the initiatives towards the promotion of youth employment and employability. The picture below illustrates the SEFOPE organisation chart at the end of the Programme lifespan.

## SEFOPE Organisation Chart



## **8. CO-FINANCING ARRANGEMENTS**

---

The YEP Programme will provide financial resources and technical support for the achievement of the objectives and outputs defined above, in line with the goals and priorities identified by the Government of Timor-Leste and, in particular, by the Secretariat of State for Vocational Training and Employment. The YEP budget, therefore, includes all the activities intended to support the four strategic components of the Programme.

The Secretariat of State for Vocational Training and Employment can only formally confirm co-financing arrangements once approved by the National Parliament. However, there is already an agreement that SEFOPE will allocate US\$ 2.5 million for the first fiscal year (2008) of the Programme activities and that will commit at least the same amount in the subsequent fiscal years. Based on this agreement it is assumed that the Government, during the four years of the YEP Programme implementation, will contribute with a total amount of US\$10 million to the Youth Employment Fund.

## **9. MANAGEMENT ARRANGEMENTS**

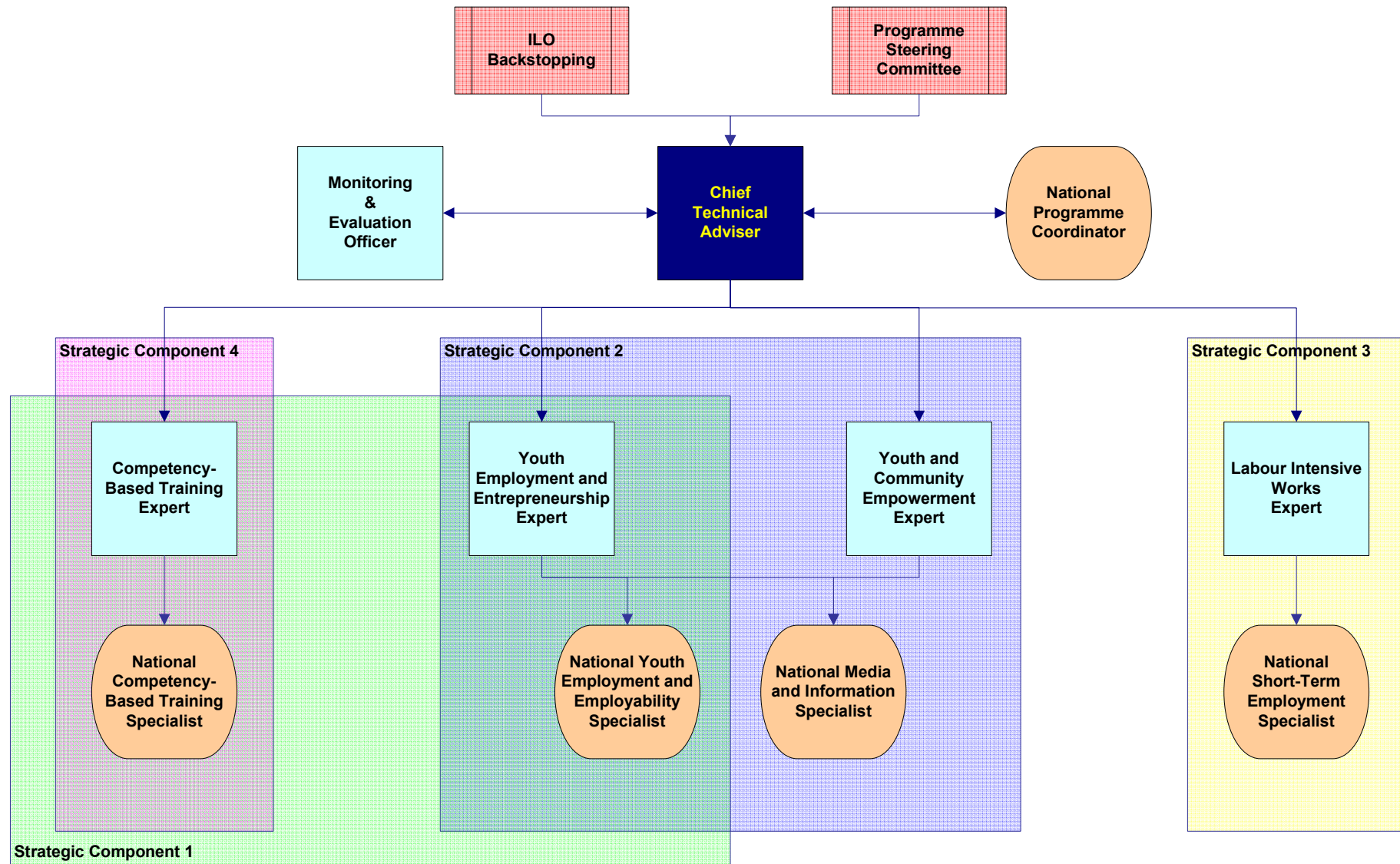
---

The YEP Programme will receive programming and administrative support from the International Labour Organization Offices in Bangkok, Manila and Jakarta, and office accommodation and counterpart personnel from the Secretariat of State for Vocational Training and Employment.

