

Youth Have Opportunities for Work in East Timor (Prepara Ami ba Servisu –PAS- Program)

USAID Cooperative Agreement No: 486-A-00-07-00010-00

Education Development Center, Inc. (EDC)
Youth Build International

QUARTERLY REPORT April 1 – June 30, 2008

Submitted to USAID Timor Leste

by

Education Development Center, Inc.
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This quarterly report covers the period from April 1 – June 30th, 2008 under USAID Cooperative Agreement No. 486-A-00-07-00010-00. The report summarizes major accomplishments by the PAS Project during this period, plans for next period, and a summary of expenditures for the period. Annexes include: 1) EVI Initial Market Development Research

Section One: Project Summary

Over a period of three years, the PAS program will provide at least 2,500 minimally-educated rural men and women, ages 16-30, with a workforce preparation program that combines off-the-job instruction with on-the-job training. Elements of this program include literacy/language learning, employability and life-skills training, financial and entrepreneurship training, and vocational skill building. The program will combine formal instruction with on-the-job training in some of the country's most rural areas. As part of this training, participants will have the opportunity to gain real work experience while applying new-found skills gained through formal instruction.

On and off-the-job training will be combined in one integrated 6-month program in which participants will spend alternating weeks engaged in project activities that provide hands-on work experience, and in complementary training and skill building activities designed to improve their work readiness and employability post-program completion. Youth participants will gain hands-on work experience by engaging in project activities that are demand-driven and appropriate for local communities. Priority sectors for on-the-job training include environmental protection, agriculture and the improvement of productive and community infrastructure.

To improve work readiness, youth participants will work with project staff to identify his/her development goals. These staff members will mentor or accompany participants for an additional 6 months (for a total of 12) to ensure the integration of the formal instruction and on-the-job training components of the program. At the end of the program, counselors will assist participants in taking the next step in their development, such as return to formal schooling or vocational training, enter the workforce, or start their own business.

EDC will work in selected sites in Districts outside of Dili, and will engage extensively with key stakeholder groups including government ministries, local NGOs and community groups. The broad objectives of the PAS Program are to:

1. Offer participants opportunities to learn FOR work
2. Offer participants opportunities to learn FROM work
3. Build the capacity of local institutions to support coherent work readiness training

We expect that by meeting these objectives, we will enable participants':

- Increased self-employment in rural areas
- Increased productivity in local industries
- Success in emerging job markets
- Pursuit of continued career training
- Enhancement of community assets and business opportunities

More specifically the PAS program will¹:

Result 1: Ensure that targeted youth are more capable of earning a livelihood

Result 2: Ensure local institutions have improved capacity to prepare low-skilled youth for work

Section Two: Accomplishments this Quarter

The following major accomplishments were completed during this quarter.

Curriculum Pilot Testing in Four Districts Completed.

EDC with partner Fundacao Cristal pilot tested portions of the PAS curriculum in Aileu, Baucau, Dili and Lautem Districts. The testing which lasted 10 days was highly publicized and media coverage included television coverage where the COP and youth participants were interviewed.

Teaching Curriculum Finalized.

The 6-month long curriculum for the PAS program, 90% of which was written from scratch, was completed with the collaboration of international technical assistance and local staff. Curriculum content was generated from various sources including local sources such as Oxfam, Red Cross, UN Human Rights Commission, Ministry of Education – Non-formal Section, Justice and Peace Commission and Arte Morris. Material has been created in, or

¹ These results are currently still in draft form and are pending USAID approval of the PAS Performance Monitoring Plan, due in July 2008.

translated into Tetun and English with the financial component also being in Bahasa Indonesian.

Staff Recruitment and Hiring Continues.

EDC advertised three separate times in local newspapers to find suitably qualified and capable local candidates to fill key positions in the Dili office, and to run field operations in the Districts. Out of the 20+ interviews that have been conducted no suitable local Deputy Chief of Party was found and the position is pending, in the meanwhile several other positions were filled including District Coordinator for Baucau, Learning and Training Associate, Finance Associate, Administrative Assistant and monitoring and evaluation specialist and two drivers. Staffing remains ongoing for more District-based positions and to replace staff who have left or are leaving the project already for different reasons (e.g. health and scholarship in the USA).

Relationships strengthened with Key Government Officials, International Organizations, Private Sector and Local NGOs.

