



Australian Government
Aid Program



SEFOPE



YEP
YOUTH EMPLOYMENT PROMOTION PROGRAMME

PROGRESS REPORT
April - September 2010

ABBREVIATIONS AND ACRONYMS

CCITL	Chamber of Commerce and Industry of Timor-Leste
CDE	“Centro de Desenvolvimento Empresarial” (Business Development Centre)
CEOP	Employment and Career Guidance Centre
DNAFOP	National Directorate of Vocational Training (SEFOPE)
DNE	National Directorate of Employment (SEFOPE)
EVTf	Employment and Vocational Training Fund
FEFOP	Fundo de Emprego e Formação Profissional (EVTf)
GYBI	Generate Your Business Idea training programme
IADe	Institute for Business Support
ILO	International Labour Organization
INAP	National Institute of Public Administration
INDMO	National Labour Force Development Institute
ISC	Industry Sub-Commission (INDMO)
KAB	Know About Business training programme
KSTL	Trade Unions Confederation of Timor-Leste
LMI	Labour Market Information
MFIs	Micro-Finance Institutions
MoE	Ministry of Education
MTE	Mid-Term Evaluation
NCAAA	National Commission for Academic Assessment and Accreditation
NSD	National Statistics Directorate, under the Ministry of Finance
OJT	On-the-Job Training
PAE	Self-Employment Promotion programmes supported by FEFOP
SC	Strategic Component
SEFOPE	Secretariat of State for Vocational Training and Employment
SEPI	Secretariat of State for the Promotion of Equality
SIMU	SEFOPE Computerised Labour Market Information System
SPWG	Solar Power Working Group
STEC	Short Term Employment Creation Department of SEFOPE
SYB	Start Your Business training programme
TOT	Training of Trainers
TLNQF	Timor-Leste National Qualifications Framework
TP	Training Provider
TVET	Technical Vocational Education and Training
VT	Vocational Training

TABLE OF CONTENTS

1. INTRODUCTION	5
2. PROGRAMME RELEVANCE.....	6
3. FACTORS AFFECTING IMPLEMENTATION.....	8
3.1. ENHANCING FACTORS.....	8
3.2. INHIBITING FACTORS	8
4. KEY OUTPUTS DURING THE REPORTING PERIOD.....	9
4.1. NATIONAL EMPLOYMENT STRATEGY	9
4.2. FEFOP GUIDELINES REVIEWED	9
4.3. FEFOP PROPOSALS APPROVED	10
4.4. OPENING OF THE NEW CEOP OF ERMERA.....	10
4.5. NEW SIMU-WEB DEVELOPED.....	10
4.6. LABOUR FORCE SURVEY CONDUCTED.....	11
4.7. CEOPs STAFF TRAINED.....	11
4.8. CEOPs SERVICES IMPROVED.....	12
4.9. CREATED TRAINING AND EMPLOYMENT OPPORTUNITIES FOR YOUTH	12
4.10. SHORT-TERM EMPLOYMENT OPPORTUNITIES CREATED.....	15
4.11. WORK SKILLS PROGRAMMES IMPLEMENTED	16
4.12. INDMO CAPACITY INCREASED	17
4.13. INDMO STANDING OPERATING PROCEDURES DEVELOPED	18
4.14. INDMO INDUSTRY SUB-COMMISSIONS (ISCs) ESTABLISHED.....	18
4.15. COMPETENCY STANDARDS DEVELOPED AND VALIDATED BY SUB-COMMISSIONS	19
4.16. TRAINING PROVIDERS REGISTRATION AND ACCREDITATION.....	19
5. CONSOLIDATED PROGRESS REPORT.....	20
THIS SECTION OF THE REPORT SHOWS THE CUMULATIVE PROGRESS OF THE PROGRAMME SINCE ITS LAUNCHING IN MARCH 2008. RESULTS ARE PRESENTED AGAINST THE INITIAL LOGICAL FRAMEWORK. THE PROGRAMME MONITORING PLAN, PROVIDING A SUMMARY OVERVIEW OF THE PROGRESS OF THE YEP, IS PRESENTED IN THE ANNEX VIII.....	20
OUTPUT 1.1 -A NATIONAL EMPLOYMENT ACTION PLAN ADOPTED AND ISSUED BY SEFOPE.....	21
OUTPUT 1.2 -AN EMPLOYMENT AND VOCATIONAL TRAINING FUND ESTABLISHED AND FULLY OPERATIONAL WITHIN SEFOPE	22
OUTPUT 1.3 –A LEGAL FRAMEWORK FOR THE CREATION OF A LABOUR FORCE DEVELOPMENT INSTITUTE DEVELOPED AND ADOPTED BY SEFOPE.....	23
OUTPUT 2.1.: YOUTH CAREER SERVICES ESTABLISHED WITHIN THE CEOPs	24
OUTPUT 2.2.: INFORMATION ABOUT TRAINING AND EMPLOYMENT OPPORTUNITIES DISSEMINATED TO UNEMPLOYED AND UNDEREMPLOYED YOUTH THROUGH THE EMPLOYMENT AND CAREER GUIDANCE CENTRES.	25
OUTPUT 2.3.: CAREER GUIDANCE AND COUNSELLING PROGRAMME DEVELOPED AND IMPLEMENTED IN SECONDARY TECHNICAL SCHOOLS AND ACCREDITED VOCATIONAL EDUCATION AND TRAINING CENTRES.....	26
OUTPUT 2.4.: SECONDARY TECHNICAL EDUCATION STUDENTS HAVE ACCESS TO ENHANCED ENTREPRENEURSHIP AND BUSINESS CREATION EDUCATION.	27
OUTPUT 2.5.: UNEMPLOYED/UNDEREMPLOYED OUT-OF-SCHOOL YOUTH HAVE INCREASED ACCESS TO LIVELIHOOD AND SKILLS DEVELOPMENT OPPORTUNITIES WITH ACCREDITED TRAINING ORGANIZATIONS THROUGH FEFOP FUNDED ACTIVITIES.	28
OUTPUT 3.1.: SEFOPE CAPACITY IS DEVELOPED TO EXECUTE LABOUR INTENSIVE PUBLIC WORKS IN PARTNERSHIP WITH OTHER RELEVANT INSTITUTIONS.	34
OUTPUT 3.2.: ROAD REHABILITATION AND MAINTENANCE WORKS PROJECTS COMPLETED IN ALL DISTRICTS OF TIMOR-LESTE.	35
OUTPUT 3.3.: SHORT-TERM EMPLOYMENT OPPORTUNITIES CREATED IN ALL DISTRICTS OF TIMOR-LESTE, THROUGH LABOUR INTENSIVE PUBLIC WORKS.	36
OUTPUT 3.4.: WORK SKILLS PROGRAMME IMPLEMENTED FOR MEN AND WOMEN ENGAGED IN LABOUR INTENSIVE PUBLIC WORKS PROGRAMME.	38
OUTPUT 4.1.: NATIONAL LABOUR FORCE DEVELOPMENT INSTITUTE (INDMO) ESTABLISHED AND FULLY OPERATIONAL.	39

OUTPUT 4.2.: INDUSTRY COMPETENCY STANDARDS FOR VOCATIONAL TRAINING DEFINED AND APPROVED BY EXECUTIVE COMMISSION IN ACCORDANCE WITH INTERNATIONAL STANDARDS FOR VOCATIONAL TRAINING. .	40
OUTPUT 4.3: VOCATIONAL TRAINING PROVIDERS AND ENTERPRISES ACCREDITED BY INDMO TO DELIVER AND ASSESS TRAINING FOR APPROVED COMPETENCIES.	40
OUTPUT 4.4: VOCATIONAL AND TECHNICAL COMPETENCIES CERTIFIED	41
6. PROGRAMME MANAGEMENT.....	42
6.1. RESPONSE TO THE RECOMMENDATIONS OF THE MID-TERM EVALUATION	42
6.2. ADDITIONAL SUPPORT TO DNAFOP AND INDMO	43
6.3. EXPANSION OF LITERACY AND NUMERACY PROGRAMMES	44
6.4. FINDINGS OF THE SELF-EMPLOYMENT IMPACT ASSESSMENT	45
6.5. VOCATIONAL TRAINING REVIEW AND IMPACT ASSESSMENT	49
7. CHALLENGES & WAY FORWARD.....	50
7.1. CHALLENGES UNDER THE STRATEGIC COMPONENT 1	50
7.2. CHALLENGES UNDER THE STRATEGIC COMPONENT 2	50
7.3. CHALLENGES UNDER THE STRATEGIC COMPONENT 3	51
7.4. CHALLENGES UNDER THE STRATEGIC COMPONENT 4	51
8. FINANCIAL STATUS.....	53
ANNEXES.....	53
ANNEX I – NATIONAL EMPLOYMENT STRATEGY FOR TIMOR-LESTE 2010-2015	53
ANNEX II – WORK SKILLS M&E REPORT	53
ANNEX III – INDMO STUDY TOUR TO INDONESIA AND THE PHILIPPINES	53
ANNEX IV – INDMO STAFF INDUCTION MANUAL.....	53
ANNEX V – TRAINING PROVIDERS REGISTRATION AND ACCREDITATION GUIDE	53
ANNEX VI – REGISTRATION REVIEWER GUIDE	53
ANNEX VII – ACCREDITATION REVIEWER GUIDE	53
ANNEX VIII – YEP PROGRAMME MONITORING PLAN.....	53
ANNEX IX – INDMO STATEMENT	53
ANNEX X – SELF-EMPLOYMENT IMPACT ASSESSMENT	53

1. INTRODUCTION

The Partnership Agreement signed by the Government of Australia and the ILO to promote employment and decent work in the Asia-Pacific region provided the Youth Employment Promotion (YEP) Programme with an additional contribution of AUS\$ 2,250,000 (Approx. US\$ 1,887,584) and with an extended time frame of 5 months till June 2012. The YEP Programme has now an overall budget of US\$ 19,911,319 with US\$ 10,000,000 being funded by the Secretary of State for Vocational Training and Employment (To be part of the Employment and Vocational Training Fund), and US\$ 9,911,319 funded by the Commonwealth of Australia, represented by the Australian Agency for International Development (AusAID).

The YEP was designed to assist the Secretary of State for Vocational Training and Employment (SEFOPE) in the preparation and implementation of tools and programmes in the areas of training, entrepreneurship development and labour intensive-works to facilitate the productive access of young women and men to the labour market.

To address the obstacles experienced by youth in accessing and benefiting from labour market-driven training and employment opportunities, the YEP Programme will carry out activities towards four specific objectives:

- (i) A set of strategies for Youth Employment, 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 (CEOPs), 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 68,000 beneficiaries.

2. PROGRAMME RELEVANCE

The Timor-Leste Strategic Development Plan 2011-2030 defines a target of entering the ranks of upper-middle income countries by 2030. Efforts towards achieving this goal will drastically transform the Timorese economy and society. The transition to an upper-middle income country requires a considerable number of skilled workers that support the expansion of the economy. Indeed, the Strategic Development Plan anticipates skills shortage in sectors including healthcare, education, agriculture, construction, public administration and business development. Thus, it recognizes a need for intensive investment in human capital in these areas. The market-oriented competency-based vocational training system being established by the SEFOPE, with the assistance of the YEP Programme, provides a fundamental basis for Timor-Leste to respond to the human resources development challenges.

At the same time, the Strategic Development Plan expresses deep concerns over disparities in income distribution, calling for faster employment generation as a crucial measure to contribute to improved social cohesion. The SEFOPE and YEP joint interventions represent a clear contribution to address this goal. Career counselling, skills training and entrepreneurship training can increase the employability of low-skilled workers, thus facilitating to narrowing the income gap. In addition, the labour intensive works organized by SEFOPE and YEP represent a crucial safety net targeting the most deprived areas and groups of the population, helping to mitigate regional disparities.

The relevance of the YEP Programme in the context of the National Priorities is also evident. In 2010, SEFOPE was once again designated as the Government institution Co-Leader for the National Priority Working Group (WG) 3 on Human Resources Development. SEFOPE is involved in 2 key objectives of the WG: (i) establish, in partnership with the Ministry of Education, the National Qualifications Framework and accredited training; and (ii) ensure that young women and men successfully complete labour market oriented vocational training with employment outcomes. In both cases, the targets defined by the WG heavily rely on the activities of the YEP Programme, particularly on the work of INDMO (National Labour Force Development Institute) under the Strategic Component (SC) 4, and on the programmes promoted through the FEFOP (Employment and Vocational Training Fund) under the SC2.

This joint work in the context of the Government National Priorities is just another example of the high level of cooperation achieved between SEFOPE and the YEP, developed since the very beginning of the Programme design phase. The Programme combines the “top-down” model of the SC1 (Youth employment policies) and SC4 (Development of a market-driven vocational training system) with the “bottom-up” route of the SC2 (Employment and training opportunities for young women and men) and SC3 (Creation of Short-Term Employment Opportunities). Potentiated by the embedded implementation strategy adopted by the Programme, in which all its specialists work side-by-side with their respective national counterparts, this dual top-down-bottom-up approach creates an enabling environment to address the institutional gaps of the SEFOPE and its implementing partners and, at the same time, respond to the immediate needs of the young women and men seeking career guidance, employment, and skills training opportunities.

The relevance of the design of the YEP Programme was also once again confirmed by the Timor-Leste Diagnostic Trade Integration Study, recently released by the World Bank (WB). The Study presents the lack of skilled workforce as one of the most important constraints to

improve productivity and business consolidation and expansion. Once again, it calls for the increase of the investments in human resource development, and in the improvement of industry standards. These skills gap is believed to be translated into weak capacity in the public and the private sector, limiting the administrative capacity of the Government, and condemning the private sector to concentrate in business activities compatible with low-level of skills.

The Timor-Leste private sector is said to employ not more than 40,000 people and is estimated to expand by only 500-600 jobs per year, far below the 15,000-17,000 new job seekers entering the labour market each year. Youth (15-34 years old) is presented in the Study as accounting for around 95% of the unemployed.

The diagnostic highlights the continuing relevance of the YEP Programme as an important instrument contributing to human resources development and employment creation.

3. FACTORS AFFECTING IMPLEMENTATION

3.1. Enhancing Factors

If the YEP innovative integrated implementation strategy, implying the challenge of achieving defined objectives through the national counterpart, could be considered risky at the start, the present stage clearly shows that it was the right option. Meanwhile, under the vision and leadership of its managers, SEFOPE reached a remarkable capacity to plan, organize, and implement skills development and employment creation programmes. Besides enhancing substantively the achievements of the YEP Programme, the present SEFOPE capacity and dynamic is a strong assurance of the sustainability of the initiatives.

Currently, the YEP Programme reports good progress in a large number of different types of simultaneous interventions, including, among others, policy design, career guidance and job search assistance, vocational training, on-the-job training, business management training and self-employment promotion, temporary employment creation programmes and the establishment of a market oriented competency-based training.

This progress reflects the hard, organized and competent work of around 150 SEFOPE officials that are offering the best of themselves to contribute to improve the capacity of the institution to deliver more and better services to the population.

Besides its ownership and commitment, the financial contributions of SEFOPE represent another clear and undisputable enhancing factor. Since the launching of the YEP in March 2008, the SEFOPE contributed already with a total of US\$ 3,840,335, including US\$ 729,584 to the Employment and Vocational Training Fund (FEFOP), and US\$ 3,110,751 to the labour intensive programmes.

Moreover, SEFOPE entirely financed the construction of the building for the Delegation of the SEFOPE in Same (Manufahi district), which was designed to provide room for the operation of the future CEOP of Manufahi.

3.2. Inhibiting Factors

The construction of the new CEOPs (Employment and Career Guidance Centres) planned for the districts of Covalima and Lautem has been systematically delayed due to difficulties in the allocation of Government land to SEFOPE. Appropriate locations for the Centres were identified in both districts in coordination with the Department of Land and Property. Official requests for the use of the land were submitted by SEFOPE to the Department in the beginning of the current year, but until now no authorizations were received to go ahead with the construction.

4. KEY OUTPUTS DURING THE REPORTING PERIOD

4.1. National Employment Strategy

SEFOPE and the YEP Programme worked together in the completion of the draft National Employment Strategy (NES) for Timor-Leste 2010-2015. The NES was developed with basis on the main constraints on employment creation on labour demand, labour supply and labour market functions previously identified, and on the inputs provided by the Ministries and Secretariats of State involved (Ministry of Education, Ministry of Infrastructures, Agriculture and Fisheries, Economy and Development, Secretariat of State for Equality Promotion, and Youth and Sports). Additional important contributions were collected from the Trade Unions Confederation of Timor-Leste (KSTL) and from the Chamber of Commerce and Industry (CCITL).

The NES (Annex I) is centred in three main pillars of strategies and associated policy options that present potential to address those identified bottlenecks and contribute to the goal of generating significant employment opportunities and strengthen the process of lifting people out of poverty, unemployment and under-employment, in particular the Timorese youth and women. Those three pillars/areas that represent the focus of the NES are: (i) Set the conditions to boost economic growth and labour demand; (ii) Anticipate and meet skills demand; and (iii) Enhance Labour Market services.

The NES will require an effective monitoring mechanism to align actions and maximize policy synergies towards greater employment creation. Upon the CoM endorsement, the YEP Programme will assist SEFOPE in the organization of meetings every six months where stakeholders will inform progress along with the NES. SEFOPE and the YEP will produce a consolidated annual Progress Report.

