

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)

QUARTERLY REPORT **July 1 – September 30, 2008**

Submitted to USAID Timor Leste

by

Education Development Center, Inc.
November 1, 2008



Youth Have Opportunities for Work in East Timor
(Prepara Ami ba Servisu –PAS- Program)
QUARTERLY REPORT
July 1 – September 30, 2008

Contents

Section One: Program Summary	1
Section Two: Accomplishments this Quarter	2
PAS Breaks New Ground	2
Capacity Building with NGO Partners.	3
Staff Development.....	3
Staff Promotion.....	3
Completed Film Project.....	3
New Training Partners and Training Sites Identified.	3
Logo Developed.....	3
Relationships with Stakeholders Strengthened.....	3
Successfully Partnered with USAID Partners.....	4
Partnership with EVI Yields Results.....	4
Section Three: Challenges and Proposed Solutions	5
Section Four: Summary of Expenditures for the Quarter	5
Section Five: Performance Monitoring.....	5
Section Six: Travel Schedule –This Quarter and Next Quarter.....	8
ANNEXES.....	10
Annex I: Sample Curriculum.....	10
Annex II: Excerpt of EVI Report.....	15

Youth Have Opportunities for Work in East Timor
(Prepara Ami ba Servisu –PAS- Program)
QUARTERLY REPORT
July 1 – September 30, 2008
USAID Cooperative Agreement No: 486-A-00-07-00010-00
Education Development Center, Inc. (EDC)

This quarterly report covers the period from July 1 – September 30, 2008 under USAID Cooperative Agreement No. 486-A-00-07-00010-00. The report summarizes major accomplishments by the PAS Program during this period, plans for next period, and a summary of expenditures for the period. Annexes include: 1) Sample of curriculum materials and 2) Excerpt of EVI Report

Section One: Program 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 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 returning to formal schooling or vocational training, entering the workforce, or starting 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.

PAS Breaks New Ground: On July 28th, 2008 the first two PAS youth training groups commenced one-year of working and learning in rural areas of Baucau. As one of the few education programs working outside of Dili, PAS has already enrolled more women than men, contributing to a fundamental goal of development in East Timor: gender parity. In addition, the PAS program also created an innovative and unique work-readiness curriculum that helps low-skilled youth find livelihood improvement opportunities locally or perform well in local employment if such jobs exist. This curriculum, which was written locally in consultation with the several government ministries, has been shared with other NGOs and local stakeholders to conduct trainings or provide guidance for programs working with minimally-educated youth. Currently 120 young women and men are participating in the program, with more than 500 expected to enroll in other parts of the country by the end of the calendar year.

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

Capacity Building with NGO Partners: The PAS program works with local NGOs to train local youth. In preparation for the launch of the first two groups, EDC staff held two separate training sessions in Baucau with current and potential future partners. The initial orientation included sessions on the curriculum, how to do dynamic participatory training, monitoring and evaluation fundamentals and basics of financial administration. Future trainings will be held for new partners while ongoing curriculum and training sessions take place on a monthly basis with existing partners.

Staff Development: In an ongoing effort to improve the skills of PAS staff, EDC arranged to have a women-in-development/gender-in-development training for PAS staff members in order to heighten and maintain awareness of gender issues in the program. Additionally, staff are slated to participate in further trainings on a variety of subjects including reproductive health and first aid.

Staff Promotion: After months of searching for a Deputy Chief of Party, without success, EDC instead created a senior level management structure and promoted one person internally and hired additional staff for the other positions. Additionally, a Princeton-in-Asia Fellow assumed a role in the Executive Office as a Project Coordinator focusing on several projects including communication.

Completed Film: The PAS program partnered with TLMDC—a USAID program originally created by InterNews and then funded by USAID Small Grants Program—to create a film about the PAS programs impact in the participant’s lives. The video, which documents the work of EQUIP/ 3 funded projects, is a film about PAS youth, created by Timorese youth. This video was distributed locally in Timor and also in both Boston and USAID/HQ in Washington, DC.

New Training Partners and Training Sites Identified: After publishing expressions of interest around the country, focusing on Western Districts and Baucau, EDC received over thirteen applications from local NGOs interested in partnering with the PAS program. Of these thirteen three are in the final stages of approval in preparation for opening three new training centers in Aileu, Maubisse and Suai.

