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

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ANNUAL REPORT

October 1, 2008 – September 30, 2009

Submitted to USAID Timor Leste

by

Education Development Center, Inc.
October 30, 2009



EDC

YOUTH HAVE OPPORTUNITIES FOR WORK IN EAST TIMOR

(PREPARA AMI BA SERVISU –PAS– PROGRAM)

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ACRONYMS

BIFANO	<i>Binibu Faef Nome</i> / (Timorese NGO named after a mountain in Oecusse)
CCA	<i>Centro Comunitario de Aprendizagem</i> / Community Learning Center
CDE	<i>Centro Desenvolvimento Empresarial</i> / Business Development Centers
CJC	<i>Centru Juventude Covalima</i> / Youth Center of Covalima
CTC	Claret Training Center
EDC	Education Development Center, Inc.
ETADeP	<i>Fundação Ema Mata Dalan ba Progresso</i> / East Timor Action for Development
Esperansa	<i>Esperansa Lorosae</i> / Hope for Timor Lorosae
EVI	Eco-Ventures International
FC	<i>Fundação Cristal</i> / Cristal Foundation
FEEO	<i>Fundasaun Esperansa Enclave Oecusse</i> / Foundation for Hope, Enclave Oecusse
FHRT	<i>Fundasaun Hafoun Rai Timor</i> / East Timor Renewal Foundation
FINA	<i>Fitun Naroman</i> / Shining Light
FPWO	<i>Forum Peduli Wanita Oecusse</i> / Forum for the Care of the Women of Oecusse
FSP	<i>Futuro ba Sociedade Prospero</i> / Toward a Prosperous Society in the Future
INDMO	<i>Instituto Nacional de Desenvolvimento de Mão de Obra</i> / National Institute of Labour Force Development
JEF	<i>Juventude Esperança ba Futuro</i> / Youth Have Hope for the Future
LAHO	<i>Loron Aban Hahu Ohin</i> / The Future Begins Today
MDA	<i>Mata Dalan ba Agricultura</i> / Guidance for Agriculture
PAS	<i>Prepara Ami ba Servisu</i> / Preparing Us for Work
SEFOPE	<i>Secretaria de Estado da Formação Profissional e Emprego</i> / Secretary of State for Vocational Training and Employment
SHC	<i>Sharis Haburas Comunidade</i> / Sharis Community Development
USAID	U.S. Agency for International Development

SECTION ONE: REPORT OVERVIEW

EDC is pleased to submit this Fiscal Year Two Annual Report associated with USAID Cooperative Agreement No: 486-A-00-07-00010-00. It covers the reporting period from October 1, 2008 to September 30, 2009.

The report evaluates annual progress on the outputs and outcomes in the Fiscal Year One Workplan, Fiscal Year Two Workplan and the Performance Monitoring Plan (PMP) associated with this agreement. It highlights key themes in program implementation and then reviews successes and challenges in greater depth and richer detail than that afforded by quarterly reports. This deeper analysis is critical as the project enters its final year because it will enable EDC to lay out an agenda for FY3, and allow USAID to respond with any questions or issues it wishes to see addressed prior to a formal program evaluation.

It proceeds in the following order:

Section Two summarizes key features of the PAS program, based on the original program documents and quarterly progress reports. It then discusses the two main program objectives, with Result I focused on the ability of low-skilled youth to earn a livelihood and Result II focused on enhancing local institutional capacity. Finally, the section reviews significant program changes to date.

Section Three tracks progress to date in achieving quantitative targets set in the Fiscal Year One Workplan and Fiscal Year Two Workplan, but with particular emphasis on outcomes achieved in FY2. It first updates progress on Result I, followed by Result II.

Section Four provides early indications of program impact with respect to the Livelihood Accompaniment phase of the PAS program (Result I, programming Phase Two). The first youth participants entered the Accompaniment phase in March 2009 (Quarter 2 of Fiscal Year Two), so by the end of FY2 there is a 7-month record of achievement on Accompaniment.

Section Five reports key findings and recommendations based on a comprehensive review of Fiscal Year Two outcomes. It provides deeper analysis and commentary with respect to successes and challenges in program implementation. The section first reviews findings and recommendations associated with Result I, followed by Result II.

Section Six presents conclusions and recommendations for possible modifications in Fiscal Year Three. If agreed upon, these proposed changes will be presented formally in the FY3 Workplan to be submitted under separate cover.

SECTION TWO: PROGRAM SUMMARY

A. *Program Description*

Over a period of three years, the PAS program will provide at least 2500 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 the program include literacy/language learning, employability and life skills training, financial and entrepreneurship training, and vocational skills building. The program combines formal instruction with on-the-job training in some of the country's most rural areas. As part of the training, participants have an opportunity to gain real work experience while applying new-found skills gained through formal instruction.

In each target community, the project engages one or multiple groups of 50 youth, both men and women. Youth are engaged for eight months in a two-phased program, each phase lasting four months.

Phase One (Livelihood Preparation Phase) develops work readiness competencies through locally-based, hands-on work experience and in-class training (learning for and from work).

Phase Two (Livelihood Accompaniment Phase) includes individualized mentoring as youth engage in one of three livelihood pathways: small business, job/internship, or further education and training.

Phase One: Livelihood Preparation (Months 1-4):

During the first four months, each cohort of 50 youth sub-divides into two smaller groups (A and B) and engages in an integrated program consisting of two strands of activity:

Activity 1: Youth engage in hands-on training in a variety of work settings

Activity 2: Youth engage in classroom-based, remedial non-formal education and work readiness skills training to become competent workers.

Thus, Phase One of the program includes an integrated learning and working environment in which participants will develop increasingly advanced abilities in four key skill component areas: leadership and life skills; work readiness; financial and entrepreneurial skills; and technical skills. Participants will have an opportunity to apply the skills they have learned in the classroom and in a "hands on" way in a variety of worksite/training settings.

On- and off-the-job training in Phase One is part of an integrated program in which participants engage in project activities that provide hands-on work and technical training experience, and also in complementary training, skill and knowledge-building activities designed to improve their work readiness and employability post-program completion. Priority sectors for on-the-job and technical training vary slightly from location to location, but generally include growing sector areas such as agriculture, construction, tourism & hospitality and carpentry.

Phase Two: Livelihood Accompaniment (Months 5-8):

During this phase, participants take their next steps toward the world of work. Each young person selects one of three livelihood pathways (small business, job/internship, or formal education and training) according to his/her interests, and then receives coaching and mentoring along the way.

To improve work readiness, each youth participant first works with Training Partner staff to identify his/her development goals. Training Partners then assist participants in taking the next step in their development. Finally, Training Partners mentor or “accompany” youth participants in the second phase of the program, in order to ensure the integration of the formal instruction and the on-the-job training components of the PAS program and how well the youth can apply the lessons learned in Phase One as they proceed into Phase Two.

B. Scope and Key Objectives

The PAS program operates in 9 districts outside of Dili and has been implemented by 16 Timorese partners to date. In each location, PAS engages extensively with key stakeholder groups, including government ministries, local NGOs and community groups.

The broad objectives of the PAS program are:

- Offer participants opportunities to learn FOR work/training
- Offer participants opportunities to learn FROM work/training
- 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

C. Result I & Result II

The ultimate success of the PAS project can best be articulated by the project’s ability to deliver the following two results:

Result I:	Targeted Youth are More Capable of Earning a Livelihood
Result II:	Local Institutions Have Improved Capacity to Prepare Low-Skilled Youth for Work

Result I addresses the participant level of our work. This result encompasses participant achievements from the Livelihood Preparation phase (Phase One) and the Livelihood Accompaniment phase (Phase Two). Indicators under Result I will yield quantitative and qualitative outcomes related to how youth are benefiting from project activities.

Result II addresses institutional-level activities and outcomes. PAS defines “institution” broadly to include “training partners, skills trainers, organizations participating in livelihood fairs, government, suco councils and other organizations that are affiliated with the PAS program.” Indicators for Result II will measure quantitative and qualitative outcomes related to how local institutions are benefiting from project activities.

D. Program Changes

In most regards, the PAS program has adhered to the original program criteria closely. With respect to Result I, the eligibility criteria for individual participants are age between 16-30 years old and proof of current residence in the district.¹ Further, each cohort of 50 youth should have gender balance and should target youth who have not finished secondary school. With respect to Result II, the main criteria are rural location (not Dili) and delivery mechanism via Timorese implementing partners.

¹ The original age range of 18-30 was expanded to 16-30 to be consistent with the definition of youth used by the Government of Timor-Leste.

Nonetheless, there have been three significant program modifications. Each of these changes was documented previously in the Fiscal Year Two Workplan.²

Program Change 1: switch from suco-based to district-based Learning Centers.

Rationale for Program Change 1: the original, suco-based program design, while well-targeted to the lowest skilled youth in Timor-Leste, proved inefficient to implement, since there were few local NGOs with sufficient capacity; few suitable buildings for training; few appropriate work experience opportunities; and an insufficient number of potential participants living within walking distance of training sites at the suco level. The change has allowed for easier access to more qualified local NGOs; more suitable training spaces; better access to suitable work experience opportunities; and successive cohorts of 50 youth per location.

Program Change 2: shortened program cycle from 12 months to 8 months.

Rationale for Program Change 2: the original program design called for a 12-month program cycle, including a 6-month Phase One component and a 6-month Phase Two component. Within the 6-month Phase One component, 3 months would be dedicated to in-class, learning FOR work and 3 months would be dedicated to on-the-job, learning FROM work. Youth participants would spend alternating weeks in the classroom and on-the-job in Phase One.

However, the pilot project in Baucau revealed that it was difficult to identify and procure consistent work experiences for the entire 3 month (12 weeks) learning FROM work component. It was also challenging to find private or public sector Work Sponsors who could provide materials in-kind, thus burdening the PAS program with all the work experience costs.