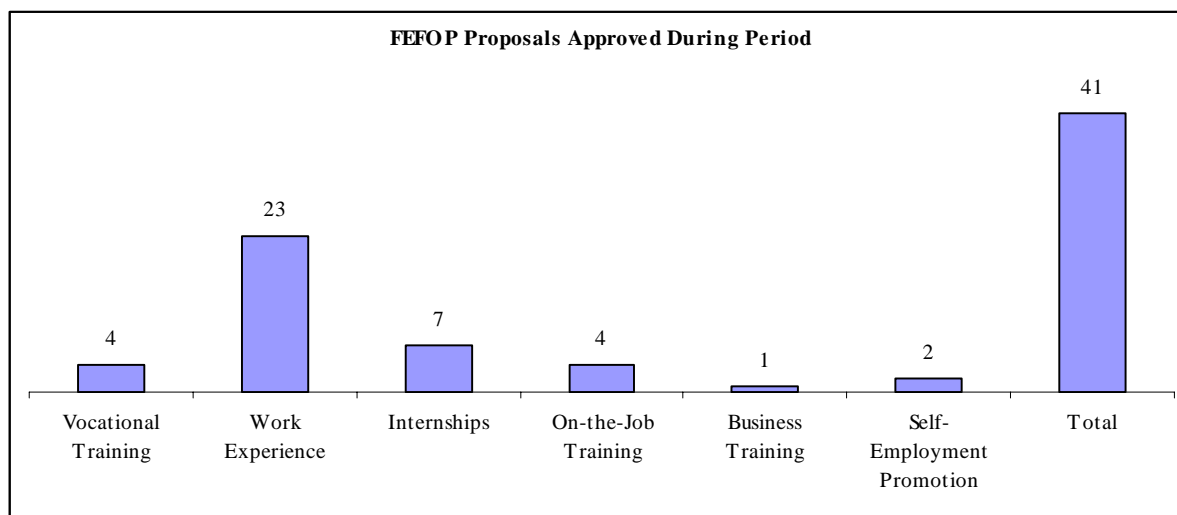
4.2. FEFOP Guidelines Reviewed

The review of the FEFOP Operational Guidelines was completed during the period. It aimed to incorporate the lessons learned from the implementation since the launching of the programmes and to address the recommendation for simplification of the Mid-Term Evaluation. The exercise revised the guidelines of the 7 programmes already being promoted by the FEFOP (1-Vocational Training; 2-Work Experience; 3-Internships; 4-On-the-Job Training; 5-Training Providers Capacity Building; 6-Business Training; 7-Self-Employment Promotion), and introduced a new programme (module 8).

This new module 8 (JOIN) seeks to promote self-employment among youth and assists young women and men willing to start their own business through a set of targeted support, including technical and business management training and provision of specific start-up kits. All these components are aggregated under one single contract to be signed between the implementing partner and SEFOPE, which facilitates the administrative procedures, the transparency, and the monitoring of the process. The responsibility for the implementation of the JOIN falls under the Self-Employment Department of SEFOPE, in collaboration with the Department of Employment and Career Guidance and the Department of Vocational Training Centres. A number of criteria were defined to guide the preparation of proposals by the SEFOPE potential implementing partners and to allow appropriate selection.

4.3. FEFOP Proposals Approved

Another 41 training and/or employment/self-employment promotion proposals were approved for funding by the FEFOP during the present period. The chart below shows the breakdown by type of programme.



4.4. Opening of the new CEOP of Ermera

The new Employment and Career Guidance Centre (CEOP) of Ermera officially started its operation on the 1st of September 2010, representing the fifth Employment and Career Guidance Centre of the SEFOPE network. The Centre was staffed with a Coordinator, Counsellors (2) and General Service staff (2).

According to the results of the Census 2004, Ermera is the most populated district after Dili, and the new CEOP represents a key part of the SEFOPE strategy to provide more and better labour market services to the communities.

4.5. New SIMU-Web Developed

The development of the new SIMU Web was a major task completed during the period and a paramount contribution to improve the capacity of SEFOPE for labour administration and provision of labour market services.

The new system presents a number of fundamental advantages, including: (i) Improved range of data management services; (ii) Incorporated functionalities required by the National Labour Force Development Institute (INDMO) to manage the process of certification of training providers, training assessors and graduates; and (iii) Ability to increase the number of users whilst maintaining performance (time take to retrieve and display information) as well as increased reliability, and easier maintenance and security through the use of a more sophisticated database.

The new SIMU Web system replaced the initial Microsoft Office Access application by a Microsoft SQL database, which is considered the best option vis-à-vis the business requirements. It is a web oriented application in which all the users from all the CEOPs in the different districts operate the same database installed at the CEOP of Dili using the internet environment. The use of the one unique database makes possible the monitoring of the activities on daily basis from the all the CEOPs, the easy and fast consolidation of the labour market information collected from the different districts, and the access of each CEOPs to the complete list of job vacancies and training opportunities at the national level.

4.6. Labour Force Survey Conducted

The data collection field work was completed in July 2010, covering a sample of 310 Enumeration Areas in all the 13 districts of Timor-Leste, and corresponding to a total of 4,650 households. Data entry and data editing and cleaning was also completed during the period. Data analysis and reporting writing is planned for October 2010. The Final Report is expected to be disseminated in December.

4.7. CEOPs Staff Trained

“Career Guidance” is an emerging concept in Timor Leste, which was introduced by the YEP Programme, and is considered to represent a fundamental tool to allow the staff of the CEOPs to guide registered unemployed to access training and employment opportunities. During the present reporting period, the YEP organized a study tour to Darwin, Australia, which provided room for intensive exchange of experiences during 9 days (16-25 August). The study tour involved the Coordinators of the CEOPs of Dili, Baucau, Maliana, and Oecusse, as well as the Chief of the Department of Employment and Career Guidance Services of the SEFOPE. They were accompanied by an ILO international advisor and an AYAD (Australian Youth Ambassador for Development) advisor. Upon return, the participants prepared individual reports and developed presentations to share lessons learned within their workplaces.

The study tour delivered important quality outputs, including:

- Consolidated Career Guidance training previously carried out by the YEP Programme;
- Strengthened understanding and implementation of the career guidance concepts;
- Promoted good practices in case management and strengthened understanding of the case management process to better assist clients to overcome their barriers to access employment;
- Insight on Schools-based Career Guidance;
- Increased effectiveness of administrative practices, i.e. best models of documentation and reporting procedures, and use of database systems;
- Increased understanding of Timor Leste-Australia joint programmes, such as Australian Scholarship programs, and Australian Exchange programmes;
- Improved capacity of the CEOPs to deliver services to the vulnerable groups in Timor-Leste;

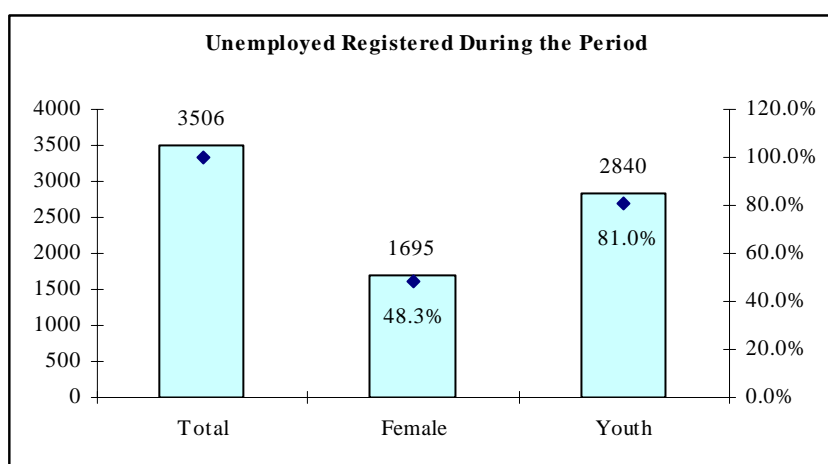
4.8. CEOPs Services Improved

The different steps of the Career Guidance Training conducted by the SEFOPE and the YEP Programme produced already an obvious positive impact in the organization of the CEOPs and in the attitude of the staff. The Counsellors of the CEOPs learned and understood their role and were equipped with the basic instruments to allow them to perform adequately. Currently, the career guidance and counselling function of the CEOPs includes the following basic categories of services: (i) Career information and Career Counselling – provides information on occupations, employment opportunities; educational programs, institutions, and opportunities, career services, and job opportunities; (ii) Career education – provides career planning and decision-making, labour market information and other information related to careers and work skills; (iii) Employment counselling – provides help with setting career goals, defining the characteristics of the career or job he/she is looking for, assess suitability for it, and identify skills gaps that can be addressed by personal development efforts; and (iv) Job placement – provides actual job search services intended to connect jobseekers and job providers.

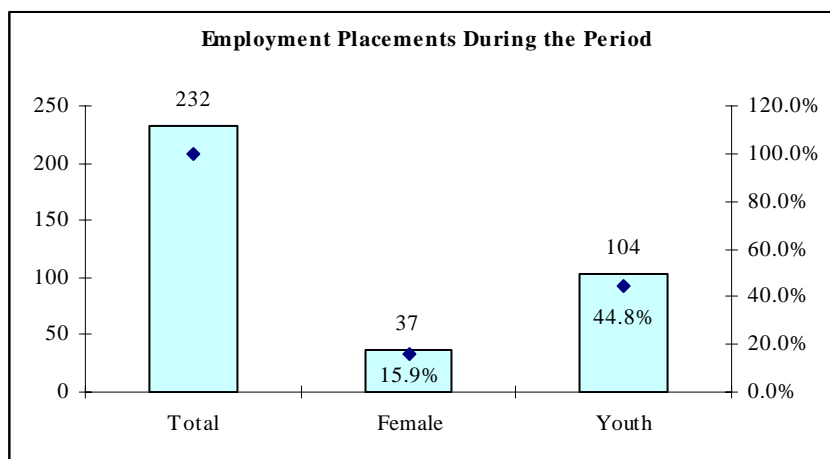
4.9. Created Training and Employment Opportunities for Youth

SEFOPE, with the assistance of the YEP Programme, developed a wide range of programmes that facilitate the insertion of young women and men into the labour market. These programmes are financed through the FEFOP mechanism and organized and implemented by the relevant departments of the SEFOPE under the National Directorate of Employment (Departments of Employment and Career Guidance Services and Department of Self-Employment), and under the National Directorate of Vocational Training (Department of Vocational Training Providers and Department of On-the-Job Training). The results achieved during the period are summarized below.

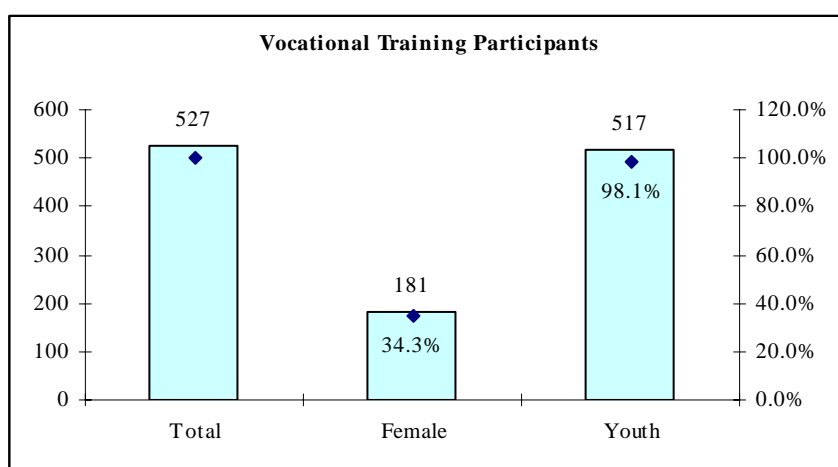
During the period, a total of 3,506 new job and training seekers were registered and assisted by the Career Guidance services of the CEOPs



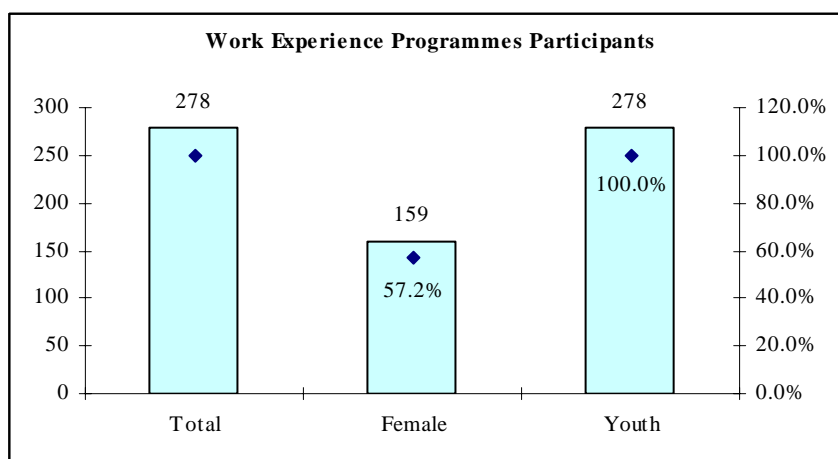
A total of 232 unemployed found a job with the assistance of the Job Mediation services of the CEOPs.



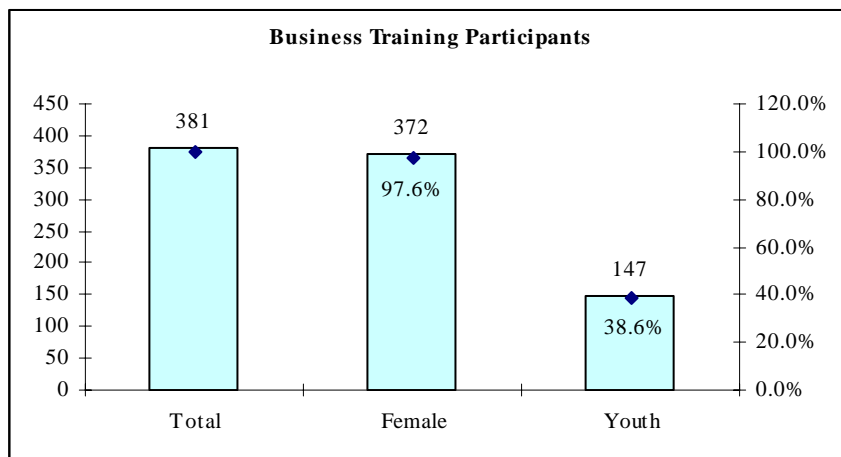
527 clients of the CEOPs graduated from the Vocational Training courses organised by the National Directorate of Vocational Training (DNAFOP) and its implementing partners during the period.



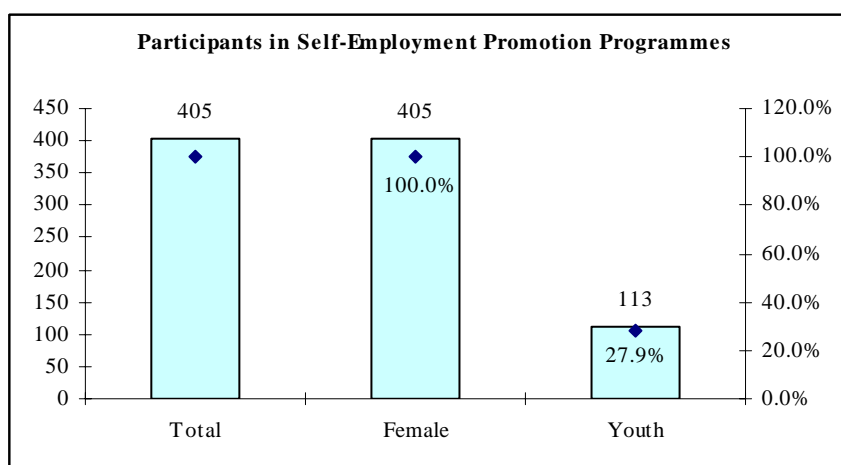
The Work Experience programmes were designed to promote linkages between training providers and enterprises and facilitate the school-to-work transition of the graduates. During the present period, 278 clients of the CEOPs participated in the programmes.



During the period, 381 new potential entrepreneurs participated in the “Generate Your Business Idea”, “Business Game”, and “Start Your Business” training courses.



Also during the period, 405 unemployed registered in the CEOPs were provided with access to Micro-Credits and initiated their own business.



4.10. Short-Term Employment Opportunities Created

During the period, SEFOPE has been tasked with the planning for demolition of old and dilapidated government buildings in an effort to optimise employment opportunities in this exercise. SEFOPE therefore recruited five new field staff for each district in order to strengthen the district technical teams and to meet the capacity needs for upcoming demolition programme, which will be managed by SEFOPE. This has however proven to be a huge undertaking with many buildings to be destroyed in each district. Taking full advantage of the capacity built within the Short-Term Employment Creation Department, SEFOPE conducted comprehensive consultations in each of the 13 districts to discuss the work and to agree on the buildings to be included in the programme.

Overall, 412 compounds with old buildings were identified and included in the programme. Due to the massive dimension of the planned activity, it was decided to outsource the works to local contractors. Tender documents were prepared in this regard and most of SEFOPE technical staff, ie the national engineers and supervisors were involved in preparing assessments and bill of quantities for the works during the reporting period. The activities, supervised by SEFOPE staff, started in September and are expected to be completed by November 2010.

Also during the present period, a number of road maintenance projects were coming to an end. In all, 31 contracts for road maintenance were completed in 8 Districts of Ainaro, Baucau, Bobonaro, Covalima, Ermera, Lautem, Manufahi and Viqueque.