Logo Developed: After consideration of several options, USAID approved the PAS Program logo. The logo was designed by local staff and represents youth in a huddle position, with arms around each other, which signifies unity. The colors are red, white and blue signifying the support of the American people in solidarity with Timorese youth.

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

- ♦ Informational update meetings held with the offices of the Secretary of State for Youth and Sports and Professional Development and Employment and Ministry of Education
- ♦ Information sharing meetings with ASEAN representatives regarding potential opportunities for youth

- ♦ Member of national level working group on standards for non-formal education training standards
- ♦ Meetings held with several private sector and NGO organizations including: Mognin Construction, Norwegian Refugee Council, Plan International, World Bank, Fundacao Cristal, Mercy Corps, GTZ, and Portuguese Cooperation
- ♦ Information and strategy meetings held with fellow USAID partners including DAI, ARD, NCBA and CRS.

Successfully Partnered with USAID Partners: Cooperation with other USAID projects has allowed the PAS program to extend the program's benefits to a wider community. For example, the PAS program partners with existing USAID projects, such as the USAID/CRS candlenut project, to provide work experience opportunities to PAS' participants while contributing to the success of existing USAID projects. In Baucau, PAS' local training partner, FSP, conducts the work-experience component of the program at the USAID-funded CRS candlenut production site, providing the CRS project with 30 additional workers weekly and giving PAS participants the opportunity to learn about a growing local industry.

Partnership with EVI Yields Results: EcoVentures, International (EVI) received a sub-award from EDC to field one person to work with EDC staff in Timor Leste for more than six weeks. The EVI and EDC collaboration yielded a lengthy report on various opportunities aimed at linking young people to emerging markets, focused on agriculture. The report entitled "Youth Economic Opportunities in Timor-Leste: market and sector analyses, livelihood pathways, and recommendations for program design and implementation" has been shared with USAID, USAID partners and other stakeholders in Timor Leste. EVI also created a set of training tools in two languages focusing on ways for youth to access the market. Currently EDC staff are using this research and these tools to develop livelihood pathways for youth participants in the PAS Program. (See annex for excerpt of report)

Section Three: Challenges and Proposed Solutions

Staffing Challenges: During the reporting period, the PAS program continued to interview several candidates for a variety of positions, including Deputy Chief of Party, which has been advertised four times since the program opened. Regrettably there was not one candidate who emerged who met all criteria for the position. In lieu of a DCOP, the PAS Program created a team of managers instead. The team is comprised of promoted staff, and new hires.

Partnership Ends with YouthBuild International: In August EDC and YBI ended their partnership on the PAS Program. EDC initiated this change, with approval from USAID, due to the needs on the ground in Timor Leste. Although YBI was part of the team that designed the initial iteration of the PAS Program, the level and type of assistance YBI offers did not match the needs for further program development and implementation on the ground, most especially in rural areas. To address the need for further assistance in this regard, EDC is pursuing the hire of a full-time program manager who has expertise operating in rural areas of developing countries.

Section Four: Summary of Expenditures for the Quarter

Accrual for the period ending 9.30.08

Original or Revised Total Estimated	Obligated Amount	Actual Spending Q1 FY 08	Actual Spending Q2 FY 08	Actual Spending Q3 FY08	Actual Spending Q4 FY08	Total Expenditures at 9/30/08	Estimated Sub-Award Commitments	Balance of Obligation Unexpended or Uncommitted
\$5,000,000	\$5,000,000	\$164,394	\$241,748	\$368,800	\$346,709	\$1,137,849	\$99,650	3,762,501

Section Five: Performance Monitoring

Priority Area	Deliverable		Target Date	Status	Explanation
Program Implementation <i>Result 1</i>	OP 1.1	500 participants enrolled in the livelihood prep phase	December 2008	On track	At the end of Q4 in FY08 approximately 250 men and women have been enrolled including active participation of more than 120 in