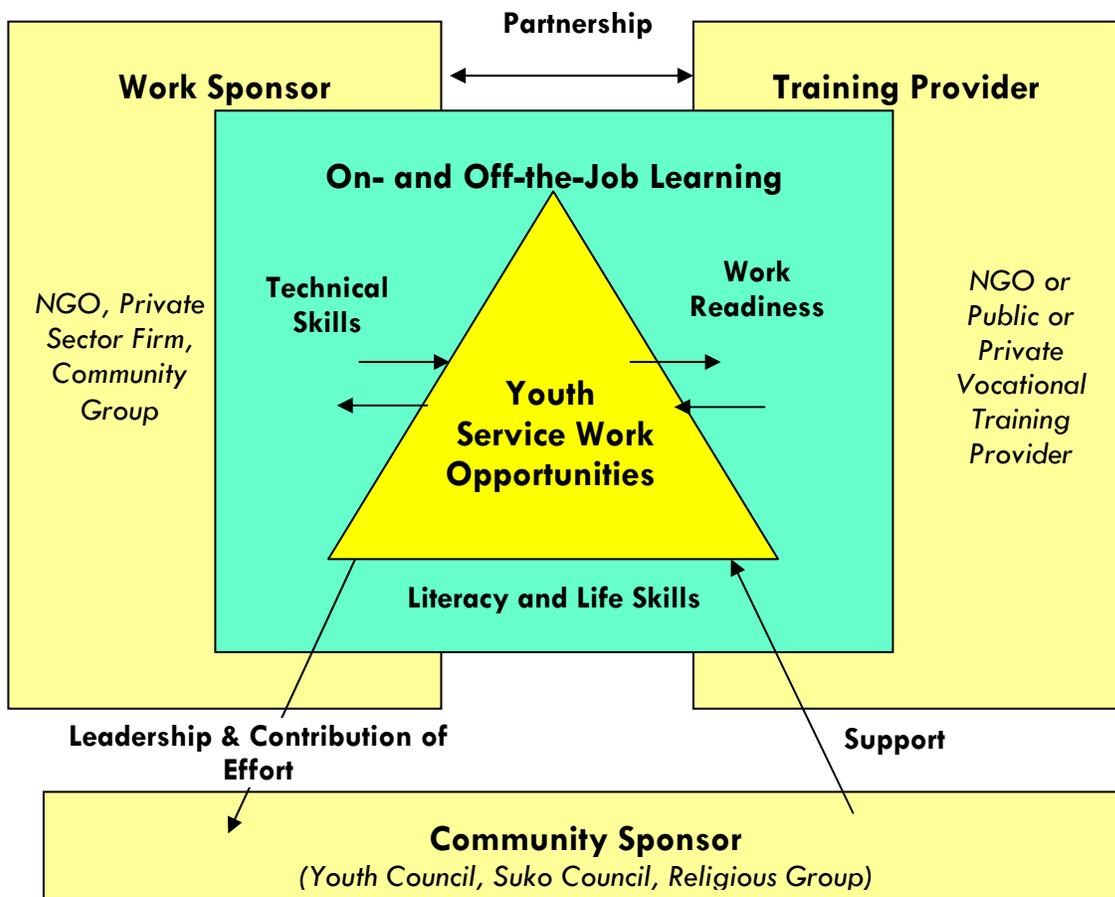
In shortening the program cycle, the PAS technical team re-worked the curriculum materials to ensure that all key topics would still be taught in the compressed format. In order to deliver all curriculum topics within the new 4-month Phase One schedule, the original design of alternating between 1 week in the classroom and 1 week on the work site was altered, so that some weeks all 50 students would meet in the classroom at the same time. In this new format, youth participants still spend 3 months (12 weeks) in the classroom, but work experience was shortened from 12 weeks to 5 weeks.

² Refer to Fiscal Year Two Workplan, pages 15-16 and 18-20.

Program Change 3: shift from a tripartite model of training partner-work sponsor-community sponsor to a single provider model (with community consultation).

Rationale for Program Change 3: due to the limited number of potential private or public sector work sponsors in rural areas, PAS modified its original vision of having one Training Partner, one large Work Sponsor, and one Community Sponsor in each project location.

In order to illustrate this program change, it is helpful to first return to the diagram from the Assessment & Design Report (Volume I), which captures the original vision well:



Instead of one Training Provider and one large Work Sponsor, the Training Provider is now responsible for both the learning FOR work (in-class, formal instruction) and the learning FROM work (on-the-job) aspects of Phase One.³

In order to deliver the on-the-job training component, Training Partners hire local Skills Trainers, who are paid a daily wage based on the number of training days provided. In keeping with the original vision, the Training Provider is still responsible for covering on-the-job topics in the “Weekly Themes,” such as tool safety and resolving conflict on the work site.



³ The Community Sponsor aspect is less formalized than originally envisioned, but generally proceeding according to plan. The Chefe de Suco is consulted during enrollment and at other key times. The Church and other local groups assist in conducting outreach to enroll eligible youth. Finally, youth participants give back to the community when they implement a Community Service Project.

SECTION THREE: PERFORMANCE MONITORING

Each quarter PAS reports to USAID on results for that quarter according to key progress indicators. However, PAS sets progress indicators on an annual basis rather than on a quarterly basis. Thus, EDC's reports have tended to present in a narrative format progress by quarter toward annual targets. In contrast, the tables in this section review annual targets against annual actuals, according to the quantitative targets established in the Fiscal Year One Workplan and Fiscal Year Two Workplan.⁴

This section is built around four tables, two each for Result I (outputs, followed by outcomes) and two each for Result II (outputs, followed by outcomes). Each of the four tables provides quantitative data tracking (FY1 Target, FY1 Actual, FY2 Target, FY2 Actual, and Actuals to Date = combined FY1 + FY2). Following each table, there is a brief discussion of the indicators at the same level of depth as in a quarterly report but on an annual basis. A more in-depth review of successes and challenges in program implementation, based on both quantitative and qualitative data, is provided in **Section Five**.

Supplementing this section, the same annual targets and actuals are also presented in **Annex I**, which includes quarter-by-quarter and gender breakdowns for those indicators that correspond to the USAID Fact Indicators for Economic Growth.

Result I: Targeted Youth are More Capable of Earning a Livelihood

Outputs (Fiscal Year 1 and Fiscal Year 2)

Indicator Description	FY 1 Target	FY 1 Actual	FY2 Target	FY2 Actual	Actuals To Date
Number of Youth Participating in the Livelihood Preparation phase	500	125	1400	1385	1510
Number of Youth Participating in the Livelihood Accompaniment phase	n.a. ⁵	n.a.	440	505	505

⁴ All outputs and outcomes in the Fiscal Year One and Fiscal Year Two Workplans are included in this section. However, so as to be able to discuss indicators within a program cycle logic, and due to some inconsistencies in indicator code numbering, the order in which an indicator is presented in this section does not necessarily match the order in which it appears in the Annual Workplans. The numeric indicator code has also been removed. This numbering of indicator codes issue has been corrected and will be presented in a revised PMP submitted under separate cover.

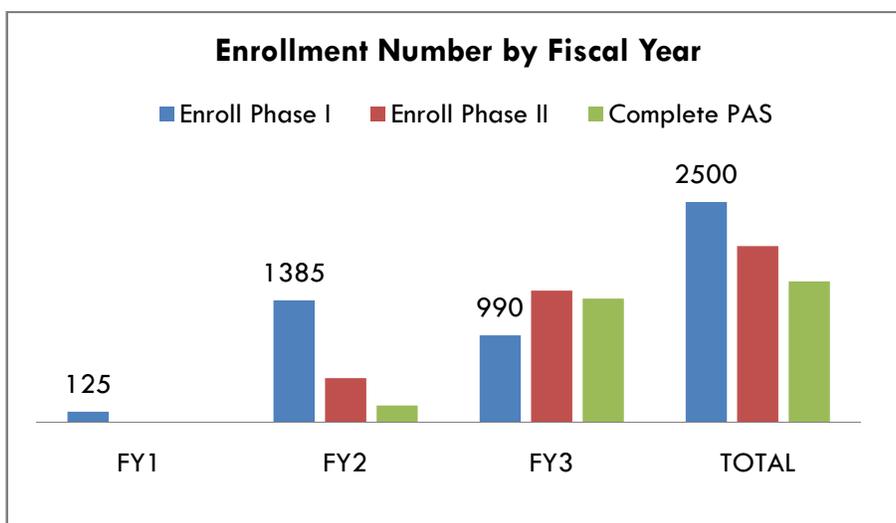
⁵ No annual target was set for this indicator in Fiscal Year One because no youth were scheduled to enter the Livelihood Accompaniment Phase in Fiscal Year One.

Number and Type of Livelihood Preparation Curriculum Materials	(Both indicators now treated as Result II Outputs, not Result I Outputs. Refer to Result II Outputs table.)
Number and Type of Livelihood Accompaniment Curriculum Materials	

1510 Youth Participating in the Livelihood Preparation Phase (53% Female)

The PAS program made significant progress in launching new cohorts of youth in Fiscal Year Two. Based on the Life of Project goal of 2500 youth, the original vision was for 500 youth to enroll in FY1 and 2000 youth to enroll by the end of FY2. These targets were subsequently modified in the Fiscal Year Two Workplan to 1520 youth enrolled by the end of Fiscal Year Two, with the remaining 980 youth to enroll in Fiscal Year Three.

Even though only the Baucau pilot test was completed in Fiscal Year One (125 youth participating), a strong Fiscal Year Two (1385 additional youth participating) resulted in 1510 total youth participating by September 30, 2009 (1510 actual/1520 cumulative target at end of FY2 = 99% target met).⁶ The project is now on track to meet its 2500 Life of Project goal (Fiscal Year Three target of 990 additional youth enrolled).



Having at least 50% of PAS youth be female was another explicit enrollment target. Based on the gender breakdowns provided in **Annex I**, the program is also meeting its by-gender enrollment goals. Of the 1510 youth participating to date, 794 (53%) are female and 716 (47%) are male.

⁶ Of the 1510 youth to have participated in the PAS program thus far, 1005 were active in Phase One, 311 were active in Phase Two and 194 had graduated from Phase Two as of the end of FY2. See Annex I.

Although remarkable progress was made in meeting youth enrollment targets during FY2, these targets were met through the addition of many new partners in Quarters 3 and 4 of FY2. This has had unintended consequences. These consequences are discussed in greater detail in **Section Five**.

505 Youth Participating in Livelihood Accompaniment

The target of 440 youth participating in Livelihood Accompaniment (Phase Two) by the end of Fiscal Year Two was surpassed. The actual number of youth participating is 505.

Since participation in Phase One rolled out gradually, it resulted in Phase Two also rolling out gradually. With respect to Phase Two, the slow roll out has had a positive effect on program delivery. It has put PAS in a strong position to determine early on which features of the Livelihood Accompaniment phase are working well and where further adjustments are warranted. For example, even though the small business track has been popular, early results indicate that youth who select this track would benefit from more entrepreneurship training in Phase One in preparation for launching their own business in Phase Two. This and other Result I issues are discussed in much greater detail in **Section Four** and **Section Five**.

Result I: Targeted Youth are More Capable of Earning a Livelihood

Outcomes (Fiscal Year 2 only)

Indicator Description	FY 1 Target	FY 1 Actual	FY2 Target	FY2 Actual	Actuals To Date
Number of Youth Who Successfully Begin At Least One Income Generating Opportunity (Small Business or Job/Internship)			40% 176/440	72% 364/505	72% 364/505
Number of Youth Who Successfully Begin At Least One Further Education and Training Activity			60% 264/440	28% 141/505	28% 141/505
Number of Youth Who Successfully Complete the Livelihood Accompaniment Phase			440 (*should be 155)	194	194

Explanations for why an actual is over or under the target by greater than 10% are provided below, under the narrative discussion for each indicator.