At national level the team will consist of one Chief Technical Adviser (CTA) who will be responsible for the overall management and direction of the Programme. The CTA will lead and supervise the Programme team and will coordinate the work with other ILO activities and programmes. She/He will be based in the SEFOPE. Four international experts on Youth Employment and Entrepreneurship; Youth and Community Empowerment; Labour-Intensive Works and Competency-Based Training will provide technical inputs for the strategic components of the YEP Programme, continuous capacity building to relevant SEFOPE staff while ensuring quality implementation of the Programme activities.

Particular needs, such as studies and policies, legal advisory, computerised LMI system, youth career guidance, gender mainstreaming and development of competency standards in specific industry sub-sectors, will be addressed through short-term consultancies. A team of National Administrative Support staff and National Professionals will be selected and recruited in partnership with SEFOPE. The ILO technical assistance is illustrated in the chart below.

## YEP Technical Assistance Organisation Chart



## 10. MONITORING AND EVALUATION

---

### Monitoring

As mentioned in previous section seven, the Programme will be primarily monitored by the Programme Steering Committee (PSC).

Further, in order to ensure that a holistic objective of poverty reduction and youth employment promotion is achieved, the monitoring and evaluation of the YEP Programme will be coordinated by an M&E Officer for the duration of the Programme. At the inception stage, the M&E Officer will establish a M&E framework with sets of output indicators and pilot it, whilst for the remainder of the period s/he will closely monitor the implementation process and provide feedback to the programme management team and stakeholders based on a global work plan. A specific focus will be placed on the development of a system that allows integrated monitoring of the four components, ensuring that adjustments with regard to one component are immediately followed-up by staff working on the other.

The M&E Officer will have regular interaction with the programme management team and counterpart institutions, as well as AusAID focal points and other stakeholders.

In consultation with the PSC and the M&E Officer, the Programme CTA will prepare and submit six-month progress reports including financial statements to donor. Specifically, the reports will include information on progress towards intended Programme outputs, highlighting key Programme activities, achievements and lesson learned.

The YEP Programme will develop a Management Information System (MIS) for Programme 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 Programme Steering Committee and evaluation missions.

The District Employment Centres (DECs) and the Youth Career Centres (YCCs), coordinated and supervised by the different SEFOPE Departments at the central level, will play an important role in the continuous monitoring of the Programme field activities.

The Monitoring system will be develop to represent a cost-effective tool, based as much as possible on already existing technology and procedures and avoiding the need for extensive training for officials on use the proposed tools. Joint monitoring missions and review meetings will be regularly implemented by the YEP experts/specialists and SEFOPE managerial staff to strengthen national monitoring capacity.

Monitoring is also a tool for awareness raising that is useful for Programme partners and counterparts. The results of monitoring activities can also be used as advocacy tools



in efforts to obtain greater support from politicians and from the public at large for the initiatives in the fields of education, training and employment for youth.

## **Evaluation**

A YEP Baseline Survey to be carried out in the beginning of the activities will be the main instrument used for the evaluation of the Programme. Using the information of the Baseline Survey, ILO will hold a mid-term evaluation, which results will be channelled to the Steering Committee and decision-makers in order to ground adjustments regarding implementation strategies and activity plans. Further evaluation will be carried out at the end of the Programme activities. 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 vocational training, entrepreneurship and employment.

The specific timing and TOR for the mid-term and/or the final evaluation will be decided by the Programme Steering Committee. AusAID representatives will be invited to participate in evaluation missions. The results of such missions will be reported to AusAID.

## **11. ASSUMPTIONS AND RISKS**

---

1. The overall security situation remains relatively stable and allows travels in all the targeted districts.
2. Continued Government commitment to boost youth employment and employability.
3. Government funds committed to the Youth Employment Fund are timely available.
4. Donor programmes and relevant Government investments in the area of infrastructure development implemented in the targeted districts.
5. The Secretariat of State for Vocational Training and Employment is in position to provide facilities for the establishment of the Youth Career Centres within its DEC's.
6. The Ministry of Education and Culture is committed to the implementation of the entrepreneurship programmes in the secondary technical schools and to collaborate in the school-to-work transition process.

## 12. BUDGET

The planned synergies with the STAGE Programme will allow significant savings in staffing, equipments and other requirements. The YEP Programme will receive programming and administrative support from the International Labour Organization Offices in Bangkok, Manila and Jakarta, and office accommodation and counterpart personnel from the Secretariat of State for Vocational Training and Employment (SEFOPE).

The Programme will have a total Budget of US\$16,450,000 with US\$10,000,000 being funded by the Secretariat of State for Vocational Training and Employment (To be part of the Youth Employment Fund), and **US\$6,450,040** by AusAID. The budget breakdown is presented below:

Description	USD
Chief Technical Adviser	513,000
Expert Youth Employment and Entrepreneurship	480,000
Expert Youth and Community Empowerment	480,000
Expert Competency-Based Training	480,000
Expert Labour-Intensive Works	240,000
Short-Term International Consultants	184,000
National Administrative Support Staff	165,000
National Professionals	341,000
In-Country Travel	90,000
Monitoring and Evaluation	200,000
Mission Costs	50,000
Subcontracts (Training)	970,000
Fellowships	120,000
In-Service Training	391,000
Equipment	422,000
Operations and Maintenance Costs	198,000
Printing and Publications	150,000
Media Costs	140,000
Reporting Costs	20,000
Miscellaneous	74,000
<b>Project Sub-Total</b>	<b>5,708,000</b>
Contingencies (3%)	171,240
Project Support	570,800
Youth Employment Fund (Government Contribution)	10,000,000
<b>Project Total</b>	<b>16,450,040</b>