					Baucau.
	OP 1.3	Livelihood preparation and training materials developed	July 08	Completed	Training manual (explains curriculum to Trainers); Learning for work manual (Curriculum Handouts); 24 weekly instructional guides (Work Experience Activity guide)
	OP 1.4	Accompaniment and training materials developed	December 2008	On track	Training guides for participants, collaborators and Training Partners have been created in two languages.
<i>Result 2</i>	OP 2.1	5 communities participating in program	December 2008	On track	Currently in Baucau (Berkoli, Triloka), Aileu town, Maubisse and Suai
	OP 2.2	5 training partners participating in program	December 2008	On track	Fundacao Cristal, Laho and FSP, and two others currently under review to be completed by December.
	OP 2.3	5 work sponsors participating in program	December 2008	On track	Already Laho, FSP, Mogrín Construction, CRS & 1 other under negotiation
	OP 2.4	6 training partner management staff trained for 5 days	June 2008	Partially Completed	Staff from CDC, Laho, FSP, CIACS attended a 2-day training on the PAS program including administration, curriculum and training and sub-granting procedures.

					Pending further review, another training will be organized.
	OP 2.5	10 training partner trainers trained for 10 days	July 2008	Partially Completed	3 training partner trainers (total 11 persons) were trained for 5 days in July. Follow-up training was conducted for 6 trainers in August. 6 former trainers and at least 4 new ones will receive 5 days of further training in November. Training sessions were split into 2, one 5-day session at the beginning of the program and another half-way through to allow greater opportunity for feedback. Once new sub-grants are issued, 7 more trainers will be trained for 10 days.
	OP 2.6	6 worksite management staff trained for 5 days	August 2008	Partially Completed	4 team leaders were trained for six days. Once new sub-grants are issued, more staff will be trained.
	OP 2.7	6 work supervisors trained for 5 days	August 2008	Partially Completed	The Program Team Leaders help advise work supervisors on the integrated working and learning aspect of the program.

	OP 2.8	Follow on education pathways identified in 2 districts	December 2008	On track	Specifically focusing on agricultural livelihoods and further education such as English classes.
	OP 2.9	Follow on voc-tech pathways identified in 5 districts	September 2008	Completed	Opportunities have been identified in Lautem, Baucau, Suai, Bobonaro and Dili (for second phase)
	OP 2.10	Potential informal economy sector opportunity areas identified in 5 districts	August 2008	Completed	EVI report identifies these in almost all districts.
	OP 2.11	Potential internship or employment providers identified in 5 districts.	September 2008	Completed	EVI report identifies several of these in many districts.

Section Six Travel Schedule – This Quarter

July 2008:

- Consultant Dr. Patricia Delaney completed her Monitoring and Evaluation consultancy. This trip included two visits to the field: Baucau and Lautem to field test data collection tools and assess capacity of partners.
- Consultant Jason Kearns completed phase one of the database creation for the purposes of reporting and monitoring PAS Program information.
- PAS Staff held two orientations and trainings with training partners in anticipation of Program start up (July 14-18 and July 24-25)
- PAS Staff participated in a women-in-development/gender-and-development training conducted by Jose Avelar Borges (July 22, 2008)
- The PAS program launched the first two training groups to much fanfare in Triloka and Bercoli, Baucau (July 28)
- Several PAS staff traveled to the field for Project start up and participant enrollment: Baucau, Aileu, Ainaro, Covalima and Bobonaro (various)

August 2008:

- Several trips to the field for project monitoring, participant enrollment and information dissemination to local government and community leaders: Baucau, Aileu, Ainaro, Covalima and Bobonaro (various)
- Ongoing training provided to partners in Baucau (11-12 August)
- Finance and Administrative Manager Marie deVilla went to Philippines on medical leave. (August 22 – Sep 9)

September 2008:

- Field trip for PAS project filming in Laho and Bercoli, Baucau with TLMDC (travel on September 9 – 10)
- Mini evaluation with training partners, District Coordinator and curriculum team on program activities in Baucau (9 September)
- US Ambassador visited both EDC projects in Baucau (September 22)
- Field visits to different Districts around the country for participant enrollment. PAS Program information dissemination including a visit to Oecusse to disseminate expressions of interest for project partnerships and to meet with local government officials. (various)
- Princeton in Asia Fellow Lilian Timmermann traveled to Aileu and Ainaro for new project assessment (5 September)
- Chief of Party returned to the US for an EDC work retreat (September 23-October 15)