More Youth Selecting Income Generation Track Than Predicted

The Fiscal Year Two Workplan set a target of 176/440 (40%) of youth selecting the income generation track (small business and job/internship combined) and 264/440 (60%) of youth selecting the further education track (formal or non-formal education and vocational-technical training combined). However, based on the Livelihood Pathway selection of the first 11 cohorts of PAS youth to reach Phase Two, the job/internship pathway within the income generation track has been more popular than anticipated and is therefore making the income generation track as a whole more popular than anticipated (362/505 or 72%).

The PAS program predicts that the job/internship Livelihood Pathway will remain popular in FY3. Therefore, PAS has adjusted its targets and is now predicting that between 60-75% of youth will pick the Income Generation Track (small business and job/internship combined) and 25-40% of youth will pick the Further Education and Training Track (formal or non-formal education and vocational-technical training combined) by the end of the project lifecycle.

Using the completion rate targets in the PMP of 80% of the 2500 youth who enroll in Phase One will finish Phase One (=2000 Phase One graduates) and 80% who enroll in Phase Two will finish Phase Two (=1600 Phase Two graduates), the revised percentage target of 60-75% selecting the income generation track yields a target of 960-1200 youth selecting this track over the life of the project, while the revised percentage target of 25-40% selecting the further education and training track yields a target of 400-640 youth selecting this track over the life of the project. The modifications to these targets will be included in the revised Performance Monitoring Plan (PMP) and Fiscal Year Three Workplan to be submitted under separate cover.

Further information on selection of Livelihood Pathway, and Phase Two in general, is provided in **Section Four**.

194 Youth Complete Livelihood Accompaniment and Graduate from the PAS Program

The Fiscal Year Two Workplan set the same target for number of youth completing Phase Two (440 youth, pg. 24 of FY2 Workplan) as participating in Phase Two (440 youth, pg. 20 of FY2 Workplan). Unfortunately, this completion rate target was an error/oversight in the workplan. Simply put, since Phase Two is 4 months long, there was not enough time elapsed for youth who began Phase Two late in Quarter 3 or in Quarter 4 of FY2 to also have an opportunity to finish Phase Two within FY2.

The target should have been 155 (80% of the 194 youth who entered Phase Two in FY2 and also had an opportunity to finish Phase Two before the end of FY2). The actual number who finished is 194. Thus, of the 194 youth who entered Phase Two in FY2 - and also had an opportunity (enough time lapsed) to finish in FY2 - all 194 youth (100%) completed Phase Two and graduated from the PAS program.

PAS recognizes that this 100% completion rate is unrealistic. The number should be high, but it should not be 100%. The reason the number should be high is because most PAS youth took pursuit of their Livelihood Pathway very seriously. Independent feedback about PAS youth, for example mini-evaluations conducted by some of the organizations sponsoring PAS youth as interns, supports this assertion. The number of intern sponsors offering permanent jobs to PAS youth is another piece of evidence.⁷ Nevertheless, 100% is an unrealistic completion rate.

In fact, the 100% completion rate for Phase Two is a reflection of the unwillingness of partner NGOs to drop from the program those few youth who have not met all the standards for graduation. Further, this unwillingness on the part of partner NGOs to drop youth who have not met minimum attendance, performance or behavior standards applies to both Phase One and Phase Two. To date, most dropouts from the PAS program have been due either to attrition (the youth stops coming) or to “positive termination” (the youth is offered a full-time job, even before completing the entire program). Few dropouts have been the result of a partner NGO taking a proactive stance and terminating a student for legitimate attendance, performance or behavioral reasons. PAS will continue to work with partner NGOs to tighten graduation standards in FY3.

Improvements in the quality and speed of program monitoring and data collection will also enable PAS to work with training partners to flag and resolve such problems earlier in Phase Two. Thus, while the graduation rate was 100% for the first 4 cohorts, Phase Two dropouts from cohorts 5-8 have already been recorded and will appear in the Fiscal Year Three, Quarter 1 report.

⁷ Based on the first 8 cohorts of youth to enter the Livelihood Accompaniment phase and choose the Job/Internship track, 13.5% have already secured a permanent job or, in one case, a temporary job as a suco election worker.

Result II: Local Institutions Have Improved Capacity to Prepare Low-skilled Youth for Work

Outputs (Fiscal Year 1 and Fiscal Year 2)

Indicator Description	FY 1 Target	FY 1 Actual	FY2 Target	FY2 Actual	Actuals To Date
Number of Training Partners Participating in the PAS Program	5	2	12	14	16
Number of Management Staff Trained and Training Days Provided	6 staff 30 days	2 staff 6 days	24 staff 48 days	15 staff 72 days	17 staff 78 days
Number of Trainers and Team Leaders Trained and Training Days Provided	10 staff 100 days	6 staff 36 days	36 staff 180 days	88 staff 582 days	94 staff 618 days
Number of Work Sponsors Participating in the PAS Program (*defined as Skills Trainers for FY2)	5	5	12	68	74
Follow On Educational Pathways (Education or Vocational-Technical Training) Identified at the District and National Level	4		10		35+
Potential Small Business Sector Opportunity Areas Identified at District and National Level	5		5		
Potential Internship or Employment Providers Identified at District and National Level	5		6		
Number and Type of Livelihood Preparation Curriculum Materials	28				121

16 Partners Participating in PAS Program

As of September 30, 2009 the PAS program has signed sub-grant agreements with 16 Timorese NGOs to deliver the in-class curriculum and on-the-job work experience during Phase One, and to mentor/coach youth along a Livelihood Pathway in Phase Two.

Prior to signing a sub-grant agreement with any Timorese NGO, PAS staff members review the Expression of Interest and Organizational Profile submitted by the organization. They then conduct a site visit to the proposed location to review facilities, gauge community interest, and interview the partner using a standard series of questions that track to the initial eligibility criteria. Finally, the PAS Finance and Administration team works closely with the potential partner to develop relevant work experience opportunities and a reasonable budget.

When a proposal is complete, a committee of PAS staff from both the Program Team and the Finance & Administrative Team evaluates each potential partner according to the following eligibility criteria:

- relevant past program experience (programming for youth, education, livelihoods, etc.)
- capability of the organization (key personnel)
- resources of the organization (facilities, funding, and number of other active projects)
- quality of the proposal submitted to PAS (narrative and budget)
- sustainability (reputation within the community & among other donors, any failures in implementation of prior projects)

Most of the organizations that were not approved to work with PAS were either deemed to be too small (i.e., no actual office space or regular staff, and no prior grants from an INGO) or had received a bad recommendation from prior donors.

While PAS is proud of its efforts to build the capacity of Timorese NGOs, working with so many partners has had some unintended consequences. These consequences are discussed in greater detail in **Section Five**.

Nearly 700 Training Days Provided to Over 100 Staff of Partner NGOs

After a partner has been approved for a sub-grant, the partner's five key personnel (Project Manager, Finance Officer, Trainer and two Team Leaders) attend an initial Training of Trainers (TOT) workshop conducted by PAS staff. This workshop is designed to:

- familiarize partners with the PAS program objectives, procedures and rules
- improve facilitation/training skills, and how to apply these skills specifically to the PAS curriculum
- learn the basics of work experience and how to manage a work site

The length of the initial TOT has varied from 5-8 days, but is usually held for 6 days.⁸ For this initial TOT, the Trainers and Team Leaders of the partner organization attend all days of the training. The Finance Officer attends the first two days. The Project Manager must attend the first two days, but is encouraged to attend all days.

⁸ The number of days varies with the number of participants. The more Trainers and Team Leaders in attendance, the more time must be allotted for practice facilitation sessions.

In addition, Trainers and Team Leaders receive specific in-service trainings related to the Market Simulation exercise (associated with the Finance & Business section of the curriculum) and to the Livelihood Accompaniment phase (Phase Two). They also receive regular feedback from PAS in-field District Coordinators, as well as the PAS program team during field monitoring visits. The Project Managers and Finance Officers of the partner NGO, in turn, receive regular feedback and instructions for improvement from the PAS Finance & Administration team and the Regional Program Manager in Dili. This feedback occurs at a minimum on a monthly basis, but is often more frequent.

In total, counting only formal TOTs (Phase One TOT, Market Simulation In-Service Training and Phase Two TOT), PAS has trained 111 key personnel of Training Partners (17 management staff and 94 Trainers and Team Leaders) for a total of 696 training days (78 days for management staff and 618 days for Trainers and Team Leaders).

The amount of training provided exceeds that anticipated in the original program documents because PAS has had to work with more partners than anticipated, in order to meet youth enrollment targets. Nonetheless, many Training Partners would benefit from even more training, in order to be able to deliver strong workforce development content. Achieving a strong workforce requires input from a variety of sectors (education, vocational training, economic development, agriculture, etc.), so it is hard for the staff of any one Training Partner to be skilled in all these areas. In the future, there may be a benefit to targeting trainings more specifically to the needs of Training Partners who may, for example, already be strong in agriculture, but weak in entrepreneurship. This issue is discussed in greater detail in **Section Five**.

74 Local Skills Trainers Instruct Youth in their Trade

The switch from one large Work Sponsor to multiple Skills Trainers (discussed in **Section Two**) has had a positive impact at a community level because 74 local tradesmen and tradeswomen now have experience training youth and a direct link to youth whom they could take on as apprentices. The Skills Trainers provide instruction in diverse fields, such as: masonry, carpentry, sewing, restaurant management, plant grafting, cassava chip making, mechanics, radio repair, bamboo furniture making, electrical wiring, computers, horticulture, and tofu & tempe making. These adults can also play a vital role in changing community attitudes about the work ethic and eagerness of youth to participate actively in their communities. However, the switch to skills trainings has had some unintended consequences, which are discussed further in **Section Five**.

More than 35 Follow-On Livelihood Pathways Identified

The Fiscal Year One Workplan predicted that PAS staff would identify 14 potential follow-on pathways: 4 in education (2 in education and 2 in vocational training = 4), 5 in small business,

and 5 internship providers. The Fiscal Year Two Workplan predicted that PAS staff would identify 21 potential follow-on pathways: 10 in education (2 education providers per district in 5 districts = 10 follow-on pathways), 5 types of small business sectors, and 6 internship providers. This makes for a combined total of 35 follow-on pathway opportunities.

To date, PAS staff and consultants have already identified more than 35 potential follow-on pathways. However, the split between the income generation track (small business and job/internship pathways) and the further education and training track (formal or non-formal education and vocational-technical training pathways) has been different from what was predicted in the Fiscal Year Two Workplan.