These activities created temporary employment opportunities for 1,423 beneficiaries, and generated 48,441 workerdays.



Road maintenance in Ermera District

The number of projects and employment opportunities generated during the reporting period was relatively low as the team prepared for the demolition works. However, additional substantial funding was made available by the Government to intensify the implementation of labour-intensive road projects during the remaining period of the current year. Hence, a new round of Cash for Work was prepared during the reporting period, which will include simultaneous works in all 13 districts of Timor-Leste. The new cash for work programme started close to the end of September including 118 new activities, mainly road maintenance, which will engage around 12,508 workers. Details will be provided in the next reporting period.

Furthermore, WFP has approached SEFOPE to implement a safety net programme in Bobonaro district. SEFOPE with the support of the YEP Programme has been carrying out preliminary consultations and assessments in the concerned sucos, and identified work activities to be included in the programme. Discussions are still ongoing with WFP about the modalities for implementation of this programme.



Consultations in Cailaco, Bobonaro District to identify priority activities

4.11. Work Skills programmes implemented

In parallel with the labour intensive works, SEFOPE and the YEP continued committed to the organization of Work Skills programmes. A new cycle of literacy and numeracy courses was launched in the districts of Aileu, Baucau, Dili, Lautem, Liquiça, and Manatuto, which benefited a total of 1,144 illiterate women and men (58.3% women and 78% youth).

Also during the present period, the YEP Programme conducted a comprehensive Monitoring and Evaluation of the courses implemented in that second round. The Monitoring and Evaluation (M&E) took place from the 22nd of July until 14th of August, covering 32 “aldeias” of 19 “sucos” of the districts of Dili, Baucau and Bobonaro. In general, the M&E found that the literacy and numeracy courses under the YEP Programme have been successful in all 32 places visited. The courses met the needs of many young learners; and in 3 months many of them were able to start reading, writing and calculate (Full M&E Report presented in the Annex II).

Of course a 3 months literacy course is only a first step in the longer process of becoming fully and functionally literate, but many learners really used their time well and built quite strong initial reading, writing and numeracy skills, with help of their motivated teachers.

Besides a majority of young learners, in some communities some children and older learners also participated in the SEFOPE/YEP courses (in these remote areas sometimes the only opportunity to learn reading, writing and calculation skills). The M&E tested 359 participants and interviewed 32 teachers.

Of the 359 participants in the courses (learners), 213 (59%) were female and 146 (41%) were male. Almost two third (64%) were below 36 years of age. 57% never attended primary (or other) education, nor as a child nor later. 85% had never done any literacy course before.

In terms of language background, from the 359 learners, 297 (83%) spoke Tetum, although only 6% said that their first language was Tetum. The others had other (national) languages as their first language: Mambae (51%), Makasai (32%), Waimoa (8%), etc. Portuguese was only spoken by 32 learners (9%); mostly these people added they spoke only ‘a little’ Portuguese, as their 3rd or 4th language. Test results are presented below:

<p>Grapheme recognition (30 in total):</p> <ul style="list-style-type: none"> • 65% recognized 21-30 graphemes • 18% recognized 11-20 graphemes • 12% recognized 1-10 graphemes • 5% did not recognize any graphemes (mostly elderly learners) 	<p>Word reading (max. 80 in 3 minutes):</p> <ul style="list-style-type: none"> • 34% could read 61-80 words of the list in 3 minutes • 13 % could read 41-60 words of the list in 3 minutes • 8 % could read 21-40 words of the list in 3 minutes • 15 % could read 1-20 words of the list in 3 minutes • 29% could not read any word of the list. This is normal: for many adult learners 3 months is enough to learn to read and write the letters of the alphabet, their name and some sight words, but not enough to actually learn to decode new words that they never saw before.
<p>Form filling (10 fields to fill in):</p> <ul style="list-style-type: none"> • 64% could fill out 6-10 fields on the blanks • 32% could fill out 1-5 fields on the blanks <ul style="list-style-type: none"> • 4% could not yet fill in anything on the form (mostly elderly learners) 	<p>Word writing (10 in total):</p> <ul style="list-style-type: none"> • 62% could write 5-10 words of the 10 that were dictated • 23% could write 1-5 words of the 10 that were dictated • 15% could not yet write any word at all. This is normal: for many adult learners 3 months is enough to learn to read and write the letters of the alphabet, their name and some sight words, but not enough to actually learn to write down new words that they never wrote before.

Considering the results of the tests and the suggestions provided by the coordinators, teachers and learners contacted, the main recommendations of the M&E were as follows:

- Longer courses are needed; most coordinators, teachers and participants think 3-4 months is too short;
- The 2 day teacher training that was provided is too short, more teacher training needed;
- Certificates for learners needed; they want to be able to show that they participated in this course.
- Better distribution of course materials needed (more notebooks and pens/pencils, more white/black boards, etc.).

4.12. INDMO Capacity Increased

INDMO has covered a great deal of ground in the last six months as it has began the complex task of implementing the policies, regulations and requirements of the new national competency based training system. Training Provider registration procedures have been successfully implemented with a number of training providers. The preparation for the accreditation of Training Providers to deliver national qualifications has also begun and will continue in earnest with the registration of the first five national qualifications in October 2010. The Executive Commission and four Industry Sub-Commissions (ISCs) are meeting regularly and members are steadily building their capacity to validate and register competency standards and qualifications through attendance at monthly meetings, overseas study tours and workshops. INDMO as a secretariat is also strengthening its capacity to fulfil

its functions with the development and implementation of a standard operating procedures manual and staff development activities.

The Executive Commission members and the Chief of INDMO participated in a ten day study tour to Indonesia and the Philippines, organized by the YEP Programme, to look at the TVET system in both countries. This tour provided an excellent opportunity for the members to compare and contrast the implementation features of both systems and to evaluate successes and challenges of both systems. The full report of the study tour and its findings is presented in the Annex III.

Staff appraisals have been undertaken. Weekly training workshops are being conducted to assist programme officers in providing high quality administrative support to the Industry Sub-Commissions.

Fundamental linkages were also established with key stakeholders involved in the development and implementation of the Timor-Leste National Qualifications Framework. INDMO now meets on a monthly basis with the National Commission for Academic Assessment and Accreditation (NCAAA), and regular meetings have also been held with representatives from the Ministry of Education on Polytechnics to discuss cross over qualifications and data management.

4.13. INDMO Standing Operating Procedures Developed

The INDMO Standing Operating Procedures and a staff induction manual (Annex IV) have been prepared in draft format. The manual establishes the policies, procedures, benefits and working conditions for all INDMO staff. It includes also the Standards of Conduct that describe the actions and behaviours of staff in the carry out of the work. The Chief of INDMO with assistance from the advisers and INDMO staff, are working together to implement the policies and procedures on a day to day basis.

4.14. INDMO Industry Sub-Commissions (ISCs) Established

Four Industry Sub-Commissions (ISCs), previously established, covering the sectors of Tourism and Hospitality, Administration and Finance, Construction, and Education, Training and Assessment, reached a phase of full-fledged operation. The Sub-Commissions are meeting regularly and members are increasing their capacity and knowledge in identifying skill standards within their industries and understanding the process of competency based qualification development, validation and registration. A total of 22 meetings were organized by these ISCs during the current period, which allowed important progress in terms of development of competency standards and the endorsement of submissions for qualifications approval.

In addition, Plans have been prepared for the development of two new Sub-Commissions in Agriculture and Automotive and Mechanical Engineering over the next two months. Terms of Reference were completed and the recruitment of consultants is expected to be finalised in November 2010.

4.15. Competency Standards Developed and Validated by Sub-Commissions

Qualifications in Hospitality and Tourism, Administration and Finance, and Small-Scale Solar Power Selection, Installation and Maintenance have been developed and endorsed by the respective Industry Sub-Commissions. All in all, the Sub-Commissions endorsed 93 units of competency that allowed the validation of five (5) Competency Based Qualifications as follows:

- (i) Certificates I and II in Hospitality - General;
- (ii) Certificate II in Hospitality – Food Production;
- (iii) Certificate II in Tourism – Tour Guiding;
- (iv) Certificate I in Administration and Finance;
- (v) Certificate in Small Scale Solar Power;

The Certificates endorsed by the Sub-Commissions will be presented to the INDMO Executive Commission for final approval during the last quarter of the current year.

4.16. Training Providers Registration and Accreditation

Rules and regulations to support Training Providers registration and accreditation have been developed.

A detailed Users' Guide (Annex V) has been prepared to assist Training Providers prepare for registration and accreditation. Two other Guides were also prepared to assist DNAFOP to review applications for registration (Annex VI), and to assist INDMO to review applications for accreditation (Annex VII) and to provide feedback to Training Providers about their application.

A number of workshops have been held for staff of INDMO and DNAFOP and for Training Providers about the registration and accreditation standards and application procedures. A workshop has also been held with Industry Sub Commission members to inform them and provide them with opportunities to apply the procedures for approving national qualifications.

All the policy and regulatory infrastructure for registering and accrediting Training providers is now in place and the process of Registration has been implemented. During the period, six Training Providers completed the registration process and another eleven Training Providers have begun the process.

5. CONSOLIDATED PROGRESS REPORT

This section of the report shows the cumulative progress of the Programme since its launching in March 2008. Results are presented against the initial logical framework. The Programme Monitoring Plan, providing a summary overview of the progress of the YEP, is presented in the Annex VIII.

Specific Objective 1: A set of policies for Youth Employment consistent with the National Employment Strategy, developed and adopted by the Timor-Leste Government.

The Specific Objective 1 of the YEP Programme aims at facilitating the development of a set of policies to frame the initiatives of the Government and its development partners to address the youth employment challenge. The three fundamental interventions planned for the YEP under this objective included (i) the development of a National Youth Employment Action Plan, (ii) the establishment of an Employment and Vocational Training Fund, and (iii) the creation of a National Labour Force Development Institute. Work in these three areas was already completed as reported below.

Moreover, the Programme extended its support to the preparation of another two central policy papers, namely, the National Vocational Training Policy and the National Employment Strategy.

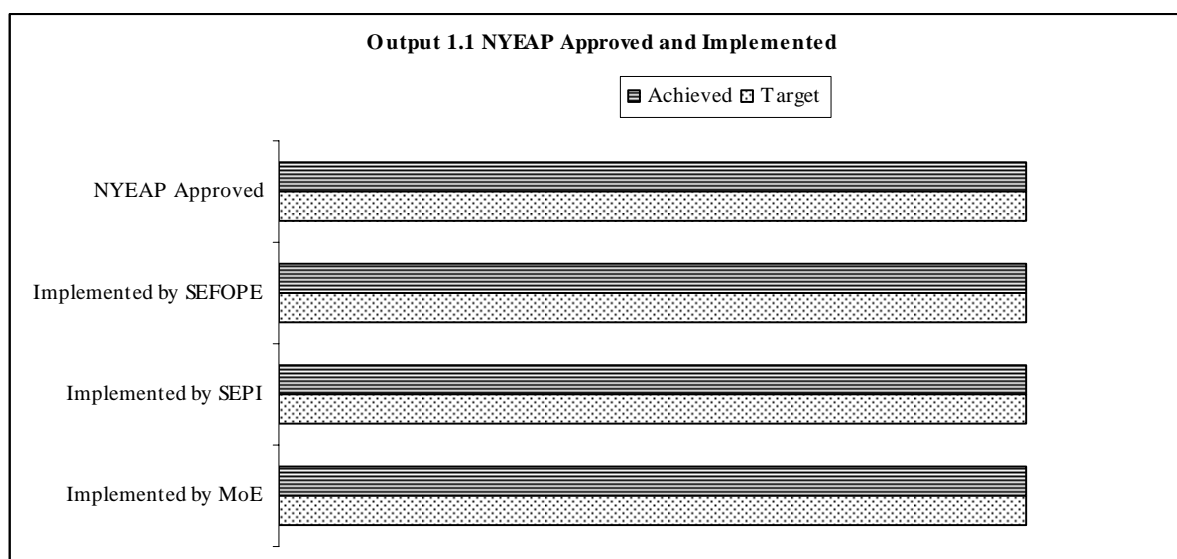
The National Vocational Training Policy, developed in partnership with the National Directorate of Vocational Training (DNAFOP), was approved by the Council of Ministers at their meeting on 29 July 2009. The Policy focuses on the quality and relevance of vocational training and highlights the goal of a ‘market-oriented, efficient and accountable’ vocational training system prepared to create a competent workforce to meet national development priorities. The Policy promotes competency based training and ensures that all certification whether a national qualification or institutional certificate will describe the competencies achieved as a result of the training. The Policy also advocates that learners must demonstrate to the standards established by INDMO and be assessed by suitably qualified trainers. Trainer qualifications will be determined by INDMO and form part of the quality standards for the registration of vocational training providers. Finally, the National Vocational Training Policy recognises the role of the Government, the private sector and the individual in funding vocational training with Government having a principal role to play.

As described under the point 4.1 above, the National Employment Strategy was completed during the present period. The respective draft is included as Annex I to this report.

Output 1.1 -A National Employment Action Plan adopted and issued by SEFOPE

A National Youth Employment Action Plan (NYEAP) to respond to the specific challenges faced by young women and men was developed providing guidelines for interventions in 4 crucial areas: (i) Employment Generation; (ii) Employability; (iii) Entrepreneurship; and (iv) Equal Opportunities. The NYEAP was officially approved and adopted by the Government on 18 September 2009. Putting the youth of Timor-Leste at the centre of the agenda of the Government and its partners, the NYEAP represents a fundamental step towards sustainable economic growth and poverty reduction, guiding and inspiring the implementation of the YEP Programme and the services and interventions of the SEFOPE.

The NYEAP is under full fledged implementation by SEFOPE, through its National Directorate of Vocational Training (DNAFOP) and National Directorate of Employment (DNE), by the Secretariat of State for Equality Promotion (SEPI) that promotes and monitors equal opportunities for young women and men, and by the Ministry of Education (MoE) that contributes for the creation of an entrepreneurial spirit and drive through the implementation of the Know About Business courses introduced by the YEP Programme.

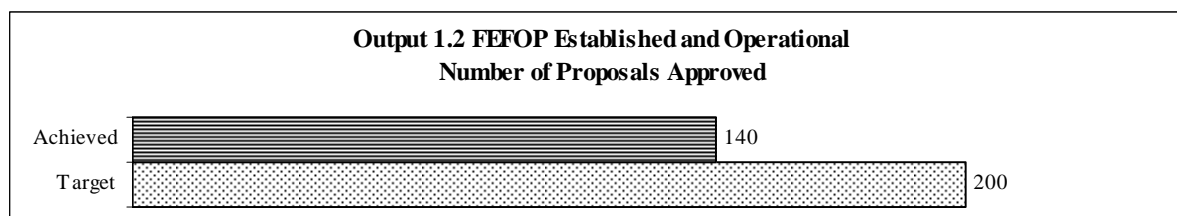


Linkages with Employers were also achieved. The YEP Programme assisted the process of establishment of the new Chamber of Commerce and Industry of Timor-Leste (CCITL) that was officially created in April 2010 to defend the interests of all Timorese entrepreneurs. The CCITL is currently represented in the INDMO Executive Commission and in all the INDMO Industry Sub-Commissions, as well as in the FEFOP Committee that holds the ultimate responsibility to approve or reject the training or employment promotion proposals submitted to the Fund. The articulation with the CCITL is considered instrumental to promote the gradual adjustment of the vocational training system to the industry requirements and increase the employability of young women and men participating in the programmes.

Output 1.2 -An Employment and Vocational Training Fund established and fully operational within SEFOPE

The Employment and Vocational Training Fund (FEFOP) was established, including the approval of specific legislation by the National Parliament and the set up of the respective management structure and implementation guidelines. The FEFOP promotes the following programmes: (i) Vocational Training (to improve the chances of its beneficiaries to engage in gainful employment); (ii) Working Experience (to allow training providers to include work experience activities as part of the vocational training course); (iii) Internships (to support unemployed, out-of-school youth who have completed secondary school to gain up to 3 months practical experience in the workplace); (iv) On-the-Job Training (to support graduates of vocational training and business management training courses to increase their skills, knowledge and experience through supervised work in an enterprise or small business); (v) Training Providers Capacity Building (to assist training providers implementing labour-market relevant courses, in the development of their capacity to match the criteria for the registration with the National Directorate of Vocational Training (DNAFOP), and to enable them to meet the requirements of the INDMO (National Labour Force Development Institute) in terms of certification of training assessors and training places); (vi) Business Management Training (to support beneficiaries interested in starting a small business or improving an existing business); and (vii) Self-Employment (to provide selected unemployed people with a combination of market driven training interventions and access to micro-credit).

Since the beginning of the YEP Programme, a total of 140 proposals were already approved by the FEFOP, against the initial target of 200.