Travel for Next Quarter (October 1, 2008 – December 31, 2008)

October 2008:

- Ongoing trips to the District for Program support and new project start up (various)

November 2008:

- Ongoing trips to the District for Program support and new project start up (various)
- Database consultant Jason Kearns expected to start Phase two of database project(various)

December 2008:

- Ongoing trips to the District for Program support and new project start up (various)
- Monitoring and Evaluation consultant expected to return to complete Phase two of M/E system (December 29 – January)
- Staff expected to take holiday leave for 1-2 weeks, including Finance and Administrative Manager (December 21-January)

Annex 1:
Sample Curriculum focusing on sessions dealing with “Work
Readiness”

Work Readiness

Session 7: Using and keeping time in the workplace A

Works and behaves professionally:

- tells the time; knows how to access the correct time

Purpose of the Session: To review the concept of time interval and how long activities take.

During this session, participants will:

- explore the concept of a minute and what activity takes a minute
- measure time intervals
- identify the time taken to fulfil certain core tasks in their work and everyday life

Activity type/time	Activity	Materials/Preparation
Introduction	Part of being a good worker is being able to meet deadlines. This means knowing how much time an activity will take and planning for this. This includes taking time out for breaks or lunch. This session will help us to think about much time activities take to complete.	
Trainer does... 15 mins	The trainer needs the use the clock from the wall, remove it for use in the class. The trainer will use the clock so must watch it carefully. For this activity you are going to ask participants to guess how long a minute is (many people <i>think</i> they know what a minute is but not many actually know!). Set up: ask all students to close their eyes. The trainer says “Go” and then participants must raise their hands when they think a minute is finished: they can not open their eyes until the end. The trainer says “Stop” after the minute. Some people will have guessed to little time and some guessed too much time. Participants might be surprised how long a minute is. Try the same activity again. Turn the clock around so the participants can see clearly. Ask them to watch the hand for second go all the way around the clock once: this is one minute. Watch it in silence for one minute. Now ask participants to think of something to do for one minute: eg. clap hands, dance, write their name.	
Participants do... 15 mins	Participants decide in groups what they will do. They need to count how many times they can do this activity in one minute. All face AWAY from the clock. Some one in the group is the time-keeper. That person calls the start and stop time by watching the clock. Do this a few times with each person.	

Session 7: Using and keeping time in the workplace A (continued)

<p>Co construct Activity</p> <p>30 mins</p>	<p>Direct the participants' attention to the classroom clock. Take the batteries out so you can move the hands. Give out the handout with the empty clocks. Make sure everyone is looking at the one with the large empty clock. As the trainer is talking about time, the participants can show the ideas on their clocks.</p> <p>Use these questions and directions for the participants and show the answers on the big clock:</p> <ul style="list-style-type: none"> • The clock has spaces and numbers. The main numbers are 1 -12. Participants write these in, but be careful that 12 is at the top, not 1. • There are also small spaces between each of the numbers that show the minutes. How many minutes between each number? 5. Draw these spaces on the handout (be careful that they make 5 SPACES, not 5 lines) • The clock has a big hand. How long does this take to go around the clock? 60...it moves minute by minutes around the small spaces. Ask the participants to use one finger to be the big hand and the trainer does the same with the clock to model. • If the big hand is at 12 and it moves to 1, how many minutes have gone? 5...you can see the 5 spaces that it has moved past. • If the big hand is at 4 and it moves to 7, how many minutes have gone? 15 ...3 x 5 spaces...you can count the small spaces. <p>Write these up on the board and ask participants to try to find the answers with their partners: Start at 12, finish at 5 Start at 6, finish at 10 Start at 3, finish at 9 Start at 12, finish at 8</p>	<p>Handout: large clock face, plus activities for further session</p>
<p>Participants do...</p> <p>10 mins</p>	<p>Participants work with partners to solve questions from the board, using a handout with a large clock face. Encourage them to try to think up some similar questions for each other.</p>	

Session 7: Using and keeping time in the workplace A (continued)