With respect to further education and training, since PAS counts each organization only once, even if it works with PAS youth in multiple districts, there have been fewer educational opportunities identified than predicted. This is because the most popular organization for further education and training, SOLS 24/7, works in multiple districts but is counted just once. PAS youth have attended SOLS courses in Aileu, Covalima, Oecusse and Dili, but SOLS is recorded in the PAS database only one time. As a result, there have been fewer separate further education providers identified than predicted in the annual workplans.

With respect to income generation opportunities (small business and job/internship), the reports produced by Eco-Ventures International (EVI), a sub-grantee of the PAS program, identified more than 10 business sectors/types and more than 15 internship providers. In fact, there have already been 40 different organizations that have sponsored one or multiple PAS youth for an internship during the Accompaniment Phase (target of 5 in FY 1 and 6 in FY 2), so this pathway has surpassed expectations. Moreover, there is a strong link between identified follow-on internship organizations and youth choosing to pursue an internship with these same organizations.

The link between identified follow-on pathways for small business and subsequent pursuit of those pathways by PAS youth is not as strong. While growing market sectors are being identified (outputs), for example in the EVI reports, only a few youth are pursuing these pathways (outcomes). This is discussed further below, under outcomes, and also in **Section Five**.

More than 120 Curriculum Sessions Developed

The Fiscal Year One and Fiscal Year Two Workplans classified training materials as a Result I output, presumably because a curriculum had to be developed before training could commence (i.e., a project cycle consideration). However, as the PAS program is now focused more directly on producing outcomes, we have re-classified the curriculum materials as a Result II output. This is because the outcome we are hoping to achieve is that other organizations in Timor-Leste, including existing PAS Training Partners, will adopt the curriculum in whole or in part after the PAS project ends. If the PAS program's focus on work readiness (pre-employment) takes hold in Timor-Leste, and is adopted by existing PAS Training Partners, other training organizations, or the

Government of Timor-Leste, that would be a Result II outcome. This is the reason for the reclassification of the materials themselves as a Result II output.

Now that revisions to the PAS curriculum have been completed, the table below presents the final breakdown in terms of the number and type of curriculum materials developed.

Curriculum Materials

	Instruc. Guides	Curriculum Sessions	Asses. Tools	Weekly Themes	Handouts	Certificate	TOTAL
Core Curriculum	1						1
Orientation Sessions		10					10
Leadership & Life Skills		18	1				19
Work Readiness		13	1				14
Finance & Business		8	1				9
Preparation for Phase II		4					4
<i>Sub-Total</i>							57
Health (optional)			1				1
First Aid, HIV/AIDS, etc.		13					13
<i>Sub-Total</i>							14
Literacy & Numeracy			1				1
Literacy		20					20
Numeracy		18					18
<i>Sub-Total</i>							39
Work Experience	1		1	6	2		10
Skills Passport						1	1
TOTAL	2	104	6	6	2	1	121

In Fiscal Year Three, these materials will be bound, re-distributed to partners in their final format, and shared more widely with other organizations and the Government of Timor-Leste.

Result II: Local Institutions Have Improved Capacity to Prepare Low-skilled Youth for Work

Outcomes (Fiscal Year 2 only)

Indicator Description	FY 1 Target	FY 1 Actual	FY2 Target	FY2 Actual	Actuals To Date
Number of Community Work Projects Designed and Led by Youth Completed			4	4	4
Number of Training Partners with Enhanced Capacity to Train Youth in Workforce Development			10	13/16	13/16 ⁹
Number of Workforce Development Initiatives			10		75
Work Readiness Certificate Endorsed by Government			1	1	1

4 Community Service Projects Completed

Each of the first four cohorts of youth to have graduated from the PAS program has successfully designed and implemented one project in their community, including obtaining permission from the Chefe de Suco and other local authorities.

These community service projects were:

- painting the fence at a local church (LAHO-Triloka, Baucau)
- cleaning the Chefe de Suco's office (FSP-Berkoli, Baucau)
- building the first community trash bin at the Aileu market (FC-Aileu)
- repairing and painting the traffic circle in the center of town (FC-Maubisse)

The Community Service Project is a way for youth to give back to their community and express their appreciation for the investments that have been made in them. The PAS program will continue to socialize youth about “volunteerism” and why it is important to give back to the community.

⁹ Unlike other indicators, this one is measured by recording a negative, the number of Training Partner failing to meet a standard (total number of partners minus those partners not having enhanced their capacity = those that have enhanced their capacity). To date, three partners (3/16) have been determined to have not significantly enhanced their capacity, as discussed later in this section. However, more partners could be evaluated as not having met capacity standards as the program progresses. In that case, the number for life of project could ultimately be a smaller number than the actuals to date (13/16) at the end of FY2.

13 Partners with Significantly Enhanced Capability to Train Low-Skilled Youth in Workforce Development

Each Training Partner is evaluated at the end of its term with the first cohort of 50 youth prior to any extension of the sub-grant agreement for a second or third cohort. The partner is evaluated on Financial Management, Program Implementation and Program Reporting (Monitoring & Evaluation) criteria, as well as several more general measures of adaptability, transparency, etc. At a general level, the PAS program believes that all 16 partners to date have demonstrated enhanced capacity to deliver workforce development programming for low-skilled youth. However, PAS wanted to develop more stringent criteria to measure *significant* improvement. Thus, we developed two tests for determining whether a partner has significantly enhanced capacity to deliver workforce development programming for youth:

- a program implementation test (significant expansion in programming)
- a management test (meets all USAID financial management and program reporting regulations)

In order to have *significantly* enhanced capacity, the partner must pass both tests.

In FY2, PAS would rate three partners (Loron Aban Hahu Ohin-LAHO, Claret Training Center-CTC, and Futuro ba Sociedade Prospero-FSP) as not having met one or the other of these tests. In two cases (LAHO and CTC), the partner did not meet the program implementation test, while in one case (FSP) the partner did not meet the management test.

LAHO and the CTC are established vocational-technical training providers that are skilled in delivering one aspect of the multifaceted PAS program, vocational-technical training in certain skill areas. For LAHO this is agriculture training, while for CTC it is carpentry and welding. However, both partners at times struggled to provide quality training in some of the more learner-centered, inquiry-based elements of the PAS curriculum. In short, while CTC and LAHO both enhanced their capacity to train youth in workforce development, neither *significantly* enhanced its capacity; both stuck to existing strengths and did not adapt quickly to new teaching methods. The tradeoffs of partnering with established vocational-technical training centers versus community-based NGOs are discussed in more detail in **Section Five**.

In the third case, PAS terminated the contract of FSP for failure to comply with USAID financial regulations. While the FSP Trainer and Team Leaders did *significantly* enhance their capacity to deliver workforce development programming for low-skilled youth, the organization as a whole did not demonstrate sufficient managerial capacity to continue as a PAS partner.

More than 75 “Opportunity Sponsors” Contribute to Workforce Development Initiatives

In Fiscal Year Two, the PAS program revised how the concept *workforce development initiative* would be operationalized for monitoring & evaluation purposes. The goals were to develop clear counting rules (standards) for what should be considered an initiative and also to incorporate participation in a new type of initiative developed in Quarter 2 of FY2, the PAS Livelihood Opportunity Exposure Fair.

What is counted as contributing to a *workforce development initiative* is any organization which formally sponsors or enrolls a PAS youth participant for a 4-month Livelihood Accompaniment activity (a business sponsor, a job/internship sponsor, a vocational training provider or a non-formal education provider), as well as any organization that donates staff time to participate in a Livelihood Opportunity Exposure Fair. Thus, the measure is the sum of each of the Livelihood Pathway “opportunity sponsors” included in the Fiscal Year Two Workplan, as well as the new initiative of Livelihood Opportunity Exposure Fairs. These activities all entail formal invitations or notification letters, signed letters of intent and/or Memorandum of Understanding.

While PAS had set a target of 10 workforce development initiatives, in actuality there were 75. As discussed previously, this strong outcome is due in large part to the number of NGOs and government offices that have been willing to mentor PAS youth participants for a 4-month internship. It also reflects widespread participation in Livelihood Fairs. Each component part of the measure is discussed individually below. **Annex I** also provides a breakdown for each sub-indicator by quarter and by gender.

With respect to the business livelihood pathway, there is only opportunity sponsor recorded. That is Mogrin Construction, which sponsored PAS youth to work on building the new hospital in Baucau. There are three reasons this number is not higher. First, as discussed previously, there are very few private sector employers in rural districts. Second, partly as a consequence of the lack of small- and medium-size enterprises, many youth who pursue the small business pathway do so as self-employed micro-entrepreneurs, rather than as an employee or apprentice in a private enterprise. However, when the youth is self-employed, no institution sponsors the youth in the same way that an organization “sponsors” an internship. Third, although the EVI reports identified many growth sectors in agri-business, few youth are choosing to pursue business opportunities in the specifically identified sectors. The weak linkage between PAS identification of agri-business growth sectors and youth willingness to enter those sectors is discussed further in **Section Four**.

As mentioned previously, the job/internship livelihood pathway has surpassed expectations. To date, 38 organizations and 3 existing Training Partners have sponsored at least one PAS youth participant.

**Organizations Sponsoring PAS Youth Internships
and Number of Interns Per Organization**

FY02	Qtr 2	Qtr 3	Qtr 4
LAHO	2		
Oisca	4		
Moris Rasik		3	
Plan		3	1
SHARE		3	
District Administrator		3	
World Vision		8	4
NCBA Health Clinic		2	
CDE		3	
Maubisse Hospital		1	2
PARCIK		2	
Health Clinic, Liquidoe			2
Min of Agric (sub-district)			2
CVTL			1
Sec of State for Water & San.			1
EDTL			6
Hadomi Malu			5
CJC			5
SEFOPE			9
FPWO			3
Sec State for Oecusse			1
Oxfam			9
USAID-DWASH			5
WFP			2
Min. of Agric. & Fisheries			2
Oecusse Hospital			1
Caritas			8
Y-ACTS			1
Min of Health (district)			1
Binibu Primary School			2
SCJP-PL			2
Min of Water & San. (district)			2
Education Dept (district)			3
Christian Children's Fund			2
Min of Agric & Fisheries (district)			3
Civil Registration Office			1
District Land & Property office			1
District Administration Office			2
Sub-District Admin office			4
Min of Health (district)			3
Min of Agric./Forestry (district)			3
41 ORGANIZATIONS	6	28	99
	NUMBER OF YOUTH = 133		

Based on the data in this table, there is a broad mix of local NGOs, international NGOs, government offices and existing Training Partners sponsoring internships for PAS youth. While these internships are generally public-public alliances, not public-private alliances, the internships are preparing PAS youth for formal sector jobs (with written employment contracts), and these are often the highest paying and most steady jobs in rural districts of Timor-Leste.