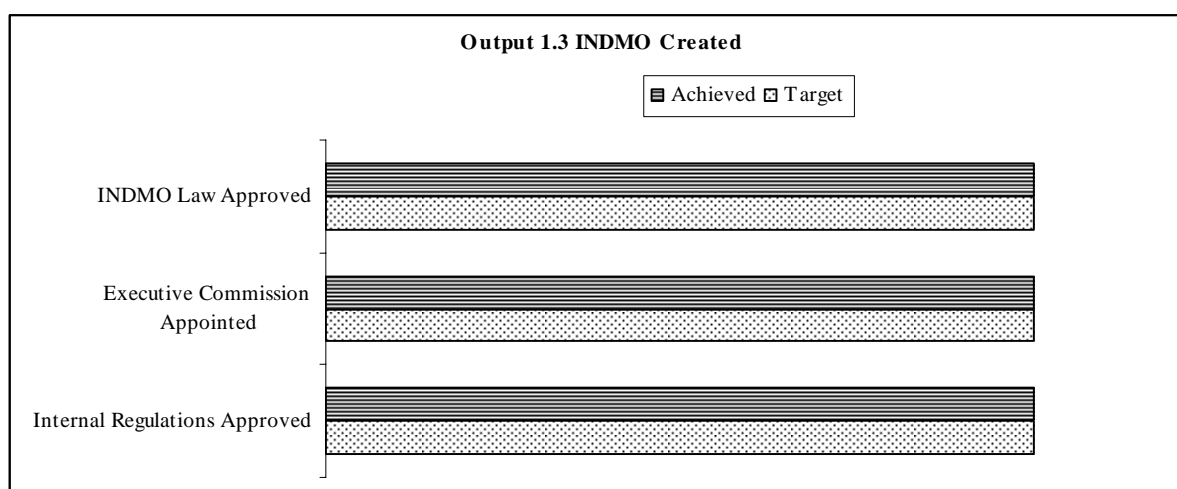
Type of Programme Promoted by the FEFOP	Proposals Approved	Total Cost US\$
Vocational Training	22	176,095
Work Experience	36	70,580
Internships	25	8,040
On-the-Job Training	11	18,720
Training Providers Capacity Building	27	734,774
Business Training	10	77,235
Self-Employment Promotion with Access to Micro-Credit	7	180,250
Self-Employment Promotion with Access to Start-up Kit	2	43,891
Totals	140	1,309,585

Output 1.3 –A Legal Framework for the creation of a Labour Force Development Institute developed and adopted by SEFOPE

The National Labour Force Development Institute (INDMO) was officially created by the Decree Law 8/2008.

The INDMO Executive Commission was appointed in November 2008, comprising representatives from the SEFOPE, Ministry of Education, Employers Association, Trade Unions Confederation, and Vocational Training Providers.

The INDMO Internal Regulations were approved by the Ministerial Diploma 1/2010 and published in the “Jornal da República”.



Specific Objective 2: Young men and women are linked to appropriate employment and accredited training programmes by the District Employment and Career Guidance Centres.

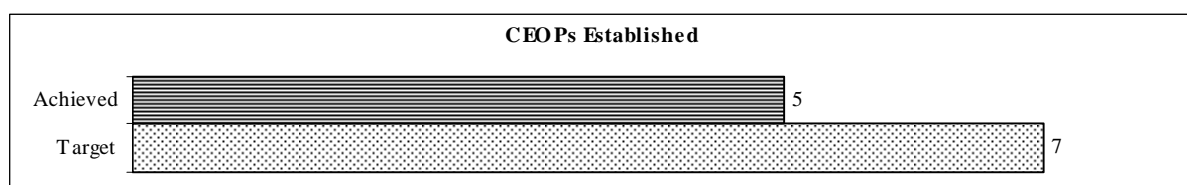
The second strategic component of the YEP Programme aims to promote a supportive environment for successful school-to-work transition of Timorese secondary technical schools and vocational training graduates and enhanced access of out-of-school youth to life-long learning and employment opportunities, through labour market information and career guidance.

This strategic component of the Programme is to assist SEFOPE in the establishment of an extended network of Employment and Career Guidance Centres (CEOPs), to provide career guidance and counselling to in-school and out-of-school youth and to disseminate relevant information on training and employment opportunities. Furthermore, it is designed to address the lack of entrepreneurship culture among Timorese youth, through 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.

Youth employment promotion activities, including all the different types of training and self-employment programmes are financed through the FEFOP created under the strategic component 1 as presented above.

Output 2.1.: Youth Career Services established within the CEOPs

Employment and Career Guidance Centres (CEOPs) are already operational in Dili, Baucau, Bobonaro, Ermera and Oecusse.



The SEFOPE immediate plan for further expansion of the Employment and Career Guidance services network includes additional CEOPs in the districts of Covalima, Manufahi and Lautem. The construction of the Centre of Manufahi was already completed and it is expected to start operation soon upon completion of the selection and recruitment of staff and the procurement of standard equipment.

A 12-month training programme on Youth Career Guidance and Counselling was organized for all the staff of the CEOPs. Specific training was also organized on Migration Management to support the efforts of SEFOPE to promote overseas employment for young Timorese.

All materials and staff training activities for the career counselling component were developed and conducted with gender considerations thoroughly embedded in the programme. By the end of September 2010, women represent 50.2% of the total of job seekers assisted by the Career Counselling services of the CEOPs, reflecting the positive impact of the training. In addition, through the endorsement of the National Youth Employment Action Plan, SEFOPE signalled its commitment to promote gender sensitive career guidance and vocational training courses, and equal opportunities for young women in the access to employment.

A SIMU-Web (Computerized Labour Market Information system) was developed to allow SEFOPE to monitor actual developments and assess the impact of the labour market policies formulated and implemented. The Labour Market Information system improves the efficiency and fairness of the labour market, ensuring the timely flow of accurate information, and building ground for the operation and the services provided by the CEOPs.

Output 2.2.: Information about training and employment opportunities disseminated to unemployed and underemployed youth through the Employment and Career Guidance Centres.

The YEP Programme supported SEFOPE in establishing a Media and Information Office with the overall aim of enhancing the access of unemployed and underemployed youth to relevant information on training and employment opportunities. A Media and Information Officer has been recruited by SEFOPE in January 2009 and general induction training as well as day-by day on-the-job training was organized.

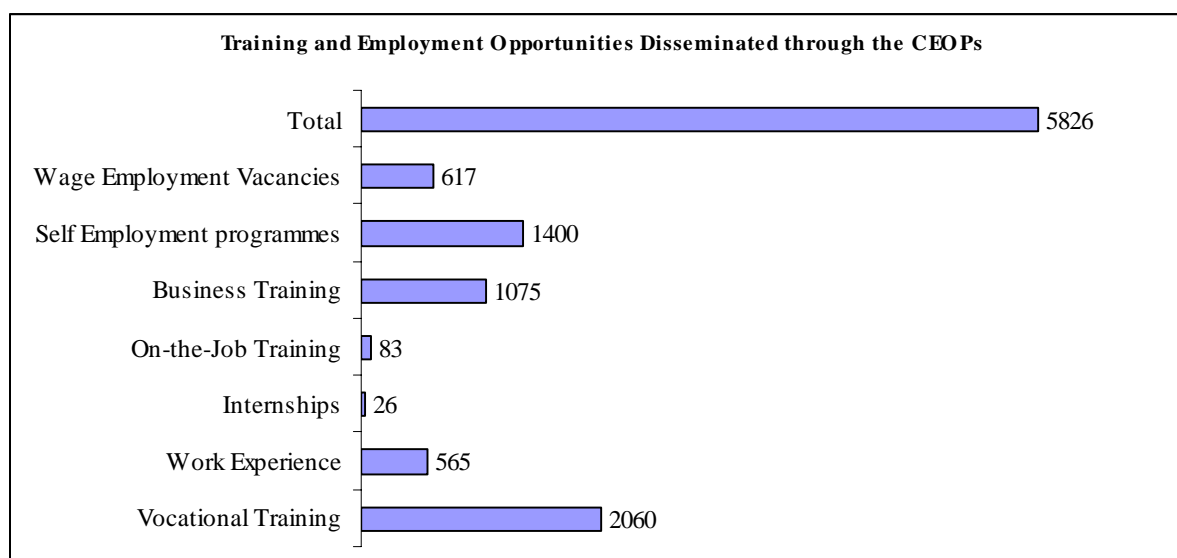
The capacity building provided to the SEFOPE Media and Information Office laid the foundations for the formulation of the SEFOPE Media Strategy which provided the framework for the preparation of subsequent Media Work Plans for the “Employment and Career Guidance Services” and for “Self-Employment Promotion”. Media tools, including sets of posters and leaflets, were developed and disseminated to promote the services of the CEOPs in articulation with the Career Guidance, Labour Market Information, Skills Development and Self-Employment promotion. Signboards were also installed in all the CEOPs to allow appropriate posting of the job and training opportunities available at the local level.

In addition, the YEP Programme supported the SEFOPE Media Office in signing an agreement with “Lian Foin Sa’e” a ‘youth-oriented’ newspaper distributed by the Secretariat of State for Youth and Sports. Since September 2009, the Lian Foin Sa’e reserves to SEFOPE two pages of space in each monthly issue, which is used to further disseminate and socialize SEFOPE activities.

On the other hand, the creation of a capacity for the delivery of Employment and Career Guidance services included not only the training of staff to canvass job vacancies and to identify skills training and on-the-job training openings, but also the development of techniques to provide information on existing opportunities to job and training seekers, as well as labour market relevant data to training providers and employers.

Most of the training and employment openings advertised by the network of the CEOPs are the result of the activities promoted and supported by the FEFOP. However, a number of them are also acquired through the regular contacts with employers and training providers.

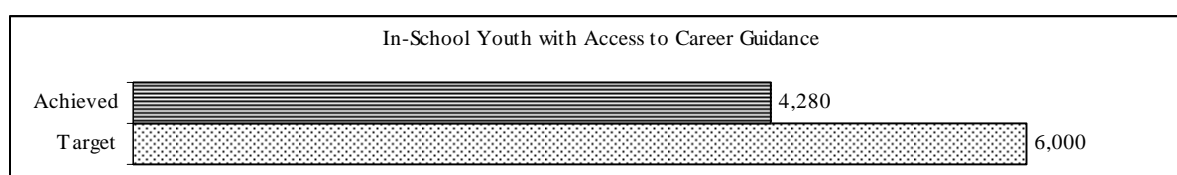
Overall, a total of 5,826 training and employment opportunities were created by the combined efforts of the relevant departments of SEFOPE (Vocational Training, On-The-Job Training, Employment and Career Guidance, and Self-Employment). T



Output 2.3.: Career Guidance and Counselling programme developed and implemented in secondary technical schools and accredited vocational education and training centres.

The YEP Programme is assisting SEFOPE in the creation of a capacity within the CEOPS for the provision of Career Guidance and Counselling to in-school youth from Secondary Technical Schools and Vocational Training Centres. The Career Guidance and Counselling is grounded 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 helps building awareness among youth about employment options.

In cumulative terms, and until the end of September 2010, a total of 4,280 young women and men (100% Youth and 56.7% Women) had access to the services.



Output 2.4.: Secondary Technical Education students have access to enhanced entrepreneurship and business creation education.

The YEP Programme is supporting the Ministry of Education, the Ministry of Agriculture and Fisheries and the Secretariat of State for Vocational Training and Employment to implement entrepreneurship curricula at secondary technical and agriculture schools level. The YEP supported the introduction of the “Know About Business” (KAB) package, an ILO business awareness programme designed for use in vocational education (secondary technical schools). The KAB was adapted to the Timor-Leste reality and adopted as a subject in the national curriculum at Technical Secondary level.

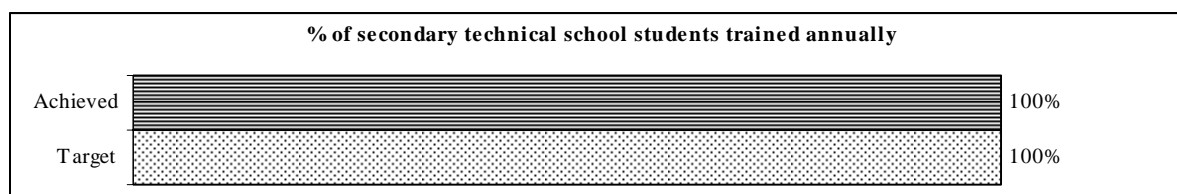
The programme aims at stimulating youth, students of technical schools, to think about entrepreneurship, and consider it as a potential future for their professional career. Contributing to create an enterprise culture among young people in Timor-Leste, the KAB programme facilitates school-to-work transition building bridges leading to subsequent “Generate Your Business Idea” and “Start Your Business” programmes and representing consequently a powerful link between formal education, training and the labour market.

Training of Teachers was organised, involving the participation of teachers of the Ministry of Education, Ministry of Agriculture and Fisheries, and Ministry of Economy and Development. Training materials in Tetun, Portuguese and English were adapted and developed including a Trainer Handbook and 8 manuals for the students addressing different specific areas of entrepreneurship: (i) What is Enterprise?; (ii) Why Entrepreneurship?; (iii) Who are entrepreneurs?; (iv) How do I become an entrepreneur?; (v) How do I find a good business idea?; (vi) How do I organise an enterprise?; (vii) How do I operate an enterprise?; and (viii) What are the next steps to become an entrepreneur?

The titles of the manuals are in the form of questions, which the trainees should be able to answer after the completion of the module. The KAB package includes also a workbook for the trainees and a business game, which simulates market transactions among market actors.

A Steering Committee for the KAB was established, involving relevant officials from SEFOPE, Ministry of Education and Ministry of Agriculture, and a comprehensive methodology for monitoring the implementation of the programme was developed. The Steering Committee provides policy and programme advice in the implementation of the KAB.

Since 2009, the KAB is being implemented simultaneously in the classes of the first, second and third years of the Secondary Technical Schools of the Ministry of Education (14 Schools), and of the Ministry of Agriculture and Fisheries (3 Schools).



Output 2.5.: Unemployed/underemployed out-of-school youth have increased access to livelihood and skills development opportunities with accredited training organizations through FEFOP funded activities.

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 CEOPs.

Despite their still relatively small geographical coverage, the CEOPs network plays already an important role at local level in the implementation of the training and employment policies of SEFOPE. With five operational Offices and around 30 staff, the CEOPs are in direct contact with job and training seekers, employers, vocational training providers and managers and students of the secondary technical schools. The services delivered by the CEOPs include:

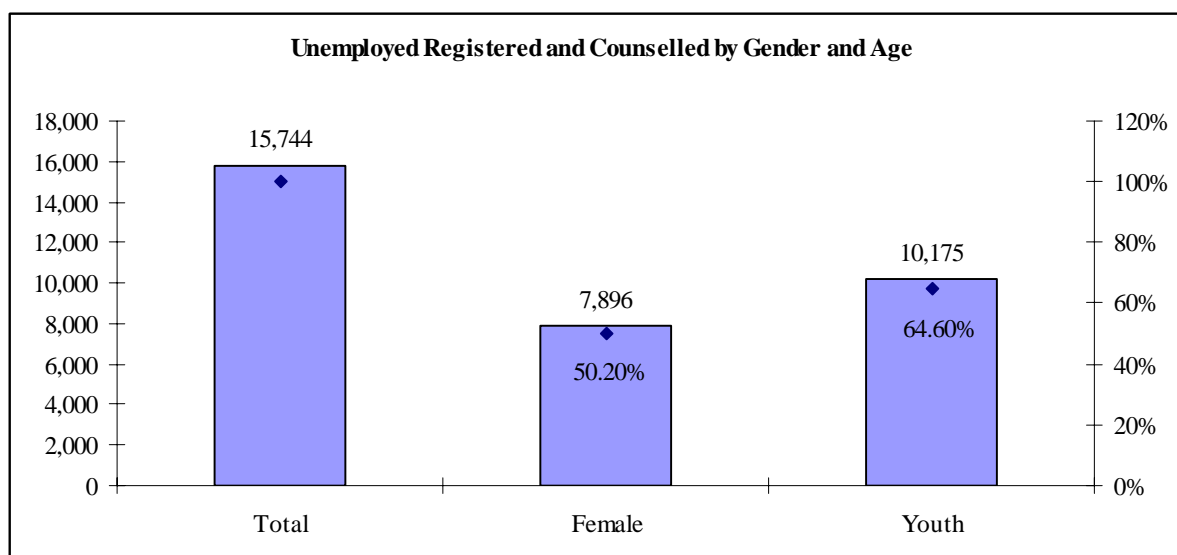
1. Provision of Labour Market Information (LMI) and Career Guidance and Counselling: SEFOPE, through its LMI Department is responsible for producing the LMI products connected with employment services, referral and counselling, and needed for the planning and design of employment measures. This LMI provides ground for the CEOPs Career Guidance and Counselling services;
2. Job Mediation: Provide long-term employment to their registered unemployed, representing a point of contact between job seekers and employers with vacancies on offer. The CEOPs identify the most suitable candidates for each post according to the employer requirements, conducting multiple interviews, background checks, and relevant work experience;
3. Provision of access to training and self-employment programmes.

2.5.1 Unemployed Job and Training Seekers Registered and Assisted by the CEOPs

In cumulative terms since the beginning of the YEP Programme, a total of 15,744 job and training seekers were registered and counselled by the CEOPs of the Secretariat of State for Vocational Training and Employment (SEFOPE).