<p>Summary Activity</p> <p>30 mins</p>	<p>Give the answers to the questions on the board: 25 mins, 20 mins, 30 mins, 40 mins. Ask participants to show why these are the correct answers.</p> <p>Talk about why it is important to know the time taken for activities: this means we can plan our time and use it productively, not waste time. Think about activities we do each day.</p> <p>How many minutes for signing in and being ready in the morning? (30)</p> <p>How many minutes for break? (15)</p> <p>How many minutes do you travel to come to the learning centre? (various answers).</p> <p>What happens if you don't plan your time well? (<i>you are late, you don't complete tasks on time, someone has to wait for you, you have to rush etc</i>)</p>	
<p>Participants do...</p> <p>20 mins</p>	<p>Participants think about the activities they do every day, list these in their notebooks and the time taken to each activity.</p> <p>Eg.</p> <p>Washing in the morning 10 mins</p> <p>Preparing breakfast 30 mins</p> <p>Eating breakfast 15 mins</p> <p>....</p> <p>This should be a personal list, but participants can talk to each other to remember items that need to be included.</p>	
<p>Summary Activity</p> <p>30 mins</p>	<p>Participants could write in their Learning Journals about how they use time: these questions might help</p> <p>Are you always late for activities or events?</p> <p>Do you finish tasks in the correct amount of time?</p> <p>Do you manage time well?</p> <p>Do you need to be more aware of time?</p>	
<p>During the next few sessions. It would be useful for trainers to draw participants attention to the clock and how much time they have for an activity and keep to it (eg. If the activity is for 10 mins, show them when it will end and stop at that time).</p>		

Work Readiness

Session 8: Using and keeping time in the workplace B

Works and behaves professionally:

- tells the time; knows how to access the correct time

Purpose of the Session: To review telling the time at the hour and half hour, in analog and digital.

During this session, participants will:

- identify with accuracy the hour and half hour times in analog and digital
- create schedules using the hour and half hour intervals

Activity type/time	Activity	Materials/Preparation
Introduction	Part of being a good worker is being able to meet deadlines. There are daily deadlines such as arriving at work and finishing on time. There are other deadline such as finishing a task in a particular time or taking a certain time for lunch. Sometimes there are clock to help us do this, but we must know how to read a clock and plan times.	
Trainer does... 15 mins	Use the blank clock face and make the link between this and the classroom clock use 2 objects to show the little hand and big hand on a clock. Explain that the little hand tells us the hour and the big hand, the minutes. Move the big hand to 12 and then make various times with the small hand. Ask participants to identify the time. Make sure they are saying the time correctly: five o'clock etc	Large clock face with no hands
Participants do... 10 mins	Participants look back at the large clock face from Session 7. The participants use their fingers or objects (pens etc) to make the big hand and the small hand. Make times for each other and ask for the time.	

Session 8: Using and keeping time in the workplace B (continued)

Summary Activity 15 mins	Write up some times on the board: 7 o'clock 3 o'clock 5 o'clock 11 o'clock 4 o'clock Now show the digital times next to these: 7 o'clock 7:00 3 o'clock 3:00 5 o'clock 5:00 11 o'clock 11:00	
---	---	--

	<p>4 o'clock 4:00</p> <p>Explain: the first number shows the hour and the numbers after the : show the minutes past the hour. So 7:00 is 7 o'clock and no minutes past.</p> <p>When the big hand moves from 12 to 6 it is half way around the clock it is half way, so half past. Half of 60 minutes is 30 so this is shown as :30.</p> <p>Make some times on the analog clock and ask participants to identify: half past 8, half past 10, half past 2, half past 3. As each one is identified, write the time in digital time.</p>	
<p>Participants do...</p> <p>20 mins</p>	<p>Participants make some half past times on their clock, then write the times in their note books, in analogue and digital. On the back of their worksheets, identify the clock times given and write the times in digital time.</p>	
<p>Summary Activity</p> <p>15 mins</p>	<p>Check the answers from the worksheet with participants.</p> <p>What times do we need to be aware of in our day? Times for the Learning Centre schedule, times for work experience.</p>	
<p>Participants do...</p> <p>20 mins</p>	<p>Participants take a handout of time intervals. Fill these in to show the schedules for the Learning Centre and for work experience. Use digital time and draw small analogue clocks next to each time. Calculate how much time is spent at each site.</p>	<p>Handout with half hour intervals for the day</p>
<p>Summary Activity</p> <p>15 mins</p>	<p>Discussion about the importance of keeping a schedule: why is it important to be on time for work or learning? What other events is it important to be on time for? (mass, meetings, ceremonies). Are there events where it is not so important to know the time? (visiting a friend, playing sport)</p> <p>Find out who has a clock in their house, who has a mobile phone with the time...what do you do if you don't have something to tell the time? How do we find out the time? How can we ensure that we are on time? Discuss some practical ways of doing this.</p>	
	<p>Over the next weeks, it would be useful for the trainer to notice people who are keeping to the schedule and congratulating them for good time keeping. It would also be useful to notice the time and ask participants to identify the time. Introduce other times such as quarter past, quarter to the hour.</p>	