With respect to vocational-technical training, PAS youth have trained as apprentices with tailors, graphic design shops, electricians, car & motorcycle workshops, and furniture shops.

The PAS youth participants who select non-formal education are receiving formal instruction in computers and English from SOLS and other education providers, including: Ulumaroy Electric, Hohulu Foundation, San Miguel, Euros, Centru Juventude Maubisse, and the Cannosian Sisters.

In addition to the aforementioned opportunity sponsors, closely associated with the Livelihood Accompaniment phase, another key initiative is the Livelihood Opportunity Exposure Fairs. PAS introduced Livelihood Fairs in March 2009 as a way to build links between private employers, NGOs, education providers and the Government of Timor-Leste. To date, 27 different organizations have donated their time to speak at a Livelihood Fair, including key government actors. The Livelihood Exposure Fair model will continue in Fiscal Year 3, and PAS will increase its efforts to tap private sector employers to participate in these fairs, thereby encouraging links between organizations that participate in the fairs and youth participants' pursuit of livelihood activities in emerging market sectors.

The organizations which participated in Livelihood Fairs in Fiscal Year Two are:

<p>Small Business Track</p> <p>Instituto Microfinansa Timor-Leste (IMfTL) Centro Desenvolvimento Empresarial (CDE) Peace Dividend Trust (PDT) USAID-DSP (Desenvolvimento Sector Privado) Centru Produtu Lokal Larai Ikan Mas Hatchery (aquaculture) Missão Portuguesa (coffee training program) Moris Rasik (microfinance) Tuba Rai Metin (microfinance) Ministry of Economic Development SPP teacher/Land O'Lakes (agro-business) Owner of LuzMarie company (largest private employer in Natarbora)</p>
<p>Job/Internship Track</p> <p>World Vision Hadomi Malu Oxfam-Australia Stromme Foundation Christian Children's Fund SEFOPE District Administrator's Office DLO NGO Forum Peace & Justice Commission Caritas Baucau</p>
<p>Further Education and Training Track</p> <p>Ministry of Education, Sub-District Head SOLS 24/7 SPP teacher (Land O'Lakes computer center in Natarbora) private IT specialist Kursus Computer & Ingles (Aileu)</p>

194 PAS Graduates Receive Skills Passport

In Fiscal Year Two, PAS completed the design of Timor-Leste's first ever Skills Passport. Moving beyond the traditional graduation certificate, the Skills Passport reflects the structure of the PAS program. It draws on the four strands of the PAS curriculum (Leadership & Life Skills; Work Readiness; Finance & Business; and Technical Skills) and lists competencies that the PAS graduate has attained in each area.

The PAS program has continued to build links with two ministries of the Government of Timor-Leste, sharing the Skills Passport framework with both of them.

While PAS originally viewed its home as with the Secretary of State for Vocational Training and Employment (SEFOPE), as the program has evolved it seems more likely that the key metric may not be whether SEFOPE endorses the PAS Skills Passport, but how many of PAS's Training Partners apply for and receive recognition as an INDMO/SEFOPE Vocational Training Center.¹⁰ This is because INDMO promotes workforce development via certification in very specific trades (e.g., construction or tourism & hospitality), while PAS promotes workforce development in a more holistic and integrated way (including an emphasis on work readiness skills such as punctuality, resolving conflict in the workplace, teamwork, etc.). Thus, while the links between USAID/EDC and SEFOPE/INDMO continue to expand, it is more sustainable if it is the PAS Training Partners themselves who seek certification from INDMO, not PAS from SEFOPE (via endorsement of the Skills Passport).

PAS has, in turn, sought deeper ties with the Ministry of Education, Non-Formal Education Division. There is a natural link here between the Non-formal Education Division and PAS's approach to remedial literacy and numeracy. There is also an opportunity for PAS to work with the Non-Formal Education Division to promote financial management and entrepreneurship training as a follow-up to the Ministry's basic numeracy curriculum in the *Iha Dalan* texts. The first 194 PAS graduation certificates to date, which are issued along with the Skills Passport, have been signed by the Director of the Non-Formal Education Division of the Ministry of Education and also by USAID.

¹⁰ INDMO is an independent institute that is closely linked with SEFOPE. It sets priority areas for vocational training fields in Timor-Leste and certifies organizations as qualified training providers.

SECTION FOUR: EARLY INDICATIONS OF PROGRAM IMPACT (LIVELIHOOD ACCOMPANIMENT)

This section provides an update on progress with respect to Livelihood Accompaniment (Phase Two, months 5-8 in the program for each youth participant). The first 102 PAS youth entered Accompaniment in March 2009 (Quarter 2 of Fiscal Year Two), followed by 92 in Quarter 3 and 311 in Quarter 4. Thus, there is a 7-month record of data covering the first 505 youth participants to enter Accompaniment. This section emphasizes the lessons learned and early indications of program impact for Phase Two, which affects mainly Result I (an enhanced ability of youth participants to earn a livelihood).

The section first presents a table that records selection of Livelihood Pathway by cohort in Fiscal Year Two. It then reviews four sets of issues with respect to program impact:

- Matching Youth Interests, Youth Assets & Market Opportunities
- Setting benchmarks for post-program success
- Youth self-reported improvements in Livelihood Preparation
- Youth self-reported behavior change

A. *Livelihood Pathway Selection by Cohort*

The table below provides selection of Livelihood Pathway by cohort for the 11 cohorts (505 youth) that entered the Livelihood Accompaniment phase before the end of Fiscal Year Two.

Cohort	District	Community	Partner	Business	Internship	Education	TOTAL
1	Baucau	Triloka	LAHO	33	6	16	55
2	Baucau	Berkoli	FSP	38	0	9	47
3	Aileu	Aileu Villa	FC	26	20	0	46
4	Ainaro	Maubisse	FC	28	8	10	46
5	Covalima	Salele	CTC	7	7	8	22
6	Covalima	Suai	CJC	0	9	36	45
7	Oecusse	Pante Makassar	FPWO	11	31	2	44
8	Oecusse	Usi-Tasae	BIFANO	27	13	10	50
9	Liquisa	Liquisa	CCA	8	26	16	50
10	Aileu	Aileu Villa	FC	27	11	12	50
11	Ainaro	Maubisse	FC	24	2	24	50
TOTAL				229	133	143	505

In the category of Job or Internship, as discussed previously, many of these placements have been with international or local NGOs, and have involved office or administrative work, including the use of computers. However, several internships have involved specific technical work in the field. For example, youth who interned with the USAID D-WASH project gained technical skills in water and sanitation. Youth who interned with World Vision in Aileu conducted a health assessment at the community level. One young woman who interned with existing Training Partner FPWO in Oecusse gained valuable knowledge and experience working at FPWO's domestic violence shelter.¹¹

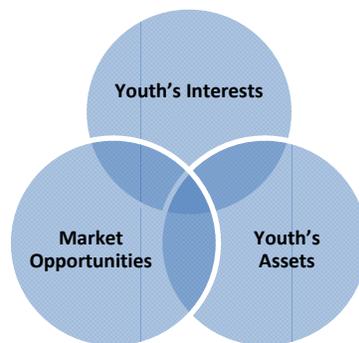
In the category of Further Education or Training, most of the young people who chose this track have pursued non-formal education in computers or English, and a few have pursued Vocational-Technical Training, for example to become an electrician or a tailor.

Within the business category, approximately 65% of youth who select this track are opening traditional kiosks. This number is not surprising, given rural market conditions in Timor-Leste.

B. Matching Youth Interests, Youth Assets & Market Opportunities

An ongoing challenge in Timor-Leste, but one that is being addressed proactively by the PAS program, is what might be termed the disconnect between youth interests, youth assets and available market opportunities in rural districts. Simply put, many rural youth want what can be classified as 21st c. livelihoods (those involving computers, IT, or English); however, far fewer have the personal (education and related skills) or business (land, available infrastructure, or capital) assets necessary to make the acquisition of these skills a realistic livelihood strategy, at least in the near-term.

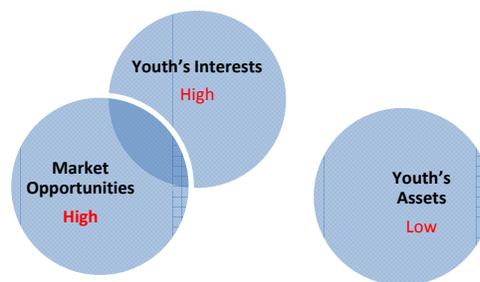
The PAS program has framed this as a problem associated with matching Youth Interests, Youth Assets and Market Opportunities. Within the program, we use the diagram below to help PAS youth, Training Partners and EDC staff members understand the issue:



¹¹ A full list of internship placements and details on work performed is available in the PAS Monitoring & Evaluation database.

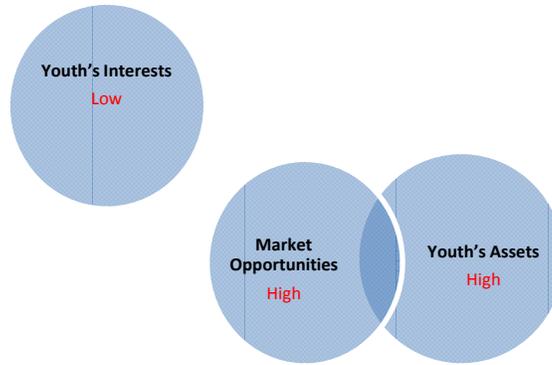
The diagram is presented in terms of the end goal, for each youth to select a Livelihood Pathway in which his/her interests, assets, and currently available market opportunities overlap. This would be the triangle at the middle of the diagram, where all three circles meet. In fact, one of the main objectives of the end of Phase One (when youth select a Livelihood Pathway) and the start of Phase Two (the Livelihood Accompaniment phase) is to encourage youth to select a pathway that will achieve these three goals for their particular circumstances. However, few youth start out in this place.

To illustrate the disconnect between the kinds of livelihoods youth want and those that are available in rural districts, it is easiest to begin with a typical example where youth interest is high and there are growing market opportunities, but the youth's personal or business assets are low. This is best captured by examples such as computers/IT or being an English interpreter for an international organization. It is captured visually by the following diagram:



In this case, a young person has identified their interest in computers/IT or English and recognizes that these types of skills are in high demand. However, while they may be in high demand in Dili, there may be very few internet connections, unreliable electricity and few computer owners in the rural district where this young person lives. Or the youth may not have the level of literacy required to follow computer manuals. In this case, the PAS program does not restrict the choice of Livelihood Pathway or otherwise discourage the young person from pursuing this type of livelihood, but it is the role of the Team Leader and/or District Coordinator to help the youth recognize that his/her pursuit of this type of Livelihood Pathway will take longer to achieve. It will require further education or training, may necessitate a move to a larger city, and may not lead to a higher income for several years. The Personal Development Plan (PDP) is the specific tool utilized by PAS to help youth acknowledge that it will take them longer to achieve their goals than a pathway where interests, assets and market opportunities are already in line.