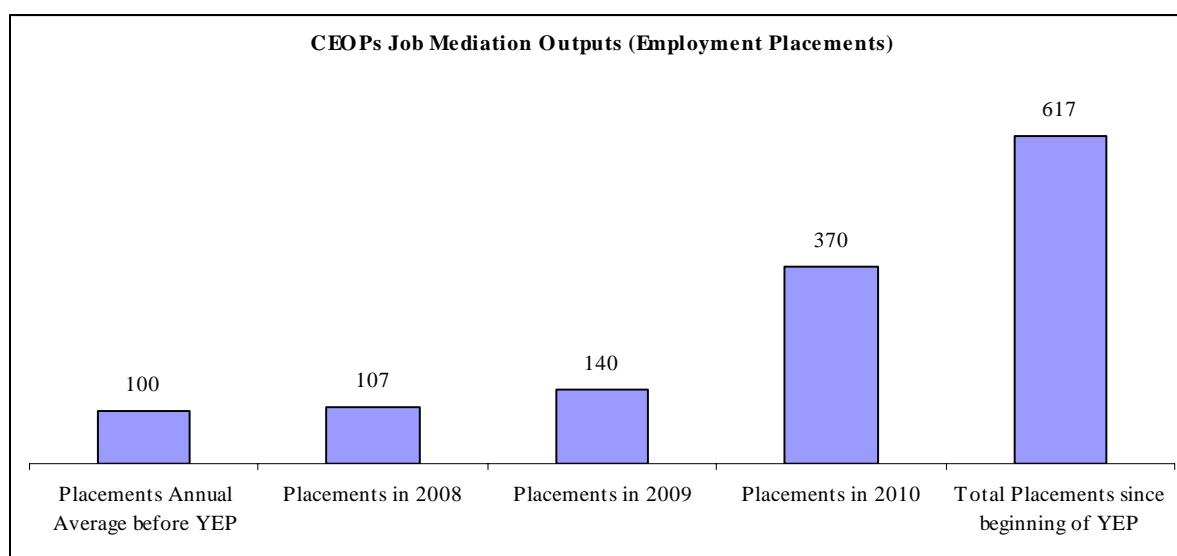


The vast majority of the job and training seekers registered and assisted are in the 15-29 youth age-group. Youth represent 64.6% of the total corresponding to 10,175 young women and men. The efforts of SEFOPE to promote gender equality in the access to the labour market are reflected in the 7,896 women that used the services of the CEOPs corresponding to 50.2% of the total.



2.5.2 Employment Mediation by the CEOPs

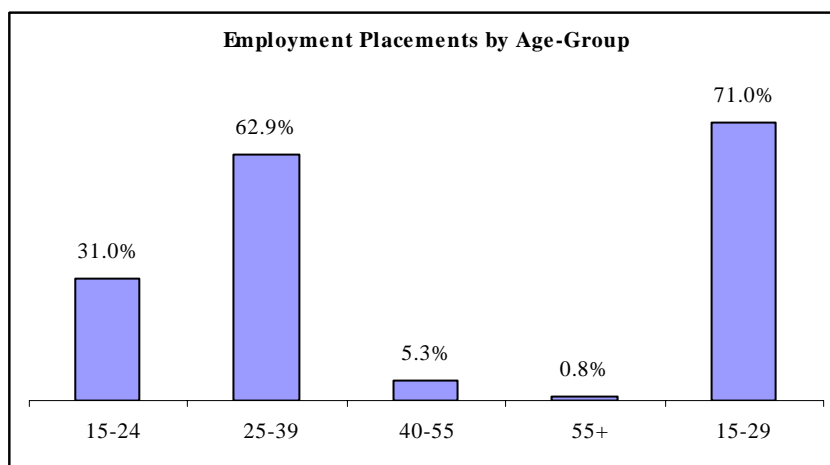
Regarding the Job Mediation function, and since the beginning of the YEP Programme, a total of 617 (Women 21.1%) registered unemployed found a job with the assistance of the CEOPs. The analysis of the results of the Job Mediation before and after the start of the YEP displays a clear picture of the impact of the Programme.



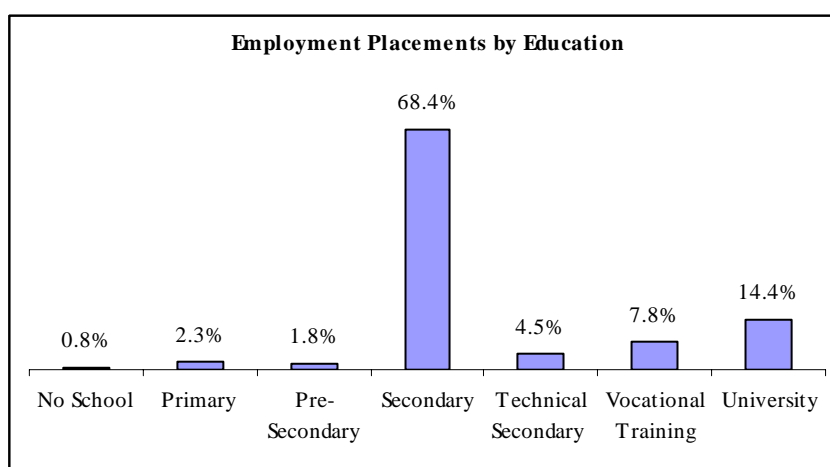
Obviously, this improvement was boosted by the agreement established between the governments of Timor-Leste and South Korea that created overseas employment opportunities for Timorese workers. In 2009 and 2010, a total of 295 Timorese (12% women) were placed in jobs in South Korea. On the other hand, this also proves that even without taking in consideration the overseas employment placements, still the performance of the Job Mediation services of the CEOPs shows a significant increase in the last two years (Average 161 employment placements per year considering exclusively the national labour market). Moreover, it is also a fact that the increased capacity of the CEOPs was also instrumental to allow the pre-selection of Timorese registered unemployed matching the requirements of South Korean employers.

Out of the 617 registered unemployed placed by the CEOPs, Youth (15-29) fulfilled 71.0%.

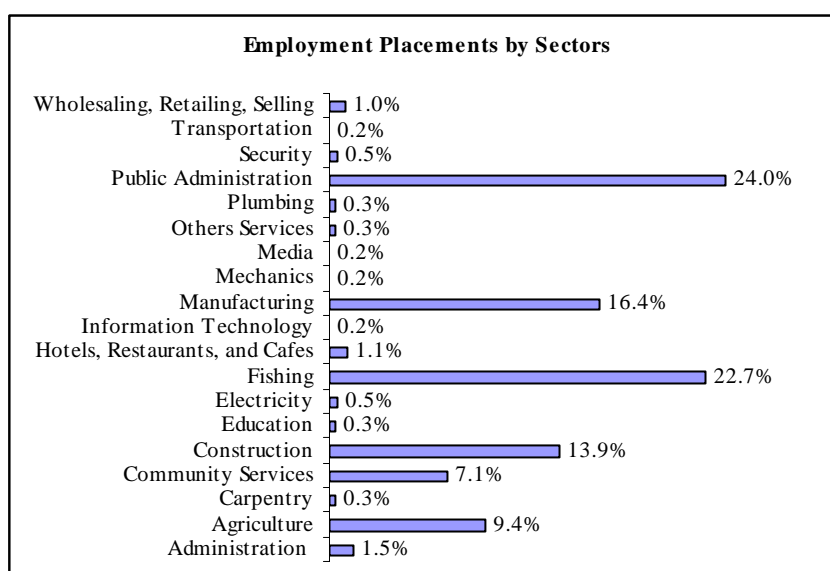
93.9% of the job seekers placed have less than 40 years of age.



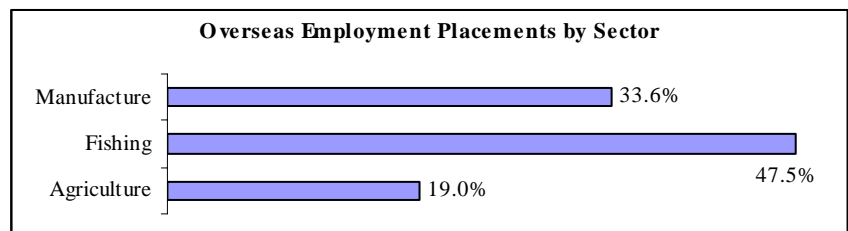
The highest number of placements is reported for unemployed with secondary education, with 68.4%, followed by job seekers that attended university with 14.4%.



The sector of the Public Administration absorbed 24% of the placements, followed by the Fisheries with 22.7%, and Manufacturing with 16.4%. The sector of Construction was responsible for 13.9% of the placements.

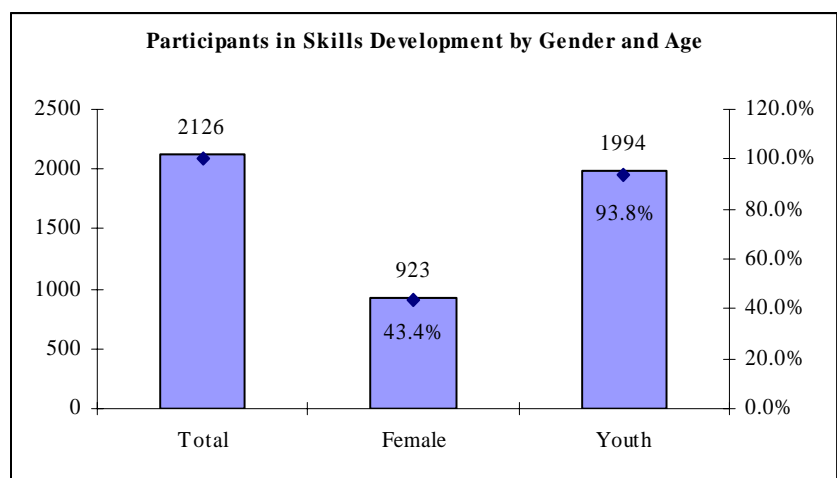


The overall performance of the sectors of Fisheries, Manufacturing, and Agriculture were strongly boosted up by the placements overseas (South Korea).

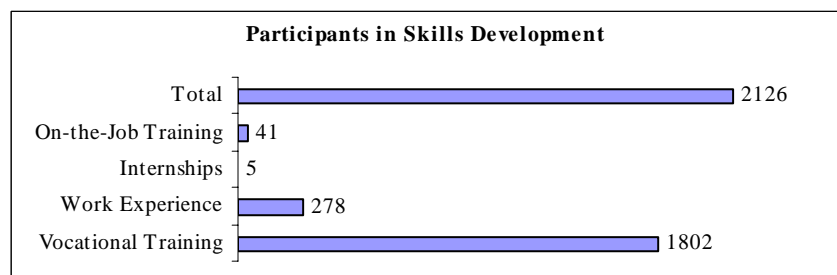


2.5.3 Registered Unemployed with Access to Skills Development programmes

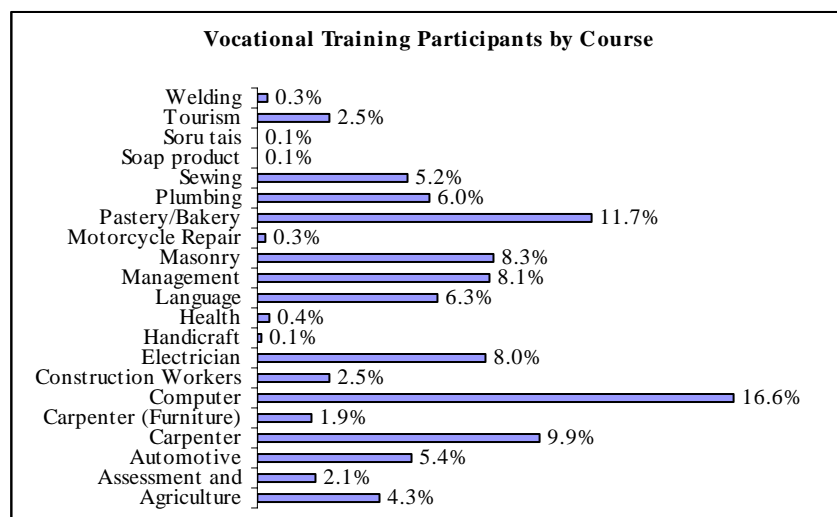
Currently, SEFOPE provides registered unemployed with access to different types of skills development programmes, including Vocational Training, Work Experience, Internships, and On-the-Job Training. All in all, and since the beginning of the YEP Programme, a total of 2,126 beneficiaries (Youth 93.8% and Women 43.4%) participated in the programmes.



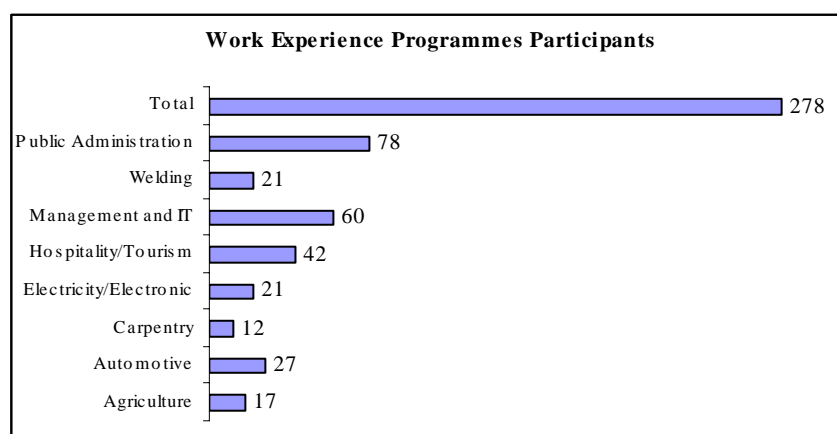
The large majority of the participants were enrolled in Vocational Training, corresponding to 1,802 trainees. Another 278 training seekers were placed in Work Experience programmes, 41 in On-the-Job Training, and 5 in individual internships.



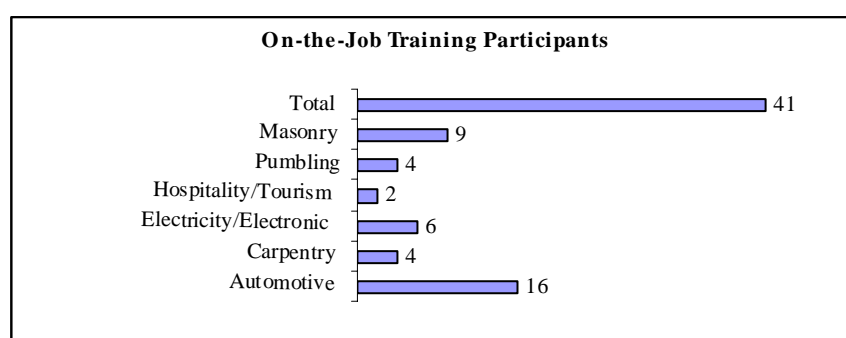
The courses promoted by the SEFOPE are selected using criteria that prioritize their employability. The chart on the right side provides details on the courses organized. Out of the total of 1802 participants, Youth represents 93.2% and Women 42%.



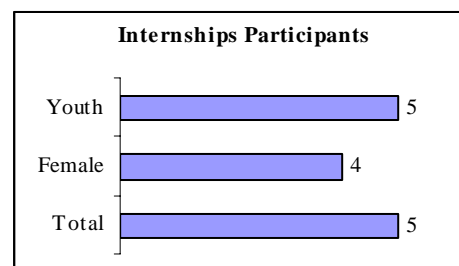
As presented above, in addition to the Vocational Training courses, SEFOPE promotes 2-months Work Experience programmes that facilitate partnerships between Training Providers and Enterprises and promote school-to-work transition. All the 278 participants are Youth in the 15-29 age-bracket. Women represent 57.2%.



The On-the-Job Training is another option for skills development and school-to-work transition offered by SEFOPE. Courses are for small groups, are organized at the work area and are focused on performing real job tasks. The vast majority of the participants are Youth (75.6%), but the percentage of Women is still very low at 5%.

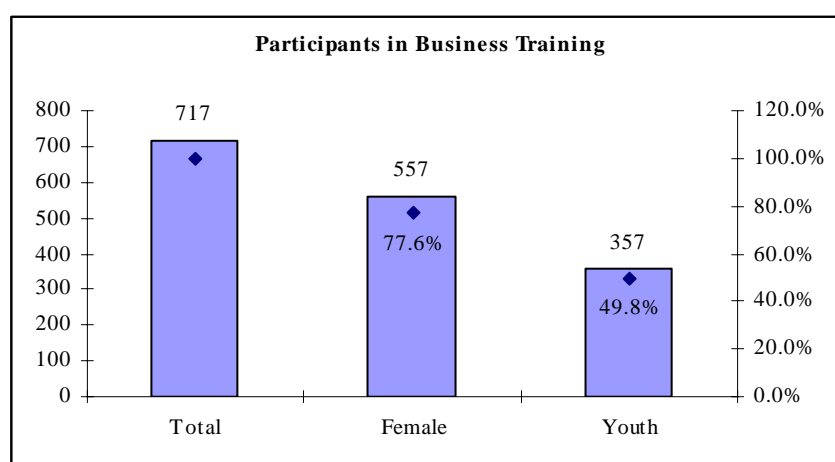


The Internships are intended for Youth leaving secondary school, so they can have a work experience for 3 months. Until now, just 5 participants (5 Youth and 4 Women) took advantage of the programmes, but the results are expected to improve with the progress of the Career Education implemented by the CEOPs in the Secondary Technical Schools.