Annex 2: Excerpt of EVI Report

Preface

EcoVentures International (EVI) supports the development of sustainable enterprise opportunities through conducting market development studies, developing experiential training curriculum, and supporting community enterprise development strategies, with a particular focus on youth. This report was prepared for the EDC implemented USAID funded Prepara Ami ba Servisu (PAS) Program in Timor Leste. This is an excerpt of the original report: *Youth Economic Opportunities in Timor Leste*.

Background

EVI has been working with the USAID Prepara Ami ba Servisu (PAS) program in Timor Leste to identify viable employment and enterprise opportunities for rural youth (ages 16-30). The PAS program is committed to working with 2,500 youth over the course of three years. Each of those youth will complete a yearlong training program designed to build capacity in several core areas including: life skills; technical work skills; and, financial literacy and entrepreneurship skills. The yearlong training program is split into 6 month phases with the preliminary phase spent rotating between classroom learning and work experience projects on jobsites intended to facilitate technical work skills. Over the course of this initial 6 month period, youth will accumulate financial assets contributed to individual development accounts by the PAS program on a weekly basis.

Youth will determine how they spend the subsequent 6 months by selecting one of three tracks: vocational education; internship; or small enterprise development. Youth will work through the PAS program to determine how best to invest the financial capital they will have accumulated over the initial 6 months. This capital may be used to: pay for tuition at a vocational education center; subsidize personal costs during an internship program; or purchase equipment and training needed to start a small enterprise.

EVI has partnered with PAS to determine growing sectors of the Timorese economy, and identify specific, suitable entry points for youth to get involved in those sectors. EVI's analysis has included desk research, phone interviews with stakeholders, field visits to TimorLeste, inperson interviews with key sector actors, and general market observations. In sum, EVI has connected with over 70 local NGOs, private sector actors, government officials, and international donor and support organizations.

We apply a comprehensive approach to looking at whole sectors in order to determine: 1) if the sector is growing; 2) who key sector actors are; 3) what key constraints and opportunities within the sector are; and 4) what specific entry points are for youth to get involved in the sector. The following report summarizes our findings in 10 sectors of the Timorese economy with additional abstracts of three specific agricultural commodities. The report describes each sector, outlines specific opportunities (pathways) for youth, and recommends key next steps toward strengthening the sector and supporting economic opportunities.

Preceding the individual sector assessments, we have included a map showing where key sectors are growing, a summary of livelihood pathways and next steps within each sector, as well as a guide to using the sector assessments. Readers may find it useful to browse these three sections before moving on to the individual sector assessments.

CANDLENUT
(Baucau, Lautem, Bobonaro, Suai, all districts)

SECTOR SUMMARY

End Market (Uses) Global: Candlenut is used as a food additive in Indonesian food as well as an oil ingredient in skin lotions produced in Hawaii.

Domestic: Candlenut has limited productive use in Timor and is mostly viable for export to Indonesia or Hawaii.

Market Structure MAFF estimates that candlenut exports from the eastern districts alone reach 400 tons annually (300 tons of raw nuts and 50 tons of oil). If the sector is supported through soft loans and technical assistance provision to local traders, candlenut exports could eventually reach triple this figure within the next three years.⁴

Production Process: Candlenuts are products of trees that are ubiquitous around communities in Timor Leste. The fallen nuts are gathered from the ground and taken back to households where they are shelled before being sold to commodities traders or oil producers.