This diagram also works in the opposite way. Not only do many youth want livelihoods that require a lot of specialized training, but their initial interest in agricultural or other livelihoods where they already have business assets is often low. The latter situation is displayed in the following diagram:



Perhaps the best real-world example of this diagram is a young person who grew up in a family engaged in subsistence agriculture in Aileu district. Although this district is recognized for its agricultural production, if a youth who entered the PAS program in Aileu was told that at the end of the 8-month program, he or she would be selling vegetables, the youth would possibly decide not to continue with the program (and/or throw vegetables at the Training Partner staff who suggested this!).

The steps PAS would take to engage with this young person would be to help him/her to make the leap from common, low-value crops sold in Aileu and to think in terms of four alternative options:

- Selling the same types of vegetables via a new partner (e.g., USAID-DSP cooperative)
- Selling to a new market (e.g., Dili)
- Selling a different crop (e.g., higher value produce, such as herbs)
- Further Processing of an existing agricultural product (e.g., from cassava to cassava chips) for sale

What these three diagrams illustrate collectively is that there is an ongoing tension between PAS not wanting to produce more graduates pursuing a livelihood in computers or languages than there are opportunities to absorb them, but also wanting youth to be empowered to decide their own future. As shown in the table at the start of the section, PAS has achieved a balance by providing several pathways and tolerating large variations by district in whether youth select the small business, job/internship, or further education and training options.

C. Setting Benchmarks for Post-Program Success

During Fiscal Year Two, the PAS program also made considerable progress in setting clear benchmarks by Livelihood Pathway for determining program impact (i.e., whether youth have improved their Livelihood Potential).

These benchmarks are:

Pathway	Benchmark
<p>Small Business</p>	<ul style="list-style-type: none"> • Is the business able to earn a profit each month during the Accompaniment Phase (or at least break even)? • Is the business still running at the end of the Accompaniment Phase? • Is the youth’s monthly income higher at the end of Accompaniment compared to before the youth enrolled in PAS? • Is the business still running six months after the youth graduates from the PAS program?
<p>Internship or Job</p>	<ul style="list-style-type: none"> • Number/Percentage of youth rated 3 or higher on a 5-point scale of “work readiness” measures, as rated by the internship sponsor? • Is the youth offered a permanent position at the end of the internship? • If not, is the youth able to secure other employment as a result of the skills gained during the PAS program?
<p>Further Education and Training</p>	<ul style="list-style-type: none"> • Number/Percentage of youth rated 3 or higher on a 5-point scale of “work readiness” measures, as rated by the further education or training provider? • Did the youth complete the further education or training as planned (i.e., until completion of course or certification)? • At the end of the PAS program, can the youth participant articulate how the further education or training moved him/her along a livelihood pathway goal and also provide a plan for the next step in pursuit of the end goal?

At this stage in the PAS program, it is premature to evaluate whether youth have improved their Livelihood Potential according to the above benchmarks, since only 194 youth had completed the program by the end of FY2. Moreover, 102 of these 194 youth participants are from the two Baucau pilot cohorts, which were subjected to more program changes than all subsequent cohorts. PAS will begin to report on these benchmarks in Fiscal Year 3.

D. Youth Self-Report Improvements in Livelihood Preparation

At the end of each cohort, and prior to graduation, PAS conducts a one-day final Monitoring & Evaluation workshop and data collection exercise in the field. During this M&E workshop, PAS youth first engage in a rapid, collective assessment activity meant to generate quantitative data about program impact. This activity, which uses a set of colored cones and asks participants to run to the cone which best captures their response, helps PAS to gauge collective responses to 16 questions. Youth participants then divide into smaller groups for structured, focus group interviews regarding what they have learned from the program and how it has changed their life.

PAS youth are consistently reporting that their numeracy skills improved during participation in the PAS program. They can also articulate why numeracy is important (e.g., making correct change in a business transaction).¹²

In addition to basic numeracy skills, many youth participants also cite the Market Simulation exercise as being highly relevant to their daily lives. Originally, the Market Simulation exercise was played only one time during the Finance & Business curriculum. In playing the game once, youth are able to recognize the importance of separating personal and business expenses, buying in bulk, saving for unexpected emergencies, etc. This is critical in Timor-Leste, as there is a strong tradition of youth giving any extra earnings they receive back to their family. However, to be successful in managing the \$100 cash grant for Livelihood Accompaniment, it is important for youth to be able to separate business profits from other daily income or expenses.

Given that so many youth mentioned the Market Simulation exercise as one of the most relevant aspects of the training, the curriculum edits of June 2009 added additional sessions devoted to this activity. The exercise has six different levels and the youth were only playing it once; now they will play it three times at three different levels of difficulty. In addition to increasing the number of times the game is played by all PAS youth, the “cashbook” record-keeping lessons associated with the game will be a more deliberate focus of the Accompaniment Phase for those youth who select the business Livelihood Pathway. This will help them keep better track of their profits on a monthly basis.

¹² This is in contrast to Literacy Skills, which few students cite as being one of the key ways which PAS improved their life.

Being able to track profits and losses on a monthly basis is important because one of the most interesting results to date of the final Monitoring & Evaluation exercise has been the response to Question #11, which asks youth to respond to the statement, “I earn more money now than before the PAS program started.” Of the first 138 youth to participate in this exercise, 73% said they are not earning more money! The PAS team has considered several explanations for this outcome, which is fascinating because the local District Coordinator and the Team Leaders of the Training Partner know that large numbers of youth who choose the business track are earning more money. The youth also talk about earning more money in Focus Group Discussions.

Possible explanations for this response include: 1) youth answer this way in front of foreigners (because they think they will receive more money from the PAS program if they say no); 2) the translation into Tetum was bad and should read *osan aumenta* (more money) when it had been translated as *osan barak* (a lot of money); 3) the end of Phase Two is too early to expect youth who select the internship or further education and training tracks to be earning more money, so youth who selected those tracks should not be asked until 6 months after the PAS program ends; and 4) youth who select the small business pathway need more help tracking expenses over the four months of the Accompaniment Period, so that they recognize whether they are earning more money and, if so, how much more money.

Now that Timorese staff have been fully trained in the data collection exercise, PAS will ask this same question in the future without a foreigner present, with the changed wording to the Tetum version, separating out business-track youth from youth who selected the internship and further education tracks, and after rolling out a new form to help those youth who select the business track monitor their profits tightly.

In sum, the PAS program is finding that those youth who choose the small business track may need additional training to foster entrepreneurship, support business planning, and track profits and losses. These issues are discussed further in **Section Five**.

E. Youth Self-Report Behavior Change

Behavior change is a notoriously challenging concept to measure, in part because deep and lasting behavior change is often a longer-term impact and does not necessarily fit into a typical project cycle. One standard practice to test if positive reports of behavior change are reliable is to triangulate the data. In other words, just because youth tell PAS that they are more confident or less quick to anger does not mean that it is true; they could just be telling the interviewers what they want to hear. Thus, it is important to cross-check the messages that youth self-report with other data sources.

Within the PAS project, we have a pre- and post-test questionnaire of behavior that is a self-assessment by youth at the beginning and the end of Phase One (source 1). The same questions are also asked of the Trainer in a pre- and post-Phase I questionnaire at the beginning and the end of Phase One (source 2). In addition, a number of different tools are used for the youth to self-assess their own behavior at the end of the project, in the final M&E workshop (source 3). Finally, PAS also recently developed tools that ask the sponsors of youth internships and further education programs to provide an evaluation of the work readiness skills of the PAS youth that they sponsor during Phase Two (source 4, an independent mini-evaluation).¹³

With respect to the Self-Assessment and Trainer Assessment in Phase One, six questions are asked. For each question, the youth or the Trainer follows a 4-point scale (Not At All, A Little Bit, Yes, A Lot):

- How well can you manage time in the workplace?
- How willing are you to learn from other people?
- How well do you know how to resolve problems in the workplace?
- How strong is your work ethic, commitment to work?
- How comfortable are you making decisions in a group?
- How committed are you to be involved in community activities?

In addition, there is the final M&E workshop, discussed above, in which a series of 16 questions is posed in a collective, rapid assessment style. Of the 194 youth who have graduated from the PAS program, 138 (72%) have participated in this activity. Results to date are very positive, with 77.5% of youth saying they did not work regularly before the PAS program and an almost equal number, 76.8%, saying they now believe they can earn a good living in their home district.

PAS youth participants also express high interest in learning new things, high confidence in being able to overcome adversity in the future, an improved ability to work at group/team tasks, strong willingness to learn from their peers in addition to the Trainers and Team Leaders, and a universal (100%, 138/138) propensity to share with their family the things they learned in the PAS program. While 46% of youth say they remember feeling discouraged about their future before the PAS program, 96% say they feel confident about their future at the end of the PAS program.

¹³ Since most youth who select the business track are self-employed, it is not possible to ask an “Opportunity Sponsor” to provide an independent evaluation of these youth. However, since PAS is pleased with the results of the evaluations received to date from internship and education sponsors, the program will at a minimum develop a tool for Team Leaders to evaluate the youth on similar dimensions. If the tool works, based on a pilot, it could possibly be expanded to ask local business leaders or other community members to provide an independent evaluation of the youth business.

The final question in the rapid assessment activity is one of the most interesting. It asks youth to choose from among four options of how the PAS program has impact their life positively.

The responses to date are:

Option 1: New Information, Knowledge, Understanding	41 (30%)
Option 2: New Skills	58 (40%)
Option 3: Improved Attitude, Feelings, Hope	36 (27%)
Option 4: Cash and the Opportunity to Prove Myself on the Job	3 (3%)
TOTAL	138 youth

For options 1, 2, and 4, there were no obvious gender differences in how the youth responded. However, perhaps not surprisingly, female youth participants were much more likely than male youth participants to select Option 3. Both in the follow-up to this question and in the Focus Group Discussion conducted for females only (and led by a female member of the PAS staff), young women reported feeling much more confident in speaking up and expressed a renewed desire to work outside the home or in home-based industries. Many of them also talked about new ways of communicating with their husbands and how they have negotiated running a business and managing child care by seeking assistance from extended family members.

While PAS is pleased with the results of the final M&E workshop so far, especially as these data are from the first 4 cohorts – which were subjected to more program changes than subsequent cohorts – it is only a post-test survey. In September 2009, PAS began to implement a pre-test survey as well, so that these attitudes and behavior can be measured at two different points in time for the same youth participants.