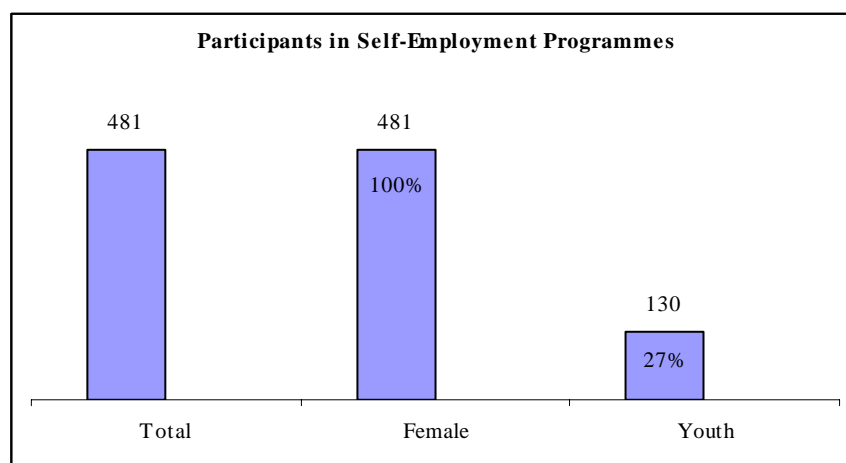
2.5.4 Registered Unemployed with Access to Business Training

Business Training programmes are being implemented in partnership with the CDEs (Business Development Centres) of the Ministry of Economy and Development, and supported through the FEFOP. In cumulative terms, a total of 717 (Youth 49.8% and Women 77.6%) new potential entrepreneurs participated in the “Generate Your Business Idea”, “Business Game”, and “Start Your Business” training courses.



2.5.5 Self-Employment Promotion Programmes

A total of 481 clients of Micro-Finance Institutions (MFIs) (100% women and 27 % youth), registered in the CEOPs, were provided with access to micro-credits and initiated their income generating activities.



The programmes assist unemployed groups in the community through access to capital, business training and skills training. Within the overall coordination of the CEOPs, the programmes promote the establishment of links between MFIs clients and relevant training courses, in order to: (i) Facilitate business start-up; (ii) Increase the business competitiveness; and (iii) Create basic conditions for business consolidation and development.

Specific Objective 3: Creation of Short-Term Employment opportunities, through Labour Intensive Public Works

The Specific Objective 3 of the YEP Programme addresses the need of establishing, within SEFOPE, a flexible structure to use Labour-Intensive works as a safety net target the most vulnerable groups in rural areas.

The Labour-Intensive methodology ensures that most of the funds are 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.

Output 3.1.: SEFOPE capacity is developed to execute labour intensive public works in partnership with other relevant institutions.

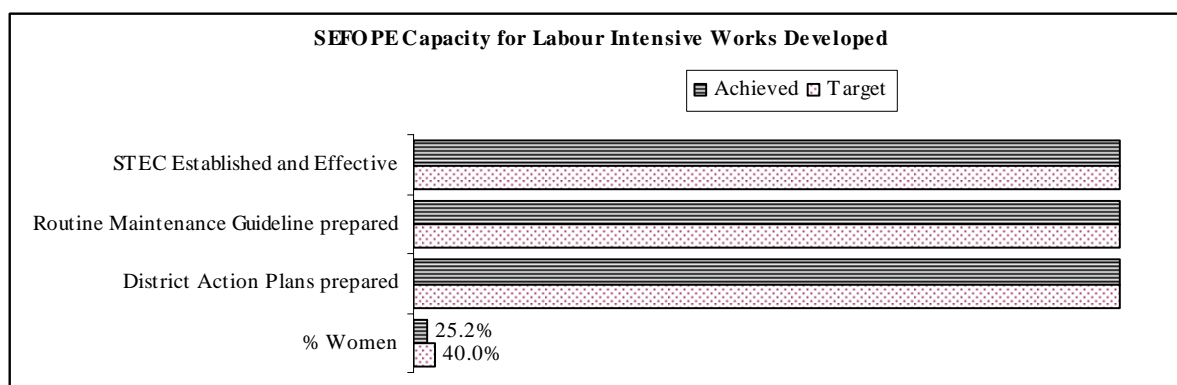
An effective structure (Department of Short Term Employment Creation – STEC) within SEFOPE is in place to manage labour-intensive works. The Short Term Employment Creation Department of SEFOPE, including the central level and the district teams, is already able of managing all activities with regards to the YEP Strategic Component 3, including financial administration and logistics with minimal input of the International Adviser. Work is fully organized and supervised by the SEFOPE maintenance supervisors. They carry out consultations, assessments and prepare monthly work plans for the contractors. They also continue to provide on the job training to the local communities implementing the works.

The STEC and its District Technical Teams work closely with the Local Authorities and Public Works Regional Engineers and District Supervisors of the Ministry of Infrastructure. This facilitates the identification of priority works on the road network and coordination with other ongoing or planned activities. District Action Plans were developed and implemented covering all the 13 districts of Timor-Leste.

A Labour Wage Rate Assessment was conducted to collect solid baseline information for the development of the guidelines for Labour Intensive Public Works programmes, and make a broad assessment of the labour supply response to the employment opportunities created by employment intensive programmes. The Assessment also helped in gauging the scale of such activities required, representing an innovative objective method of assessing labour availability.

A guideline for routine maintenance has been developed and is in use, which includes technical aspects of routine road maintenance as well as procedures for contracting out such work to community based contractors.

Tools for improved gender monitoring have been developed and implemented. Overall results in terms of women participation remain below initial targets, but main obstacles are identified and measures are being taken to stimulate participation.



Output 3.2.: Road Rehabilitation and Maintenance Works projects completed in all districts of Timor-Leste.

In order to facilitate the requirements for the implementation of the works in terms of administration, logistics and supervision, SEFOPE is advocating the organization of activities using a rotating district cluster approach.

The first cluster completed in the first half of 2008 included the districts of Ainaro, Bobonaro, Covalima, Dili, Ermera and Manufahi, where a total of 110 community projects were identified and implemented.

The second cluster, completed in the second half of 2008 included Aileu, Baucau, Dili, Lautem, Liquica, Manatuto, Oecusse and Viqueque corresponding to 115 projects identified in consultation with local authorities and relevant ministries in all these districts.

The third cluster, completed in the first half of 2009 included a total of 44 contracts, which were issued for Aileu, Baucau, Dili, Lautem, Liquiça, Manatuto, Oecusse and Viqueque.

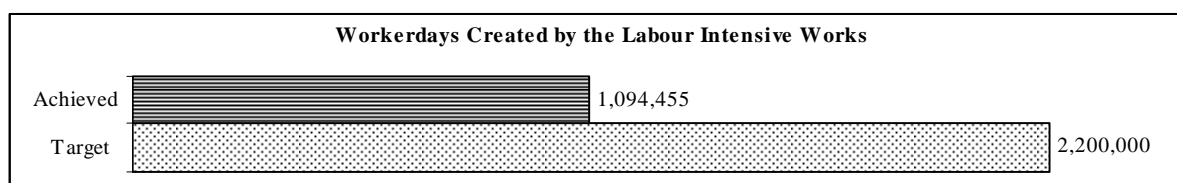
The fourth cluster, completed in the second half 2009 included a total of 62 contracts which were issued for Ainaro, Baucau, Bobonaro, Covalima, Ermera, Lautem, Manufahi and Ermera.

The fifth cluster was completed during the third quarter of 2010. It included 31 project sites for implementation of road maintenance labour intensive works in the districts of Ainaro, Baucau, Bobonaro, Covalima, Ermera, Lautem, Manufahi and Viqueque.

The sixth cluster was launched towards the end of September 2010 involving 118 new activities in all the 13 districts of Timor-Leste. Works are expected to engage around 12,500 people.

Output 3.3.: Short-term employment opportunities created in all districts of Timor-Leste, through labour intensive public works.

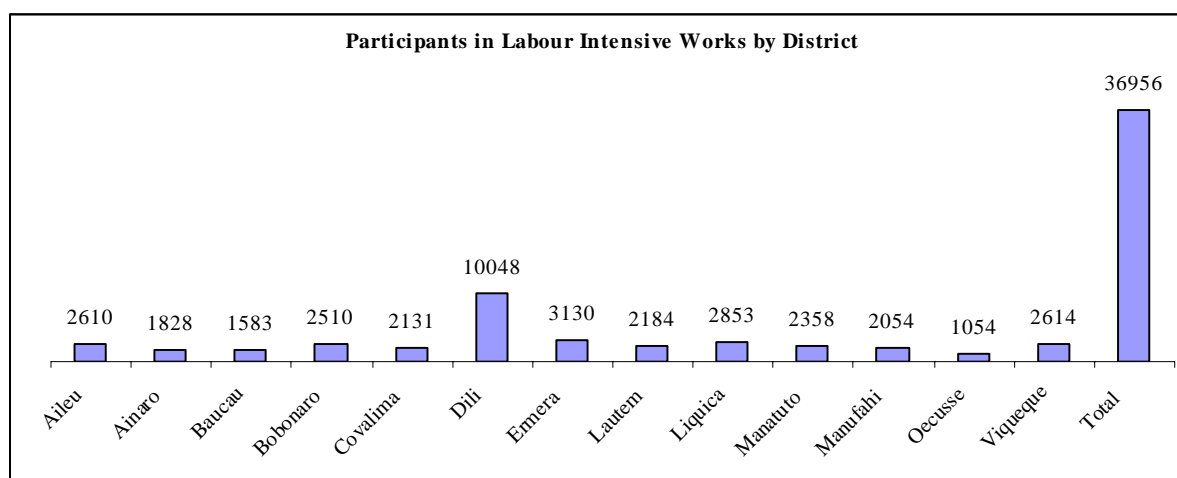
In cumulative terms, the labour intensive works generated already 1,094,455 workerdays of employment and provided temporary jobs to 36,956 people (25.2% women and 43% youth) in rural areas. In comparison with the indicators established in the beginning of the YEP Programme, the figures in terms of days of work created are slightly behind schedule, but it is expected that the new cluster of activities launched in September will contribute significantly to catch-up on the results.



On the other hand, the Programme is well on target regarding the number of rural poor enrolled in the works.

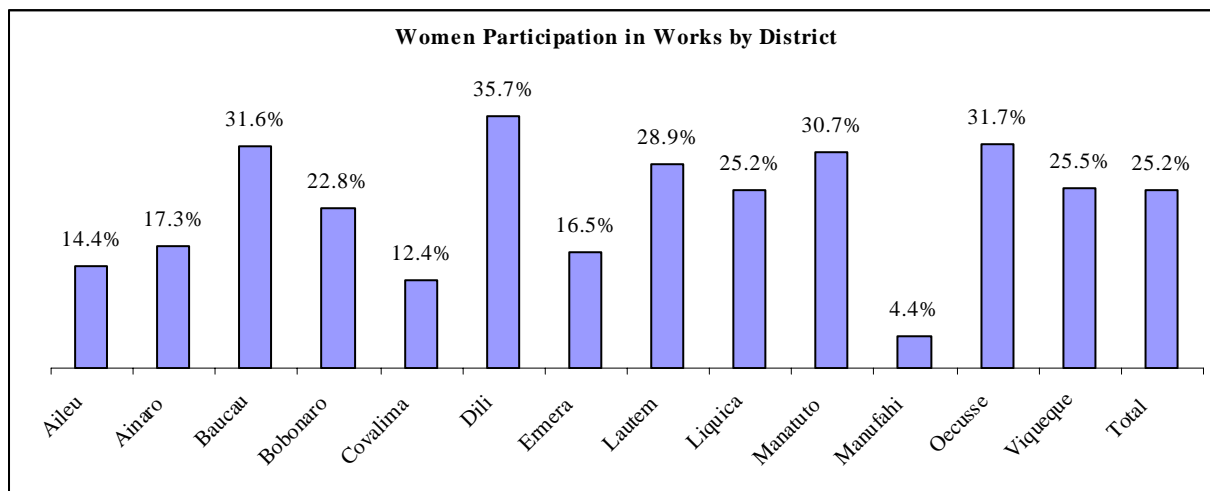


The chart below provides details on the distribution of the beneficiaries by the 13 districts of Timor-Leste. Naturally, Dili is the district with the highest number of participants due to the works organized in the rural sub-districts. Activities in all the other districts are relatively levelled.



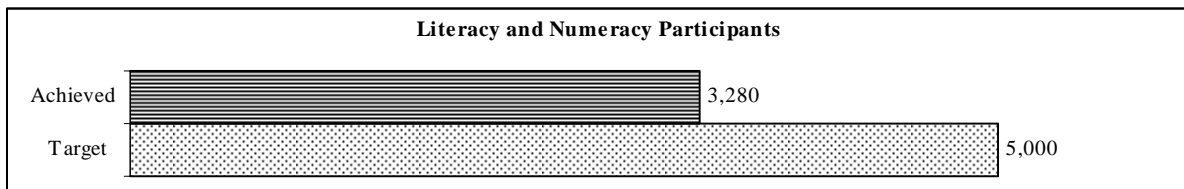
Overall, Women represent 25.2% (9,302) of the workers. The disparities among districts are substantive, ranging from the highest 35.7% in Dili, to the lowest of 4.4% in Manufahi. The

Programme is using this information to devise measures to improve women participation in the districts presenting results below average.



Output 3.4.: Work skills programme implemented for men and women engaged in labour intensive public works programme.

In parallel with the labour intensive works, the YEP Programme is implementing Literacy and Numeracy courses. In cumulative terms, 3,280 people already participated in the courses. Out of them, 59.9% were women and 66.6% were youth.



The Literacy and Numeracy was designed to respond to the need of improving the employability of the more than 72% of the participants in the labour intensive works that are illiterate.



Specific Objective 4: A competency-based education and training system, providing Timorese youth with relevant skills in accordance with the labour market requirements, established and operational.

The Specific Objective 4 of the YEP Programme is to assist in the establishment of the INDMO (National Labour Force Development Institute) and, through it, contribute to create a labour market oriented vocational training system in Timor-Leste.

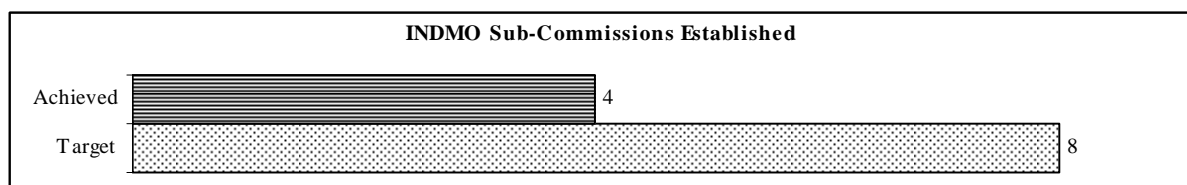
The INDMO is to put in place a national competency-based training system, based on standards set by industry sectors in conjunction with institutions involved in the organization and implementation of vocational education and training.

Output 4.1.: National Labour Force Development Institute (INDMO) established and fully operational.

The National Labour Force Development Institute (INDMO) is currently meeting its targets and is in line to have the first group of Training Providers Registered and Qualifications validated by the end of the current year.

The INDMO Secretariat is fully operational. It plans and organizes regular meetings of the Executive Commission and Sub-Commissions, approves and executes the budget in a transparent and accountable manner, and organizes the provision of professional development opportunities for all the INDMO staff within Timor-Leste and in the region, in accordance with the staff development plan prepared. A Strategic Plan was developed to guide the operation of the Institute in the period 2010-2020.

The Executive Commission formally approved the Internal Regulations and the Terms of Reference for the industry sector Sub-Commissions. Commissioners have also appointed the members of the four Industry Sub-Commissions already established covering the priority sectors of: (i) Tourism and Hospitality (T&H); (ii) Construction; (iii) Administration, Finance and IT; and (iv) Education, Training and Assessment.



Output 4.2.: Industry Competency Standards for vocational training defined and approved by Executive Commission in accordance with international standards for vocational training.

As mentioned above, four (4) Industry Sub-Commissions were already formally established by the INDMO Executive Commission. The appointment of the members of the Sub-Commissions followed individual stakeholder meetings, advertisement in the local newspapers and information workshops.

In order to systematize the work of the Sub-Commissions, *Guidelines for the Approval of Competency-Based Qualifications* and the *Approval process for the registration of competency-based qualifications* were prepared.

The competency standards are to define the fundamental set of knowledge and skills that a worker must be able to demonstrate. They serve as a guide in developing and implementing training activities aimed at strengthening and improving the capacity of the workers in the respective sector of activity. The competency standards are the product of a deep consultation process involving the industry and training providers.

Four qualifications in Hospitality and Tourism, one qualification in Administration and Finance, and a Certificate in small-scale solar power selection, installation and maintenance have been endorsed by the respective Sub-Commissions and will be presented to the Executive Commission to be approved for registration.

Output 4.3: Vocational training providers and enterprises accredited by INDMO to deliver and assess training for approved competencies.

As previously reported, the new SEFOPE and INDMO registration and accreditation standards are part of the changes to the vocational training system in Timor-Leste to guarantee high quality vocational training. There are two steps in the process. The first is for the registration of Vocational Training Providers with SEFOPE. The second is for the accreditation by INDMO of registered providers that are able to deliver national qualifications. There are two (2) standards for registration and accreditation. Each standard has a number of elements. The standards are the same for both registration and accreditation however when applying for accreditation with INDMO to deliver a national qualification the provider must meet additional conditions to show they can deliver the qualification.

All Vocational Training Providers are expected to register with SEFOPE using the new registration procedures. The new registration procedures will be phased in over time so that providers will not be disadvantaged if they have not yet had the opportunity to register using the new procedures. A Training Providers Guide was developed and disseminated to assist Training Providers prepare for registration and accreditation. Six Training Providers have completed the registration process and another eleven have initiated the process. It is expected that by the end of the current year that at least 15 Training Providers will complete procedures for registration. In parallel, DNAFOP continues to support professional development for vocational trainers and the capacity building of training providers.