Suppliers: Data from 'East Timor in Figures (1998)' shows that the predominant areas of candlenut in Timor Leste are in Suai, Baucau and Bobonaro with a total area of 850ha, 399ha and 213ha respectively, involving about 972 farmers in Suai, 1,013 farmers in Baucau and 624 farmers in Bobonaro.⁵ CRS is working with a network of over 900 candlenut suppliers in Baucau. They have been formed into associations and certified as organic producers. This support from CRS has allowed them to leverage their position as suppliers to both traders and oil producers.

Producers: Acelda is currently the only company producing candlenut oil although the MAFF Minister, Estanislau Aleixo da Silva, has said that MAFF is planning to establish other candlenut oil processing operations either in Bobonaro or Covalima.

Buyers: Most buyers are commodities traders that export candlenut to West Timor for accumulation into larger shipments serving markets around Indonesia. Acelda is the sole buyer that processes nuts and exports the oil to Oil of Aloha, a buyer in Hawaii that makes lotions and sauces using candlenut oil.

Added value: CRS has expressed interest in supporting candlenut association members in upgrading their activities to include the manual pressing of oil. If PAS was able to incorporate youth from candlenut association member households, they could train these youth in manual oil extraction, adding value to the production process and generating income additional income for the household. This upgrade would have the added benefit of transferring much of the seedcake from the processing facility to the household level, providing a secondary income generating opportunity. This

⁴ "Agribusiness Timor Leste", Agribusiness Division, Ministry of Agriculture Forestry and Fisheries. February 2007. Vol. 2, Issue 1 s Ibid.

opportunity would likely only be viable if Acelda was willing to transition away from oil extraction to focus solely on oil refining and export.

Waste: Candlenut shells and seedcake⁶ may offer a significant enterprise opportunity for PAS youth. Candlenut seedcake can potentially be used as both animal feed and fertilizer, however further research and development is needed into the detoxification processes needed to remove harmful toxins from the cake. Preliminary research suggests that a simple ethyl alcohol solution combined with lysine could make candlenut meal viable for poultry. Candlenut shells could likely be processed into charcoal through simple carbonization. Promotion of candlenut charcoal would have the added benefit of reducing the clear cutting practices that have led to a 1.2% annual deforestation rate. However, in order for charcoal to become a practical alternative to fuelwood, households need to have simple stoves. Both Haburas Foundation and FAO have had some success marketing efficient fuel stoves. Haburas has sold over 1,000 clay stoves while FAO has been piloting a metal stove fueled from rice husks. According to both organizations, the alternative technologies were generally accepted by rural households.

Support Markets General Sector Development: GTZ, The University of Hawaii, and MAFF have been integral in developing candlenut oil export opportunities for Acelda. CRS has helped to formalize an association of candlenut producers in Baucau. The association has received organic producer certification, and has thus been able to negotiate higher prices from Acelda. The traders that export to Indonesia have not offered a higher price for the organic candlenut because there is no market for organic candlenut in Indonesia.

Transport: Local traders currently drive around communities, picking up candlenut from individual farmers. PAS youth should be able to link with local traders to specify one or several pickup sites where the traders can easily access the additional supply provided by the PAS youth. Local traders provide transport to regional centers and to exporters in Dili.

⁶ Candlenut seedcake is the residual matter left after the kernel is pressed for oil.

LIVELIHOOD PATHWAYS

Immediate Opportunities

- Increase the supply of candlenut to local/regional traders
 - Matching candlenut demand from local/regional traders with supply from local farmers
- Press candlenuts for oil at the household level
 - Using manual presses to process candlenuts into oil for sale to Acelda/other oil producers

Medium-Term Opportunities

- Utilize candlenut waste products
 - Collecting candlenut shells from association households and forest repositories for use as charcoal
 - Collecting seedcake from Acelda for use as animal feed

Startup costs: Startup costs associated with sourcing candlenut for sale to traders should be negligible. The PAS program can work with Henry Merto of CRS to determine the appropriate technologies, and costs, of any equipment needed for manual oil extraction, candlenut charcoal production, and candlenut seed cake based animal feed.