- ♦ Several meetings held with the offices of the Secretary of State for Youth and Sports and Professional Development and Employment and Ministry of Education (formal and non-formal).
- ♦ Member of national level working group on standards for non-formal education training standards.
- ♦ Meetings held with several private sector and NGO organizations including Woodside Energy (oil company) and the National Hospital construction company in Baucau.

Continued Partnership and Capacity Building with Local NGOs.

- ♦ Signed three MoU's with local NGOs: Futuro ba Sociedad Prospero (FSP), Loron Aban Hahu Ohin (LAHO) and Centro de Desenvolvimento Comunitario (CDC)
- ♦ Provided two trainings for local partners and future partners: 1-day training in Baucau on overview of program and 5-day training of curriculum and training approaches for partners in Baucau

Workplan Presented to and Approved by USAID.

COP presented workplan to Mission Director, Program Officer and Economic Growth and other staff at USAID. Discussed name and age change, participant and site selection, strategies for augmenting USAID partner projects and anticipated work experience opportunities around the country. With minor revisions the Workplan was approved by USAID.

USAID approved sub-grant to EVI and EVI initiated work in Timor Leste.

A sub-grant to US-based NGO EcoVentures International (EVI) was approved. This partnership will help the USAID PAS program emphasize rural entrepreneurship and how to introduce youth to the commodity value chain in Timor Leste. In June, EVI market research specialized David Sturza arrived to advance EVI research into promising market niches for rural Timorese youth. Sturza will continue to work in country for much of July with EVI's report due in August. (see Annex I for illustrative draft of research findings).

Staff Orientation Held.

EDC with the assistance of YBI, conducted a three-day, in-house staff orientation on working with youth and establishing roles and responsibilities for Team Leaders and Work Sponsors around the country.

Project Vehicles Arrived.

The official project vehicles arrived in country.

Work on M&E system Advanced.

In June International Monitoring and Evaluation Specialist Patti Delaney arrived in Dili to begin work with local staff on the completion of the PAS M&E system. This included work on the design, implementation and staff training on the newly created database for which Database Designer Jason Kearns was locally hired. This work will be completed in July.

Section Three: Challenges and Proposed Solutions

Project name and Participant Age. With the support of USAID Timor Leste the name has officially changed from JOBS Opps to Prepara Ami ba Servisu (PAS) and the new age range is 16-30 (previously 18-30).

Section Four: Summary of Expenditures for the Quarter

Accrual for the period ending 6.30.08

A	B	C	D	E	F	G	H=F+G	I=C+D+E+H	J=B-I
Original or Revised Total Estimated Cost	Obligated Amt. to Date	Actual Costs Incurred Inception to 9/30/07	Actual Spending Q1 FY08	Actual Spending Q2 FY08	Actual Spending Apr 08-May 08	Estimated Spending Jun-08	Total Estimated Spending Q3 FY08	Total Estimated Expenditures at 6/30/08	Estimated Unexpended Balance at 6/30/08
\$5,000,000	\$ 5,000,000	\$ 16,305	\$ 164,394	\$241,748	\$ 266,562	\$ 106,011	\$ 372,573	\$ 795,020	\$ 4,204,980

Section Six: Plans for Next Quarter

Plans for the next quarter include finalizing local staff hires, securing procuring project vehicles which are currently on the way, identifying more local training and work site partners, collaborating with USAID/Timor-Leste on work plan activities and the development of the first four work sites in the Baucau District.

Section Seven: Travel Schedule – This Quarter

April 2008:	
Various	Several trips to Baucau and Aileu for site and participant selection.
May 2008:	
May 2 – 21	Tim Haskell, EDC Home Office Associate worked with local staff on field start up
May 8 – 30	Technical Advisor Brenda Bell worked with local staff and local-international consultant on finalizing curriculum
Various	Several trips to different sites nation-wide: site and participant selection.
June 2008:	
June 6 – 13	YBI Peter Twichell co-facilitated PAS team orientation
June 8 – 18	YBI Phil Matero co-facilitated PAS team orientation and assisted in materials development for training staff
June 9 – July 11	EVI's David Sturza works with local staff and Timorese NGOs on identifying agricultural related livelihood opportunities for PAS youth participants
June 19 – July 7	Monitoring and Evaluation Technical Consultant Dr. Patricia Delaney worked with local staff and visited sites in the field to help finalize PMP plan and monitoring, evaluation and assessment documents.
Various	Several trips to different sites nation-wide: site and participant selection.