Output 4.4: Vocational and technical competencies certified

As also previously reported, the Timor-Leste National Qualifications Framework (NQF) has been developed by the Ministry for Education in corporation and consultation with the SEFOPE and INDMO. It covers education and training qualifications from “Ensino Basico” to Doctorate. Completion of “Ensino Basico” is the ninth year of formal education and marks the end point of compulsory education. The proposed NQF has eleven qualification levels ranging from foundation level to doctorate. There is a set of eight guiding principles that underpin quality assurance for education and training providers that will form the basis of an agreement between the Ministry of Education and SEFOPE.

The scope of the NQF includes qualifications currently offered by institutions registered by the Ministry of Education (universities, polytechnics, academies and institutes) and qualifications that will be offered by vocational training providers registered by SEFOPE and accredited by INDMO. The implementing agencies for the NQF are INDMO and the National Commission for Academic Assessment and Accreditation (NCAAA). Executive functions for the NQF will lie within the Ministry of Education in the Division of Higher Education. Full implementation of the NQF is dependent on legislation.

INDMO is organizing monthly meetings with the NCAAA to encourage sharing of information and Timor-Leste National Qualifications Framework linkages. INDMO and the NCAAA are working together to progress the NQF legislation to be presented to the Council of Ministers in the coming period.

6. PROGRAMME MANAGEMENT

6.1. Response to the Recommendations of the Mid-Term Evaluation

The independent Mid-Term Evaluation (MTE), conducted in February 2010, portrayed the YEP as a well designed initiative, very much aligned with the National Priorities of the Government of Timor-Leste, and confirmed the overall good progress achieved. At the same time, and in order to further enhance the impact of the activities, the MTE formulated a number of recommendations that implied specific actions by the Programme to ensure appropriate response. The table below provides the main details.

MTE Recommendations		Specific Action to be Taken
1	SEFOPE, AusAID and the ILO should promote projects which include capacity building and training operate within the scope of the TLNQF to foster sustainability and future skills recognition.	Implementation ongoing: SEFOPE and YEP articulate and support activities of AusAID funded capacity building and training projects to promote their contribution for the definition of competency standards in their specific area of intervention.
2	The programme should continue and where possible intensify awareness-raising campaigns and promotion of the TLNQF agenda and registration and accreditation requirements to educate training providers, employers and trainees on the new arrangements.	Implementation ongoing: Workshops with INDMO Executive Commission and Sub-Commissions include information sessions with government departments and meetings with employer and employee groups and training providers. Workshop for Executive and Sub-Commissions held in April 2010. Regional Workshops to be held in November: Dili, Baucau, Maubisse, Maliana and Oecusse. Plan developed for Government Ministries early 2011.
3	A strong case should be made by SEFOPE and ILO to the National Government as well as to potential donors to ensure adequate budget and resources are allocated to INDMO and SEFOPE so that this work can be completed.	Completed (Annex IX): Prepare and present a Statement to the National Government and Donors on the progress of the national training system and the priority budget and resource needs for advancing the development and implementation of qualifications through accredited training providers.
4	The training and employment-related opportunities available under FEFOP should be widely promoted and the Government should maintain annual budget allocations at least at the 2009 budget level.	Prepare Quarterly Reports on the performance of the FEFOP and organize presentations to SEFOPE Cabinet and Directorates. Share information with Worker and Employer Organizations.
5	The approval and contracting process of the self employment module under this model should be simplified and streamlined to minimize disruption and delays in the delivery of the program to the participants.	Completed: FEFOP Guidelines have been reviewed.
6	The individual case management approach to counselling clients is currently being implemented by CEOP staff. This programme is both ambitious and resource intensive and should be reviewed in 6 months time including feedback from clients to assess its effectiveness and the outcomes being achieved.	Implementation ongoing: Individual case management approach to counselling being reviewed.
7	CEOPs should develop 'group' counselling approaches to convey information and guidance to groups with similar information needs or similar aspirations.	Completed: Group counselling approach developed and implemented. Group counselling is being prioritised for vocational training and technical secondary schools students.

MTE Recommendations		Specific Action to be Taken
8	Display of materials and information in CEOP offices should be improved and pamphlets and brochures on training and employment opportunities should be made available for distribution in CEOP offices and more widely, based on a specific communication effort in the next few months.	Implementation ongoing: Improve existing CEOP signboards and install new display boards. Media tools produced, distributed and on display.
9	The Programme partners should all make efforts to ensure that budget allocations for labour intensive works should continue and specifically target rural and remote communities. The training programmes for literacy and numeracy, HIV/AIDS awareness and family planning should be continued and should also target young people in local communities.	Implementation ongoing: Literacy and Numeracy training and HIV/AIDS and Family Planning organised in parallel with the labour intensive works and targeting the same communities.
10	There are eight teams of field engineers, supervisors and contractors based in SEFOPE and in the field with funding from YEP and TIM WORKS. ILO should alert potential donors proposing any follow-up labour-based road projects to the availability of this expertise to minimize the loss of positions when the TIMWORKS project concludes.	Implementation ongoing: TIM Works financed by AusAID now scheduled to end in June 2011. New programme under discussion.
11	Further support and enhancements to the LMI system (SIMU) database software should be considered to improve the usefulness and efficiency of the database and its reporting capability. If this is not possible within existing YEP resources, ILO and SEFOPE should identify other opportunities.	Completed: Works are included in the LMI Project extension.
12	SEFOPE and ILO should seek donor support for the unit to develop greater capacity to analyze data such as the LF survey and other data collected by various units within SEFOPE and report on labour market issues.	Completed: Irish AID and ILO signed the contribution agreement for the extension of the LMI Project until December 2011.
13	Effective gender mainstreaming requires a dedicated effort and resources. ILO, SEFOPE and AusAID should consider this and arrange for specific gender expertise to be available to implement the SEFOPE gender mainstreaming strategy.	Completed: AusAID has approved additional funding for the YEP programme. Data from SIMU and project progress is sex-disaggregated. Tailoring monitoring tools and analysis for SEFOPE Gender Cabinet is to be undertaken so that the Gender Cabinet has tool to use in their work and can effectively advocate and advise activities for better gender responsive programme in SEFOPE.

6.2. Additional Support to DNAFOP and INDMO

The challenges associated with the establishment of a Market-Oriented Competency-Based Vocational Training System are huge and multifaceted:

- First of all, INDMO is a brand new institution and, despite all the progress achieved during the last two years, it will continue requiring strong support to be able to cope with its extremely demanding responsibilities;
- DNAFOP itself is also facing the need to further strengthen its structure. DNAFOP provides crucial support to training providers and to the operation of the FEFOP, including continuous monitoring of activities. Under the FEFOP framework, the DNAFOP is the sole responsible for a number of different programmes involving Vocational Training, Work Experience, Internships, On-the-Job Training, and Training

Providers Capacity Building. It also plays an important role in the context of the self-employment promotion;

- In general, the capacity of the Vocational Training Providers is still low, and they require extensive assistance and attention from DNAFOP in order to have a chance to develop and meet the criteria for registration and accreditation;
- Until now, most of the technical assistance provided by the YEP Programme is very much focused on the INDMO. It is a fact that the YEP international TVET Expert is also being requested to support DNAFOP. However, it is obvious that the dimension of the combined tasks is far too big and too demanding and cannot be performed by a single person;
- Consistently with this line of thinking, SEFOPE requested the YEP Programme to recruit an additional TVET Expert to provide full time support to the Departments of On-the-Job Training and Vocational Training Centres;
- A new Expert, Ms. Therese Curran, was already identified and selected in close consultation and coordination with SEFOPE. It is expected that Ms. Curran will initiate her assignment on 1st February 2011.

6.3. Expansion of Literacy and Numeracy programmes

Until now, the participants in the Literacy and Numeracy programmes were selected based on the following basic criteria: (i) Participating in the labour intensive programmes; (ii) Illiterate; and (iii) Willingness to participate on a volunteer basis.

Out of the 3,280 people that already participated in the programmes, 66.7% are Youth, 60.3% are Women, and 100% never attended school, demonstrating the criteria used is effective and able to select the most vulnerable groups of the communities that represent the obvious target of the programmes.

On the other hand, it is also felt that the selection criteria is too narrow, particularly the fact that only the participants in the Labour Intensive Works are entitled to attend the Literacy and Numeracy courses. This represents a major limitation to the democratization of the programmes, and prevents the intervention of the CEOPs in the referral of illiterate registered unemployed to the courses, which, at the end of the day, is also a lost opportunity to provide the CEOPs with an expanded mandate and visibility.

Against this backcloth, while maintaining, in general terms, the same modus-operandi of selection of participants as until now, in the coming period the YEP Programme will pilot an additional selection and referral system through the CEOPs, which will allow illiterate registered unemployed to have access to the Literacy and Numeracy courses even if they are not participating in the Labour Intensive works. This pilot phase will be valid exclusively for the district of Oecusse. Possibilities for expansion to other districts will be considered based on the results achieved.

6.4. Findings of the Self-Employment Impact Assessment

During the reporting period, the YEP Programme developed a methodology to measure the impact of the FEFOP self-employment proposals and capacitated SEFOPE officials to carry out regular impact assessments. Questionnaires were developed together with the Self-Employment Department and the sample (145 beneficiaries) was randomly extracted from the SIMU-web database. Specific training on interviewing techniques was also delivered to the team of interviewers, and an *ad hoc* database was designed.

In line with the YEP integrated approach, it is expected that the institutional capacity created within the Self-Employment Department will allow SEFOPE to regularly conduct such assessments, which are meant to complement the information gathered through regular monitoring visits.

The findings of the Self-Employment Impact Assessment are summarized below. The full report is provided in the Annex X.

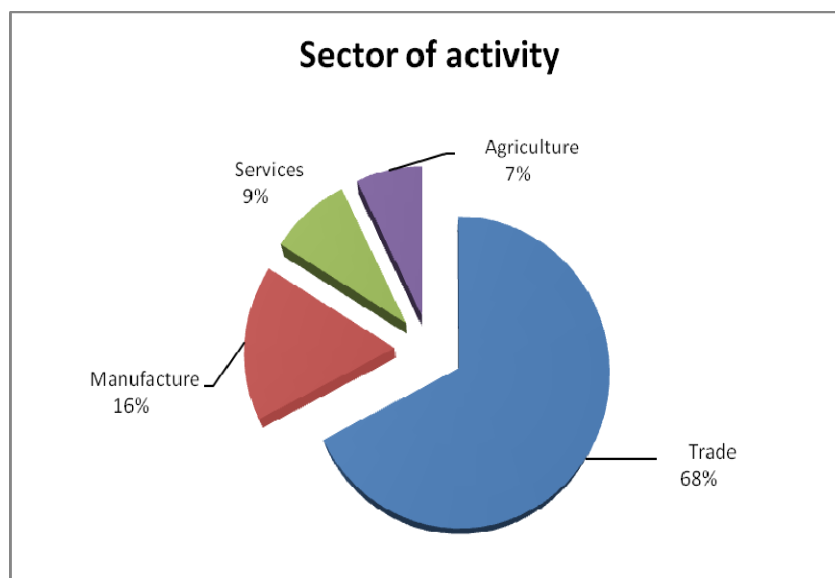
SELF-EMPLOYMENT IMPACT ASSESSMENT – MAIN FINDINGS

Out of the selected sample of 145 businesses, supported by the SEFOPE Self-Employment Department through its two main programmes (PAE – Promoção Auto Emprego and JOIN – Joven Iha Negosiu), 121 entrepreneurs were reached by the trained enumerators (heavy rains and poor conditions of rural roads did not allow the team to reach all the targeted beneficiaries). Out of the 121 respondents (100% Women), 119 were in business at the time of the interview and 2 declared that they closed their activity.

TYPE OF BUSINESS

The majority of the interviewed entrepreneurs were in the trade sector (68%), while the rest in the manufacture, service provision and agriculture sectors.

Surprisingly, almost 60% of the respondents declared to hold the MTCI business licence (and they showed it to the interviewers).

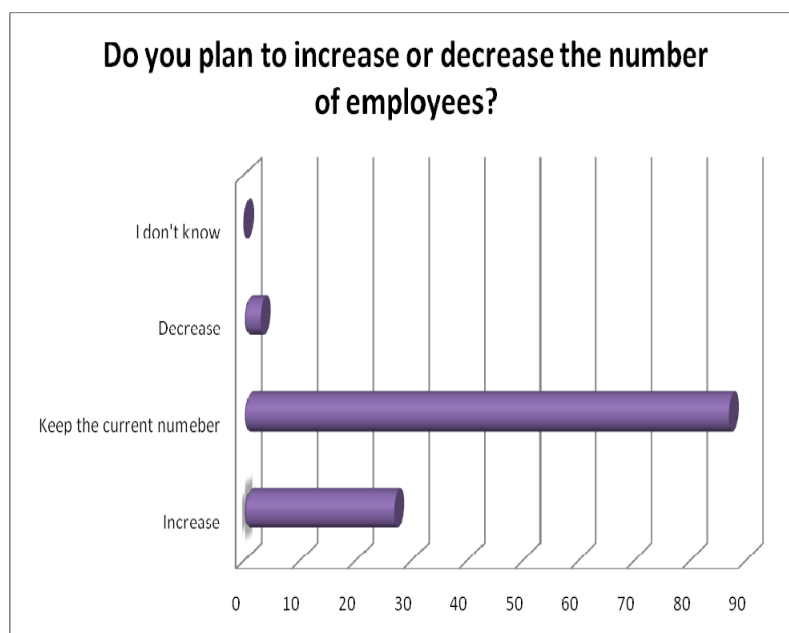


TURNOVER

The business turnover of the assessed micro-enterprises ranged between US\$ 128/month (selling vegetables at the marketplace) to US\$ 5,600/month (brick producer), with an average of US\$ 766 per month. Interestingly, the targeted entrepreneurs mentioned that – on average – they work 6 days per week.

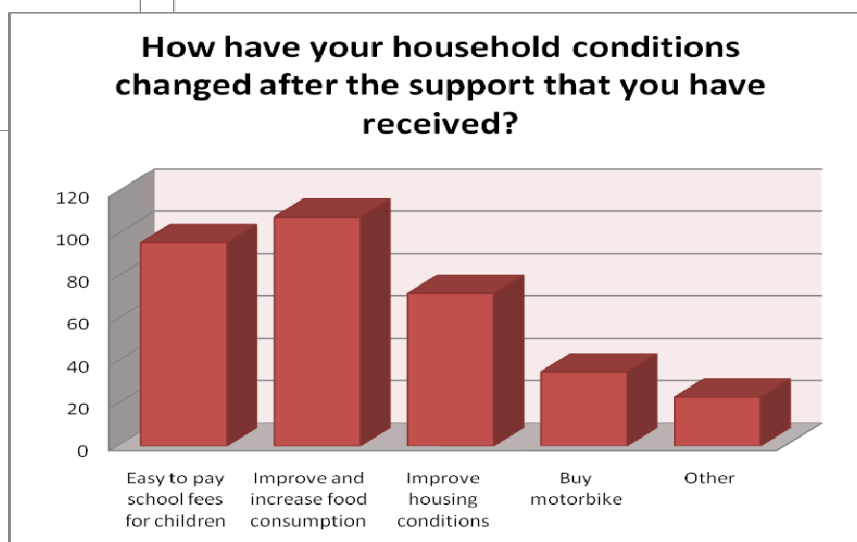
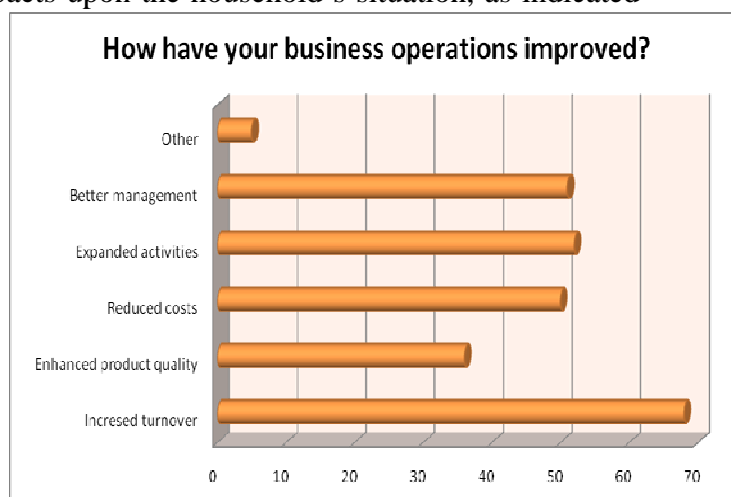
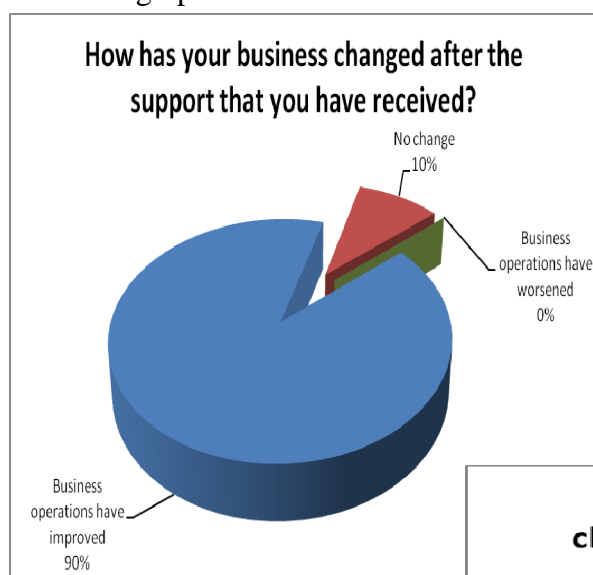
CONTRIBUTION TO EMPLOYMENT CREATION

In average, each micro-enterprise employs three workers (including the entrepreneur). An important percentage of the employees is represented by family members, 60% of which receive formal monthly salary, while others do not receive a regular payment. Also, respondents showed a high degree of confidence in the future: 97% of the beneficiaries declared that – in the short term (six months) they are going to increase or retain the current number of workers in the business.