Financial Support: The primary financial support for PAS youth initiated candlenut enterprises will come from the individual development accounts provided to each PAS participant. It is estimated that each PAS youth will have US\$135 in his or her account upon completion of the primary program phase. With limited startup costs for a candlenut trading enterprise, PAS youth could likely work individually or in smaller groups in order to meet the capital requirements. The labor requirements of candlenut sourcing and trading may dictate a more cooperative model. Relationship building, spreading market information to farmers, and collecting and centralizing product would likely prohibit individual success. In this case, a cooperative or small enterprise model (35 employees) seems more appropriate, allowing PAS youth to share labor costs. If PAS youth were also candlenut association members, they could likely partner with other association members to pool enough capital to meet the requirements for purchase of a manual oil extractor or metal kilns to produce charcoal. If the capital requirements needed for processing equipment exceed the available budget of the youth, the PAS program should work to facilitate credit options through Moris Di'ak.

Market Linkages: PAS youth should be trained by local traders on the quantity of candlenut demanded by traders in Dili to ensure that they are building a supply of product that can easily be sold. This relationship would be mutually beneficial as it will allow local traders to increase the scale of their business without having to invest significant time and resources into building a larger base of suppliers.

Quality: It is critical that PAS youth obtain appropriate training on quality specifications before moving forward with enterprise options in candlenut trading. If the PAS program develops oil processing as an opportunity for candlenut association youth, the program would likely want to ensure that youth can operate the extraction machine and have been instructed by Acelda on the specifications for crude oil. There are parallel concerns with either charcoal or animal feed. Because these are relatively new products, the quality of the product will determine its sustainability.

WORK EXPERIENCE AND ACCOMPANIMENT PHASE

Next Steps for Sector Strengthening and Enterprise Opportunity Support

Identify local traders in Bobonaro and Suai

As these two districts are among the top three in the amount of identified hectares of candlenut trees, there may be significant opportunities for PAS youth to become collectors and suppliers of candlenut to local traders. Before determining whether candlenut enterprises may be viable in Bobonaro and Suai, the PAS program may want to research the local/regional traders that work in these two districts. After identifying the traders, the PAS program could work to develop rotational work experience opportunities and direct purchasing agreements similar to those recommended below with Acelda in Baucau and Ilie Chao in Lautem.

Work experience with regional trader and oil producer at Acelda:

It is recommended that the PAS program partner with Ilie Chao in Lautem District and Acelda in Baucau District to provide a rotational work experience opportunity for PAS youth. Ilie Chao is a trader in Lospalos that specializes in candlenut and copra. Acelda is the candlenut trader and oil producer based in Baucau. This experience will help PAS youth determine whether candlenut trading is an enterprise opportunity they are interested in pursuing.

Develop upgrading opportunities for PAS youth within the Baucau-based candlenut association

Henry Merto and Rich Markowski of CRS have suggested that there may be opportunities for members of the candlenut association to upgrade their activities to include pressing the candlenuts into crude oil⁷. This type of activity may be particularly well-suited to youth. If the PAS program were to incorporate youth from the candlenut association into the PAS program, they could be ideal candidates to take on the function of oil pressing. This opportunity would require the identification and purchase of one or several manual oil extraction machines. It is likely that 2-3 PAS youth could pool their capital to finance such a purchase. Alternatively, the PAS program could explore a cost-sharing agreement with CRS. Henry and Rich have both suggested that this type of relationship would be of interest to them.

Explore opportunities in for charcoal production within candlenut association through partnering with CRS

Presently, the candlenut association members crack and shell the nuts at their homes before selling to local traders and oil producers. The candlenut shells are waste products from the process and build up outside the homes of association members. These shells could be turned into simple charcoal through a carbonization process (burning the shells in metal kiln). The use of candlenut charcoal would only be viable if it were competitive with the cost of fuelwood. In addition, households would need to have a stove in which to burn the charcoal. Both FAO and Haburas have had some success marketing efficient stoves to rural Timorese. The PAS program may want to draw on the experiences of both FAO and Haburas before promoting this opportunity to PAS youth. The contact information for both organizations can be found at the end of this assessment. If the PAS program determines that the cost of fuelwood and access to stoves will not impede the market for candlenut charcoal, CRS has acknowledged that they would be interested in cost-sharing on research and development to pinpoint the best process and equipment for making candlenut charcoal.

⁷Crude oil refers to the product yielded by initial pressing of the seed. This product often contains sediments and residual matter that must be filtered and refined before reaching the end market.