SECTION FIVE: KEY FINDINGS AND RECOMMENDATIONS FROM FISCAL YEAR TWO

This section provides key findings and recommendations based on a comprehensive review of Fiscal Year Two outcomes. It will examine the successes and challenges that have arisen in program implementation. Findings and recommendations are presented first for Result I, followed by Result II. For each issue, the format is to present a finding, followed by evidence supporting the finding, and then one or more suggested recommendations for follow up in Fiscal Year Three.

Result I: Targeted Youth are More Capable of Earning a Livelihood

Most of the findings and recommendations associated with Result I emerge from one central challenge, the limited availability of large private sector Work Sponsors in rural districts. This single challenge, in turn, led (in whole or in part) to all three significant program changes already discussed in **Section Two**. These program changes are: from suco-based to district-based Learning Centers; from a 12-month to an 8-month program cycle; and from one large Work Sponsor to multiple Skills Trainers.

The dearth of private sector employers in rural districts of Timor-Leste is a general problem and not a challenge unique to PAS. Nor was the PAS program designed to address this challenge; it is outside the scope of the project.

However, given PAS's emphasis on work readiness, it is expected that as the Timorese economy develops and larger employers locate here, PAS graduates will be well-positioned to compete and perform well in factory jobs. In the meantime, the PAS program developed several viable modifications to provide learning from work experiences in Fiscal Year Two. These program modifications were unavoidable, but they have also had some unintended consequences. Before discussing these consequences, it is critical to acknowledge fully the ways in which the current PAS program is already having a positive impact on PAS youth and in the community, but could benefit from some restructuring, especially with regard to on-the-job Work Experience.

ISSUE 1: FEW PRIVATE SECTOR EMPLOYERS IN RURAL DISTRICTS, WHICH LED TO THE SWITCH FROM ONE LARGE WORK SPONSOR TO MULTIPLE SKILLS TRAINERS AND ALSO A REDUCTION IN WORK EXPERIENCE FROM 12 WEEKS TO 5 WEEKS.

Finding 1: The Work Experience element of PAS helps youth build work readiness skills and is well-received by program participants; however, Training Partners think PAS youth would benefit from more weeks of Work Experience.

PAS youth participants are generally satisfied with the on-the-job, learning from work aspect of Phase One. In the final M&E workshops held to date, 136/138 youth (98.5%) reported that they either agreed or strongly agreed with the question below:

I have learned enough from the Work Experience settings to be able to work in that particular field

On the other hand, some Training Partners have suggested that five weeks of work experience is too little time.

Some Training Partners appear to have interpreted the main purpose of Work Experience as Vocational-Technical training because they have expressed to PAS staff that five weeks is insufficient time to train youth to a standard of certification in a particular skill (e.g., welding or computers). This is a misinterpretation of the purpose of the Work Experience component of Phase One. While PAS does offer a variety of Skills Trainings, the main aim is to prepare participants for the world of work by providing learning from work experiences that allow youth to hone their general work readiness skills. For example, the lessons associated with the Weekly Themes emphasize general employability skills, such as teamwork, punctuality, persistence, and resolving conflict.

This emphasis on general work readiness comprises a key distinction between PAS program objectives and traditional Vocational-Technical training, which focuses on building particular skills. EDC assessment findings in Timor-Leste and elsewhere underscore that what employers (and the market in general) need – even more than technically skilled workers – is workers who have the basic teamwork, critical thinking and communication skills, and work ethic required to function as part of a modern workforce. Employers note that there are numerous technical training facilities and/or that they can offer technical training or upgrade training themselves on site; what they cannot teach so easily are these more intangible “work readiness skills.” For this reason, PAS places a strong emphasis on such skills.

Nonetheless, despite regular reinforcement of key messages about general work readiness, some PAS Training Partners adhere rigidly to a vocational training mindset. This is not surprising, since several PAS Training Providers have a background in vocational-technical training. Moreover, this focus on vocational-technical training is reinforced by the vocational training certification standards currently promoted by the Government of Timor-Leste, via INDMO/SEFOPE, which emphasize training in particular skills over general employability.

Recommendation 1.1: PAS will continue to reinforce key messages regarding general work readiness with existing Training Partners. Now that Phase Two is well-along, there is an opportunity for PAS to draw on real examples from the first cohorts of PAS youth in order to emphasize to Training Partners

that participants who wish to pursue a formal vocational-technical certification can do so within the vocational-technical option in Phase Two.¹⁴

Recommendation 1.2: PAS should develop an in-service training specifically for those partners that have a vocational-technical training background to help them adapt to EDC's approach to work readiness. This in-service training will use participatory training approaches that ask Training Partners' key personnel to reflect on their own ideas about what work readiness means. It will also present data from employer surveys in Timor-Leste and around the world that help draw the distinction between general work readiness skills and vocational training.

Finding 2: Offering a variety of Skills Trainings enables youth to choose those trainings of greatest interest; however, youth are self-selecting Skills Trainings in ways that reinforce traditional gender roles.

Due to the reduction in number of weeks of Work Experience, as well as the switch from one large Work Sponsor to a variety of Skills Trainings, each partner now offers multiple Skills Trainings and youth are allowed to select those trainings they find most appealing. Two Skills Trainings are generally offered simultaneously. Thus, in any given week, the on-the-job sub-group of 25 further divides into two groups (e.g., 13 at one activity and 12 at another activity). Unfortunately, though, some Skill Trainings are closely associated with a particular gender and Training Partners have allowed PAS youth to self-select Work Experience activities in ways that reinforce traditional gender stereotypes (e.g., all the females choose sewing and all the males choose construction).

When this issue first surfaced, PAS staff asked a sample of youth participants why they had picked a certain activity, in order to determine whether the training partner was, for example, steering female participants toward sewing and male participants toward construction. This does not appear to be the case. Further, there is evidence that Training Partners encourage youth who wish to participate in non-traditional gender activities (e.g., there are cases of male youth who have participated in sewing at some Learning Centers and female youth who have participated in construction). Rather, it seems to be the existing preference of Timorese youth to self-select from among available Work Experience activities in ways that reinforce traditional gender roles.

However, this division of Work Experience by gender is not consistent with the goals of the PAS program. When issues associated with gender have arisen earlier, for example in the program planning as opposed to the program implementation stage, PAS has asked Training Partners to select alternative activities that are more gender neutral. For example, in the case of one Training Partner, ETADeP, the initial agricultural activities planned were two activities that are strongly

¹⁴ In order to be responsive to Training Partners, PAS did increase the Work Experience component of Phase One from 5 weeks to 6 weeks during the curriculum edits of June 2009. This change was made because Training Partners asked for it and it was also feasible. However, the underlying issue remains that Training Partners need further socialization on the concept of general work readiness compared to certification in a particular skill.

associated with men (e.g., cattle and fishing). In this case, EDC worked with ETADeP to select alternative trainings that would be more gender neutral, such as horticulture and raising chickens.¹⁵

Now that the association between choice of Work Experience activity and gender has been noted at multiple work sites, and has been determined to be based on youth self-selection not Training Partner-directed, PAS will now work with Training Partners to develop solutions.

Recommendation 2.1: PAS should encourage Training Partners to offer fewer Skills Training options per cohort and require youth participants to rotate within all the offered trainings, so that they cannot opt to participate in only those trainings which appeal to them. After all, a willingness on the part of PAS youth to take-on less desirable work assignments – less desirable, however defined, in this particular case due to traditional gender roles – is a work readiness skill valued highly by employers.

Recommendation 2.2: PAS should also develop an additional Weekly Theme built around why certain jobs are traditionally associated with males or females, but how this is changing in Timor-Leste and around the world; this is an opportunity for learning!

Finding 3: The Skills Training element of Work Experience helps youth build work readiness skills and is well received by program participants; however, work readiness skills alone are insufficient to prepare youth for non-traditional entrepreneurial activities.

Skills Trainers help youth develop a variety of skills and have contributed positively to youth participants' acquisition of vocational-technical skills, but because this approach relies on the availability of local skills trainers, it means that youth are exposed to those skill areas that are already well represented in the district as opposed to more diverse and entrepreneurial skills training opportunities.

Local skills trainers have helped raise community awareness of, and appreciation for, the potential of young workers in the districts, and they have visibly increased the skill base of participants (for example, many youth learned how to wire electrical circuits in skills training and then brought electricity to their family home for the first time). While these contributions are important, they only partially address the simultaneous need for a highly experiential and entrepreneurial on-the-job experience with strong and direct links between the Livelihood Preparation phase, the Livelihood Accompaniment phase, and emerging livelihood opportunities.

One goal of the Work Experience component of PAS is to support the ability of a subset of youth participants to be employed in larger entrepreneurial enterprises. In terms of facilitating the entry of youth into high value chain products for the Timorese economy (e.g., candlenuts, virgin coconut

¹⁵ There were additional considerations associated with USAID agricultural waivers (cattle feed) and youth participants' safety (fishing), but selecting activities that are gender neutral was an important factor.

oil, agro-forestry, etc.), the program is not meeting its objectives as stated in the original program documents. For example, within the subset of youth who choose the Small Business pathway, 65% have chosen to open traditional kiosks. The second largest group is selling single products in the local market, such as gasoline or chickens, leaving only a small percentage engaging in businesses in ways that have clear value-added compared to what is currently available in the local market. As discussed previously in **Section Four**, the dimensions that demonstrate clear value-added are: new partner; new market; new product; or further processing of an existing agricultural product.

PAS has some concerns about the high percentage of youth within the business track who are opening kiosks. On the one hand, they are increasing their income and are utilizing skills they self-report as coming from PAS (buying in bulk, making change, knowing your customers). On the other hand, there is an over-supply of kiosks in many areas of Timor-Leste and there is only a potential, but not proven, link that youth who open a kiosk today are embarking on a pathway that can/will lead them from a kiosk to a larger shop five years down the road.¹⁶

In sum, while PAS has produced a good finance & business curriculum and a high percentage of youth cite this as the most important aspect of their PAS experience, the fact that so many youth are opening kiosks suggests that the program may need to identify and support earlier in Phase One those youth who want to pursue the small business pathway in Phase Two. Early identification would also enable PAS to develop additional trainings to help these young people feel prepared to engage in emerging private sector opportunities before the start of Phase Two. It is plausible that a high percentage of the youth who select the business pathway and open kiosks do so because they need more direct support during Phase One in order to be able to generate more innovative business ideas and produce viable business plans prior to the start of Phase Two.