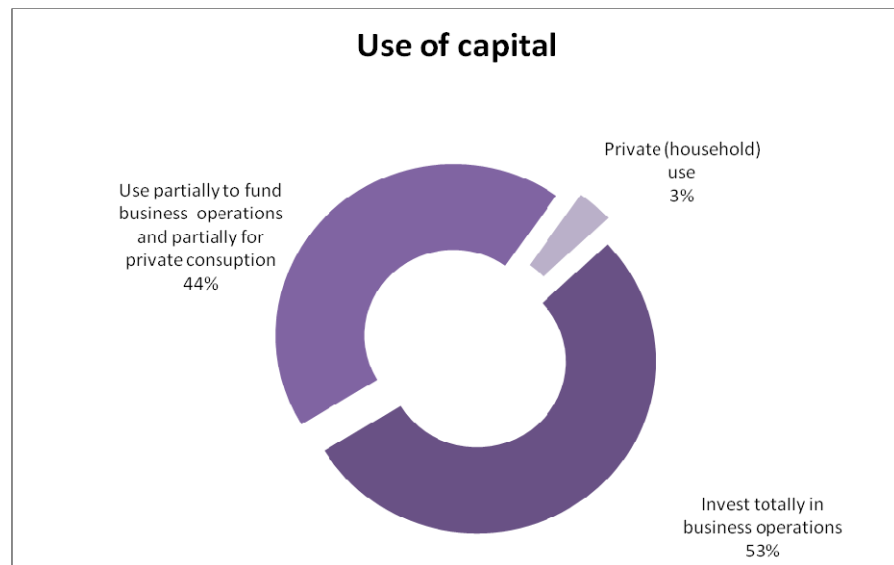
OVERALL IMPACT OF THE FEFOP (PAE AND JOIN MODULES) INTERVENTION

As a result of the intervention, the striking majority of respondents declared that their business operations have improved or haven't changed. The improvement in the business operations had direct social effects and impacts upon the household's situation, as indicated in the graphs below.

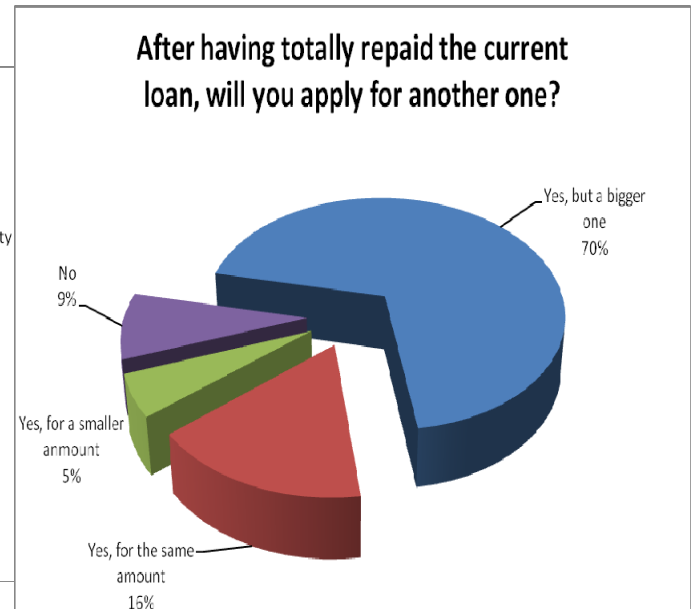
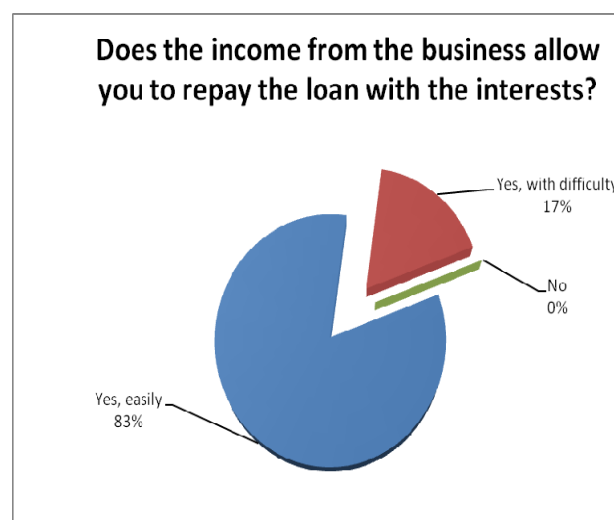


RELEVANCE OF THE SUPPORT FROM MICRO FINANCE INSTITUTIONS

As far as the size of the credit obtained by a Micro Finance Institution (Moris Rasik and Tuba Rai Metin) is concerned, it ranged between US\$ 150 (group lending model) and US\$ 6,000 (individual credit model). In relation to the use of the loan, the interviewed beneficiaries showed a high commitment to invest the capital entirely in their business activities.



All the micro-entrepreneurs surveyed, declared that their business generates enough income to reimburse the loan. Out of them, 83% affirmed that they were able to repay it easily, while just a 17% with some difficulties. In general, an extremely high percentage (70%) of beneficiaries confirmed their willingness to apply for a bigger loan once the current one is totally repaid.



Only 9% of the respondents will not apply for another loan, while 5% of the respondents will continue to borrow money from a MFI, but applying for a smaller loan, finally 16% will apply for a same amount of funds.

Finally, respondents declared to be satisfied with the size of credit (71%), with its duration (70%) and with the frequency of repayments (63%).

RELEVANCE OF THE SUPPORT FROM BUSINESS DEVELOPMENT CENTRE (IADE / CDEs)

In relation to three aspect of the business management training intervention, the majority of respondents:

- rated the *quality training* as “good” or “very good” (99%).
- affirmed that the *quality of the manuals* was “good” or “very good” (100%).
- declared that the *duration of the training* intervention was suitable to their needs (97%).

In terms of main learning points, after having participated in a business training course,

- 97% of the respondents feel themselves “confident” or “very confident” in the General management of the business.
- 96% of the respondents feel themselves “confident” or “very confident” in the Capacity to make decision independent of others.
- 97% of the respondents feel themselves “confident” or “very confident” in the Management of the business and family relations.
- 93% of the respondents feel themselves “confident” or “very confident” in the Knowledge of the market.

As a concrete evidence of the perceived quality of the training delivered, 94% of respondents declared that they are ready to pay a fee to participate in further business management training.

RELEVANCE OF THE SUPPORT FROM VOCATIONAL TRAINING PROVIDERS

Within the sample of 145 beneficiaries, 11 participated in a vocational training.

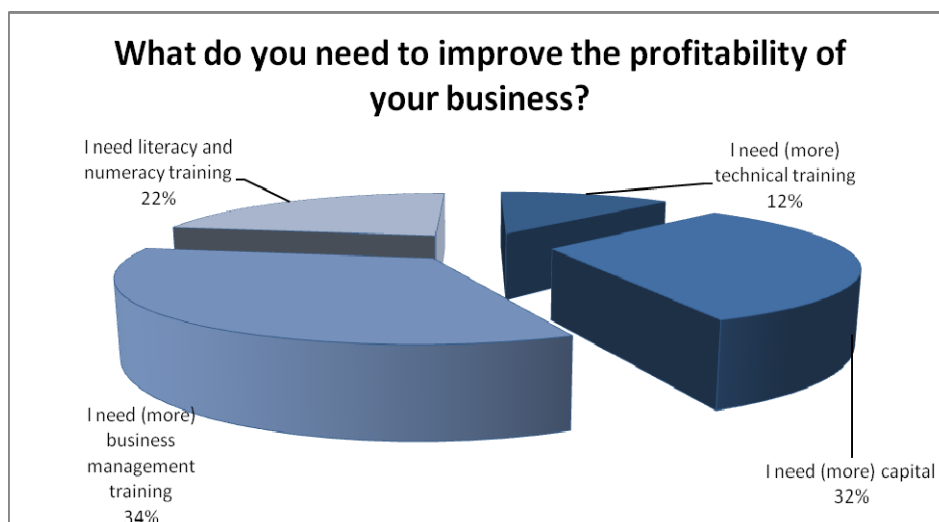
In relation to three aspect of the vocational training intervention, the majority of respondents:

- rated the *quality training* as “good” or “very good” (100%).
- declared that the *duration of the training* intervention was suitable to their needs (91%).
- affirmed that the *quality of the manuals* was “good” or “very good” (91%).
- declared that the *quality of the equipment* was “good” or “very good” (81%)

Additionally, all the respondents agreed upon the fact that the training was adapted to their needs and 10 out 11 declared that they are ready to pay for future training interventions.

FURTHER SUPPORT

The survey highlighted a strong need of further business management assistance (34% of the respondents) to help the micro-entrepreneurs to improve the viability of their businesses.



Follow-up courses on specific topics such as marketing and bookkeeping were particularly requested.

Another 32% of the micro-entrepreneurs interviewed confirmed a strong need of additional financial support in terms of loan capital in order to sustain and expand the business.

22% of the respondent stressed the need of participating in literacy and numeracy courses. It is to be noted that 33% of the responded declared to be illiterate.

Only 12% of the beneficiaries surveyed expressed a need for technical training, mainly to diversify and expand their range of products and services.

6.5. Vocational Training Review and Impact Assessment

In addition to the Self-Employment Assessment described above, a similar exercise is being conducted in partnership with the National Directorate of Vocational Training (DNAFOP) to review vocational training provision. DNAFOP officials conducted visits to partner training providers in all districts of Timor-Leste.

The review will analyse data according to the geographical spread; the productive sectors covered by the training courses; the method of selection of trainees and the groups targeted; the duration of courses; the funding of courses; curriculum used and the language of delivery; the qualifications of the trainers; the relationship of the training and the providers to the relevant employment sectors and enterprises; and the follow up mechanisms of the training centres.

At the same time, DNAFOP and the YEP Programme developed and are implementing a methodology to assess the impact of the vocational training providers and of the courses supported through the FEFOP. The specific objectives of the Vocational Training Impact Assessment are: (i) to assess the effectiveness of the skills training programmes and training providers in assisting the registered unemployed to find a job or initiating their own income-generating activities; (ii) to identify further inputs that may be required for the development of the vocational training system being established by the SEFOPE; and (iii) to test a standard tracer study instrument and give on-the-job training to SEFOPE officials in monitoring and evaluation of training courses as provided by various institutions. All results will be available in the last quarter of 2010.

7. CHALLENGES & WAY FORWARD

In line with the considerations expressed under the Programme Management section above, the immediate way forward of the YEP Programme will continue being essentially guided by the strategic vision of SEFOPE towards a greater focus on the development of the Timor-Leste Market Oriented Vocational Training System and by the consequent need to strengthen the support to the National Directorate of Vocational Training (DNAFOP) and to the INDMO. The review of the procedures for the selection of the participants in the Labour Intensive programmes and Literacy and Numeracy courses will be another important pillar. The main specific challenges under each of the four (4) Strategic Components of the YEP Programme, anticipated for the coming period, are presented below.

7.1. Challenges under the Strategic Component 1

The Timor-Leste National Employment Strategy (NES) 2010-2015 will be the centre of the attention of the Strategic Component 1 of the YEP Programme. The NES will be presented to the Council of Ministers in October 2010 and, if endorsed by the Government, it will require an appropriate monitoring mechanism to ensure aligned and consistent implementation.

The SEFOPE and the YEP Programme will develop a suitable Monitoring Logical Framework to allow systematic gathering of data and will organize regular meetings with stakeholders. The preparation of a consolidated annual progress report is also planned.

7.2. Challenges under the Strategic Component 2

The new CEOP in the district of Manufahi will start operation with new staff which recruitment is currently being finalised. New staff will require Career Guidance Training and On-the-Job Training organised by the CEOP of Dili.

The Employment and Career Counselling Manual, used for the previous training of the CEOPs staff, will be revised based on the inputs provided by the staff involved in the implementation and to better meet the needs of the different client groups. The review will also be very much grounded on the 'Study Tour of Employment and Career Counselling Services' to Darwin, Australia, organized during the current period. The CEOPs Coordinators and Chief of Department returned from the 10 days tour with a myriad of new ideas and suggestions on how to improve the services provided by the CEOPs that need to be reflected in the daily operation. The CEOPs will start implementing a "Case Management Model" in which each staff will act as Case Manager assisting a portfolio of registered clients assigned to him/her.

SEFOPE and the private sector, with the assistance of the YEP Programme, will organize the first Timor-Leste Career Expo. It will target students from secondary schools, vocational training, and universities, job seekers, parents and the community at large. The Career Expo aims to increase awareness of the students and job seekers in understanding the work environments and professional world. Besides facilitating the job search process, the Careers Expo will promote careers in various fields; will provide information on different

occupations, education and vocational training necessary to enter them; training and career development required; professional skills and abilities; and employer expectations. Exhibitors will be from a range of different industries, training providers, government departments and education organizations, who will develop an interactive display stand offering opportunities to talk and discuss career opportunities. Career Education Charts and a large number of other specific materials will be produced for the organization of the event that will take place in February 2011.

The new computerised Labour Market Information system of SEFOPE (SIMU) of SEFOPE, which development was finalized during the present period, will initiate full-fledged implementation. On-the-Job training for the staff of the National Directorates of Vocational Training and of Employment will continue being organised, including for the staff of the CEOPs. Models of Reports will be developed and built in the system to allow automatic reporting of all the different types of the programmes implemented by SEFOPE, including breakdowns by age, sex, education, and etc. The system will use a “One-Click reporting” function that will enable rapid generation of reports.

The Report on the Timor-Leste Labour Force Survey will be prepared and disseminated. Presentations will be organized by SEFOPE for the members of the Government and stakeholders.

The Vocational Training Review and Impact Assessment will be also completed and disseminated. The exercise is expected to provide valuable information on the effectiveness of the skills training programmes and training providers.

The SEFOPE Website will become operational. The Website will provide details on the programmes and services offered by SEFOPE, representing an additional youth-oriented platform enabling the dissemination of information on employability and employment opportunities.

7.3. Challenges under the Strategic Component 3

The Short-Term Employment Creation Department of SEFOPE will continue fully committed to the completion of the works related with the demolition of the old houses previously identified, and to the implementation of the sixth cluster of labour intensive works launched recently in all the 13 districts of Timor-Leste, which will provide temporary employment to more than 12,500 people.

A new cycle of Literacy and Numeracy programmes will be also launched, including the new methodology of selection of participants through the CEOPs that will be piloted in the district of Oecusse.

7.4. Challenges under the Strategic Component 4

Despite the evident and remarkable progress achieved in the different areas of intervention, the complex technicalities associated with the establishment of an effective market oriented competency-based vocational training system in Timor-Leste will continue imposing a number of challenges in the way forward.

The new system of Registration of Training Providers requires a clear understanding of the process by the DNAFOP officials involved, to enable consistency in advice to training providers throughout the registration procedures. DNAFOP and the YEP Programme will continue exploring opportunities for further professional development in vocational training regulatory activities for the relevant DNAFOP staff. Possibilities to provide each staff with a portfolio of training providers to assist in the registration process will be considered. Further full-time support from an advisor to assist DNAFOP, as proposed under the item 6.2 above, is another crucial factor to address the bottlenecks.

Since its inception, INDMO has been struggling with the inadequacy of the office space allocated to the institution and the consequent fierce understaffing. On the other hand, INDMO is involved in accreditation, qualifications development and facilitation of industry advisory mechanisms, representing a mandate and a workload that is clearly beyond the current capacity of the institution, and creating the risk of inability to accredit training providers to deliver national qualifications. INDMO, with the SEFOPE support, will continue exploring possibilities to access additional office space, and to increase the number of staff. At the same time, INDMO will seek opportunities for intensive training in competency-based training and assessment, and further training in use of qualifications development and submission processes.

Until now, the implementation of the Timor-Leste National Qualifications Framework (TLNQF) by the Ministry of Education has been slow, resulting in the lack of jurisdiction for qualifications at levels 5 and 6. The DNAFOP Director, with the assistance of the YEP Programme, will continue seeking solutions to increase the speed of implementation in the context of the TLNQF Working Group. In parallel, the regular monthly meetings between INDMO and NCAAA will also continue.

A number of training providers continue expressing mixed expectations about the INDMO role. Some expect training curriculum to be supplied, some expect trainer training, etc. INDMO will persist its communication with training providers to clarify INDMO role. Accreditation Guides will be disseminated. Best practice examples will be identified and disseminated to other training providers through workshops and field trips.

8. FINANCIAL STATUS

As of 30 September 2010, a total of US\$ 4,309,603 has been spent, reflecting all recorded expenditures.

ANNEXES

Annex I – National Employment Strategy for Timor-Leste 2010-2015

Annex II – Work Skills M&E Report

Annex III – INDMO Study Tour to Indonesia and the Philippines

Annex IV – INDMO Staff Induction Manual

Annex V – Training Providers Registration and Accreditation Guide

Annex VI – Registration Reviewer Guide

Annex VII – Accreditation Reviewer Guide

Annex VIII – YEP Programme Monitoring Plan

Annex IX – INDMO Statement

Annex X – Self-Employment Impact Assessment