Travel for Next Quarter (July 1, 2008 – September 30, 2008)

July 2008:	
Various	EVI's David Sturza will visit several sites in selected Districts including Lautem, Baucau, Aileu and Liquica.
Various	EDC local staff travel to Baucau and other Districts to begin preparations for Cohorts 3, 4 and 5. Expected Aileu, Liquica, Bobonaro and Manufahi.

August 2008:

Various

EDC local staff travel to Baucau and other Districts to begin preparations for Cohorts 3, 4 and 5. Expected Aileu, Liquica, Bobonaro and Manufahi.

September 2008:

TBD/TBC

Associate Director Cornelia Janke potentially might visit the project for a management review, to assess project status and to work with local staff on refining systems and procedures for sub-granting.

ANNEXES

Annex I: EcoVentures International (EVI) Initial Market Development Research for Timor Leste



PAS Project – Timor Leste
Initial Market Development Research
Draft – not for citation or publication

Research and Capacity Building on Market-relevant and Sustainable Business Opportunities for Organizations working with Out-of-school Youth in Timor Leste

Background to Market Development in Crisis/Post Crisis Environments:

Market development in post-crises attempts to avoid market distortion, and use the power of markets to move communities more rapidly from relief dependency to independent livelihood security. Relief initiatives, in their admirable work to meet the basic needs of people affected by crisis, often inadvertently distort private sector markets and unintentionally create vulnerabilities and dependency. In this way, there can be adverse effects with respects to creating pathways to building sustainable livelihoods.

Focusing on entire sectors and the various population groups that operate in that industry allows agencies to include both target and non-target groups. This approach helps to avoid any additional stigma as benefits will be realized by both target and non-target segments. While focusing on an entire sector, it is imperative that agencies design their programs to ensure that the needs of targeted groups are addressed and their unique requirements and ability to access services are taken into consideration.

Relevance to Timor-Leste

Although Timor-Leste is currently rebuilding, the high percentage of IDPs and the recurrent spells of instability reflect many properties of environments in a state of “chronic emergency” or “transitional/rebuilding” phases (see figures 1 and 2 on page 3). Therefore while our research focuses on whole sectors and envisions the incorporation of all actors within sector value chains, we aim to specify the *suitability of each sector to youth in Timor-Leste*.

Sectors of Interest:²

- Horticulture (mungbeans, vanilla, coconuts, candlenuts)
- Cattle
- High-value timber
- Rural Aquaculture
- Algae monoculture
- Briquetting
- Water Purification
- Tourism
- Small-scale food processing
- Local Equipment Repair

Illustrative Example of Market Development with Potential Benefits for Youth

Developing Cross-cutting Markets within the Coconut Processing Industry

There are programs underway in Timor-Leste, specifically the DSP project, focused on building the market for virgin coconut oil (VCO). Reports from that project have recognized several key opportunities and constraints to the development of a market for VCO. The process of creating VCO is reliant upon vertical linkages that bring raw materials to central processing location. Before the nuts are ready for processing there are several inputs to production including; 1) collection, 2) stripping of husks, 3) removal of coir (fiber between the husk and nut), 4) drying of the nut, and 5) delivery of the nut to the processing facility. These necessary stages within the VCO value chain create unique opportunities for youth to gather and refine waste materials generated in stages 2 and 3. This enabling environment could allow youth to create horizontal linkages into new cross-cutting markets. In particular, the husks and coir (waste to VCO producers) can serve as raw materials to new markets for rope, mats, brushes, caulk, animal feed, and renewable energy. This opportunity to generate additional income from waste materials can also transform a sector operating from cradle-to-grave into one that operates cradle-to-cradle.

Cradle to Cradle (turning waste into profit)

Coir	→	rope, mats, brushes, caulk, animal feed
Coir Pith	→	coco peat (organic fertilizer)
Husks	→	charcoal, fuel briquettes
Stock Coconut Oil	→	coconut methyl ester (cocodiesel)

Suitability to Youth and Applicability to PAS program

These cross-cutting markets themselves require services and skills that may be particularly suitable to youth in Timor-Leste. The first stage of PAS (the first 6 months) could incorporate training on tools to develop business relationships. This training could result in giving youth the tools to 1) build a network of counterparts within the VCO production

² These sectors have either been identified as having high-potential by practitioners in Timor-Leste, or EVI research has shown have significant environmental or health benefits.

process, and, 2) build the capacity to identify cross-cutting markets with the highest potential. With these tools in place, youth could draw on their network to facilitate the purchase/collection of waste materials from VCO production. The second stage (second 6 months) of PAS could either 1) focus on the distribution of coir, coir pith, and husks to final processors of waste products, or, 2) build youth technical capacity to process VCO waste.

The PAS program is addressing key constraints to market development that have been identified by practitioners; literacy/language learning, employability and life-skills training provide the skills necessary for youth to increase their power and knowledge in society. In addition, these skills combined with entrepreneurship and vocational-skill training can leverage youth standing within the value chain. Applied directly to the coconut processing industry, increased knowledge and experience with the processing of “waste” from the production of VCO can provide significant and sustainable employment opportunities for youth in Timor-Leste.

End Markets

Without an identifiable end market, no value chain analysis or industry development can be complete. This distinction is especially prudent in the Timor-Leste context, given the need to operationalize quickly and cheaply without excess cost expended to marketing and excess time spent hawking goods at street stalls.

Table 1, below, provides an example of the potential linkages between waste materials, processed products, and end markets.

Table 1
Potential End Markets for Coconut Waste Products³

Waste Product	Value Added Product	End Market
Coir (fiber)	Rope, Nets (“Coconets”)	<ul style="list-style-type: none"> - Replacement product for concrete/steel wiring frames and plastic netting in road construction - Particularly relevant to reconstruction and road construction projects in Timor-Leste; Asian Development Bank is managing a major road construction investment (and has indicated a concern regarding adverse social and environmental impacts); 25% of the cost of steel grating; equal cost to plastic netting with numerous environmental benefits - Substitute for synthetic geotextiles; “coconets” provide a sustainable alternative to soil stabilization with direct applications for Timor-Leste.
Husk (shell)	Organic fertilizer, Soil enhancer	<ul style="list-style-type: none"> - Highly productive soil enhancer marketable to the cut flower market, as well as the hotel/government landscaping industry

³ These end markets draw upon conversations with coconut processing experts that have implemented integrated processing enterprises in the Philippines, Indonesia, and Fiji

Initial Research and Networking

Initial Networking Research

Regional Contact: Perla Manapol, President, Sustainable Rural Enterprise (SRE) community-based, integrated coconut processing enterprise in Aklan province, Philippines.

Initial Data Research

Figure 1: Indicators of Youth Distress in Timor-Leste

Population under 18	463,000
Under 5 mortality rate (per 1,000)	83
Infant mortality rate (per 1,000)	60
Maternal mortality ratio (per 1,000 live births)	420-800
Percent of children under age 1 immunized against measles	47%
Percent of population using improved drinking water sources	58%
Percent of children under age 5 suffering moderate or severe underweight	46%
Fertility rate (children per woman)	7.8
Teen birth rate	59%
HIV prevalence rate (per 1,000)	32

Source: Humanitarian Action Report, UNICEF, 2007

Data Sources: *Demographic Health Survey 2003* and *Health Information System, Ministry of Health*

Figure 2: Indicators of Overall Distress in Timor Leste

Income Poverty	Health Poverty	Livelihood Security
40% of the population lives below the poverty line	Poor sanitation in congested IDP camps (high risk of diarrheal diseases)	Up to 18 per cent of the population (150,000 – 170,000) are internally displaced
Per capita GDP is US\$430	Frequent and severe exposure to infectious disease	Breakdown in social structures and services limits capacity of families, communities, and government to protect children
Many people who were self-employed (market vendors, taxi drivers etc.) had their incomes drastically reduced	More than one in ten children is acutely malnourished; nearly one in two suffers from chronic malnutrition	Continued low-intensity conflict in Dili
Families who lost their homes and possessions and were forced to spend critical income traveling from Dili to the districts and back.	24 per cent of people in rural areas and 53 per cent of people in urban areas have access to latrines	Homes in the capital burnt, homes and public buildings looted
	Children displaying signs of stress, including aggressive behavior, withdrawal and difficulties in sleeping	Natural disasters are common, especially floods and landslides during the rainy season (starts around November every year)

Source: UNICEF's Humanitarian Action Report 2007
http://www.unicef.org/har07/files/HAR_FULLREPORT2006.pdf
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