PAS has already made one significant program modification to address this issue. On the curriculum side, the Personal Development Plan and the written proposal for the grant to support Phase Two have both been moved forward from Phase Two to Phase One, so that the Training Partners will know earlier which youth are leaning toward selecting the business pathway. This should help the Team Leaders to work with this subset of youth to explore alternative business ideas at an earlier stage. In short, it will help strengthen links between Phase One Work Experience and Phase Two selection of Livelihood Pathway, especially important for youth who want to pursue the small business option.

A second piece of evidence that suggests the links between Phase One Work Experience and the Phase Two business pathway may need to be strengthened comes from a comparison of the list of guest speakers at Livelihood Fairs and how many youth subsequently choose to pursue the pathways described by the guest speakers. With respect to the job/internship and further education and training pathways, many youth pursue livelihood opportunities with the employer

¹⁶ Nor is the upstream supply of the products typically sold in kiosks (e.g., cigarettes, bottled water, instant noodles, candy, shampoo) contributing to the growth of Timorese economy, as the producers and suppliers of these pre-packaged products are generally not Timorese.

or education provider who spoke at the Livelihood Fair. However, with respect to the business speakers and the youth who select the small business pathway, there are fewer matches.

There are several possible explanations for why there are fewer matches between business speakers at Livelihood Fairs and youth opening businesses within that identified market sector. In a few cases, PAS District Coordinators have invited microfinance organizations as guest speakers for the business pathway at Livelihood Fairs. While providing information about microfinance services to PAS youth is highly relevant, youth are more likely to need microfinance services when they are ready to expand their business, not when they are getting ready to establish it, since PAS provides a cash grant to help establish the business. In other cases, PAS may be inviting the right speaker (e.g., a speaker from the Larai Hatchery fish ponds), but the distance between the home of the youth and the work site (fish ponds) is too far. Finally, in some cases, youth do pursue pathways associated with opportunities discussed by Livelihood Fair guest speakers (e.g., USAID-DSP project), but they are pursuing a pathway as a self-employed micro-entrepreneur (growing vegetables), so the match is happening in a less direct way than with the other pathways. In sum, PAS needs to be careful who it invites to speak on behalf of business options during Livelihood Fairs and also should explore further why youth do or do not follow pathways promoted by guest speakers.

Finally, even though many youth who select the business pathway do so as self-employed individuals, there are a few cases in which youth have chosen to form a group business and pursue more entrepreneurial activities in Phase Two. However, these cases sometimes stretched PAS staff and the Training Partner in their ability to provide sufficient technical training. One example of this is the group of 10 youth in Maubisse who wanted to open a photo studio. The group's business plan was promising. They wanted to be able to print photos locally in Maubisse rather than the only currently available option, in which a Maubisse shop sends someone on a bus to Dili to print the photos in Dili and then return by bus to Maubisse. In essence, their goal was to print directly in Maubisse and thereby eliminate the mark-up costs associated with transportation to and from Dili.

However, drawing on the discussion in **Section Four**, a challenge faced by the photo studio group is that their interests and assets did not align well. The youth did not have sufficient training in photography and/or entrepreneurship to pursue this business idea immediately at the start of Phase Two. Despite PAS's best efforts, it was a challenge to find a technical trainer in Dili to assist this group. No Dili vendor of photographic services was willing to deliver the training required, in large part because if the business succeeded, it would cut into the profits of the Dili business owner.

Another innovative group business plan has emerged recently, a group of youth who wish to establish a bakery in Aileu. Unlike the photo studio group, in this case the bakery business plan will build on skills this group of youth learned in one of their Phase One Work Experience activities, which was restaurant management. Therefore, PAS will study this group of youth closely to see if the overlap between their Phase One and Phase Two activities leads to a better Phase Two outcome than for the photo studio group.

Recommendation 3.1: PAS should continue to strengthen its tracking and support of the subset of youth who choose the business pathway. This includes additional business planning support, deeper analysis of whether youth interests and youth assets are aligned, and development of templates to tighten the ability of this subset of youth to track business profits and losses.

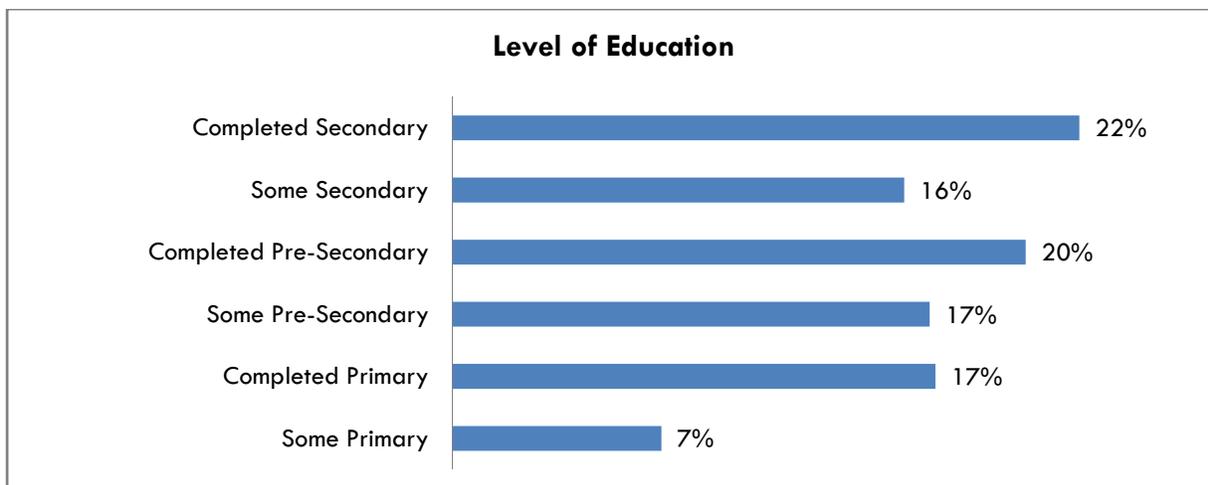
Recommendation 3.2: Opening a traditional kiosk is a viable business pathway. However, PAS will conduct a survey of the subset of youth who chose the business pathway to determine why so many of them opened kiosks. Did they open a kiosk because they viewed non-traditional entrepreneurial activities to be too risky? Or did they simply need more entrepreneurship training at an earlier stage in the PAS program? If they need more training, PAS will develop further avenues for providing business planning support. These might include: additional entrepreneurship training for the Team Leaders of partner organizations; a sub-grant to the business development centers (CDE) of the Government of Timor-Leste, to provide further training to this subset of PAS youth; or modification to the Skills Trainings so they are more closely aligned with activities PAS has already determined would be good business ventures in Phase Two (such as the link between restaurant management and opening a bakery mentioned above).

Recommendation 3.3: Livelihood Fair guest speakers for the business track must be qualified to provide information on private business creation in emerging market sectors, in close alignment with local market conditions as determined in the EVI technical reports. Microfinance experts will be invited to present at a separate event, halfway through Phase Two, since this timing is more appropriate to when the subset of youth who select the business pathway would be ready to take a microfinance loan to expand their business.

ISSUE 2: FEW APPROPRIATE BUILDINGS, TRAINING PARTNERS, OR WORK EXPERIENCE SITES – AND TOO FEW YOUTH LIVING WITHIN WALKING DISTANCE – FOR SUCO-BASED TRAINING TO BE EFFICIENT, WHICH LED TO THE SWITCH TO DISTRICT-BASED TRAINING.

Finding 4: Having district-based Learning Centers has improved access on all dimensions (appropriate buildings, stronger partners, more work experience options and multiple cohorts of youth in the same location); however, a district-based model requires Training Partners to be more vigilant in their adherence to enrollment criteria with respect to level of education.

In the original program documents, EDC stated that its target population would be youth who had not completed primary school. PAS staff has consistently instructed Training Partners that no more than 10% of enrolled youth can be secondary school graduates. However, overall, secondary school graduates currently comprise 22% of PAS youth.



While many PAS cohorts have no secondary school graduates at all, a few cohorts have a disproportionately high number of secondary school graduates. This has generally happened in the first cohort in a new Learning Center in a district capital (Suai, Liquisa, Pante Makassar, Los Palos). Thus, PAS either needs to adjust its enrollment criteria in larger towns to allow for more secondary school graduates, or it needs to work more closely with Training Partners in the larger district capitals to ensure that no more than 10% of enrolled youth are secondary school graduates.

Recommendation 4.1: EDC will revisit its preference for restricting the PAS program to youth who have not completed secondary school, and will also ask the local USAID mission its views regarding eligibility criteria with respect to level of education.

Recommendation 4.2: PAS will modify its Intention to Enroll Form, used by Training Partners prior to the launch of a cohort. This form asks youth their level of education and then provides a blank space for the applicant to fill in this information. The Intention to Enroll Form will be modified to match the lengthier In-Take Form, which is filled out by already-enrolled youth during Orientation Week, The In-Take Form provides six boxes representing six levels of education, including the distinction between attending and completing secondary school. Providing check-off boxes on the Intention to Enroll Form will enable Training Partners to better assess the level of education before a cohort launches.

Finding 5: There is a correlation between Level of Education and selection of Livelihood Pathway that may present an opportunity for PAS to further improve the program by providing services tailored more directly to the needs of youth selecting each pathway.

A comparison of the Livelihood Selection by Cohort table presented in **Section Four** and the underlying data for the Level of Education table presented above shows that better educated

youth prefer the job/internship or further education and training tracks. For example, the cohorts in larger towns which enrolled a disproportionate number of secondary school graduates (Suai-CJC, Liquisa-CCA, and Pante Makassar-FPWO) also have a higher percentage of youth choosing the job/internship or non-formal education options. Conversely, the cohorts in the most rural locations (Triloka-LAHO, Berkoli-FSP, Aileu-FC, Maubisse-FC and Usi Tasae-BIFANO) have very few or no secondary school graduates and a higher percentage of youth choosing the small business pathway. These data suggest that there is a clear distinction in the types of livelihood pathways that appeal to secondary school graduates and the types of livelihood pathways that appeal to youth who either did not enter or did not complete secondary school.

A closely related issue is that the training needs of the youth who choose the non-formal education track within further education and training may be more closely aligned with the students who choose the job/internship track than the students who choose the other further education and training option, which is vocational training. The needs of the youth who chose the small business track and the vocational training option may be more closely aligned.

In thinking about how to tailor training more directly to each group, it may be helpful to first return to a diagram from the original Assessment & Design Report (see below). This diagram presents a number of desirable outcomes under Level 3 and recognizes that there are different work and learning pathways for reaching these outcomes. On the whole, the desirable outcomes options are solid and reflect real-world aspirations of PAS youth.¹⁷

However, what PAS has learned on the ground is that there is a clear split in Phase Two between those better-educated youth who wish to pursue further education options and/or an internship on their path to an office job and those less-educated (or poorer) youth who need to see an immediate improvement in their income and therefore prefer the business pathway (or occasionally vocational training).

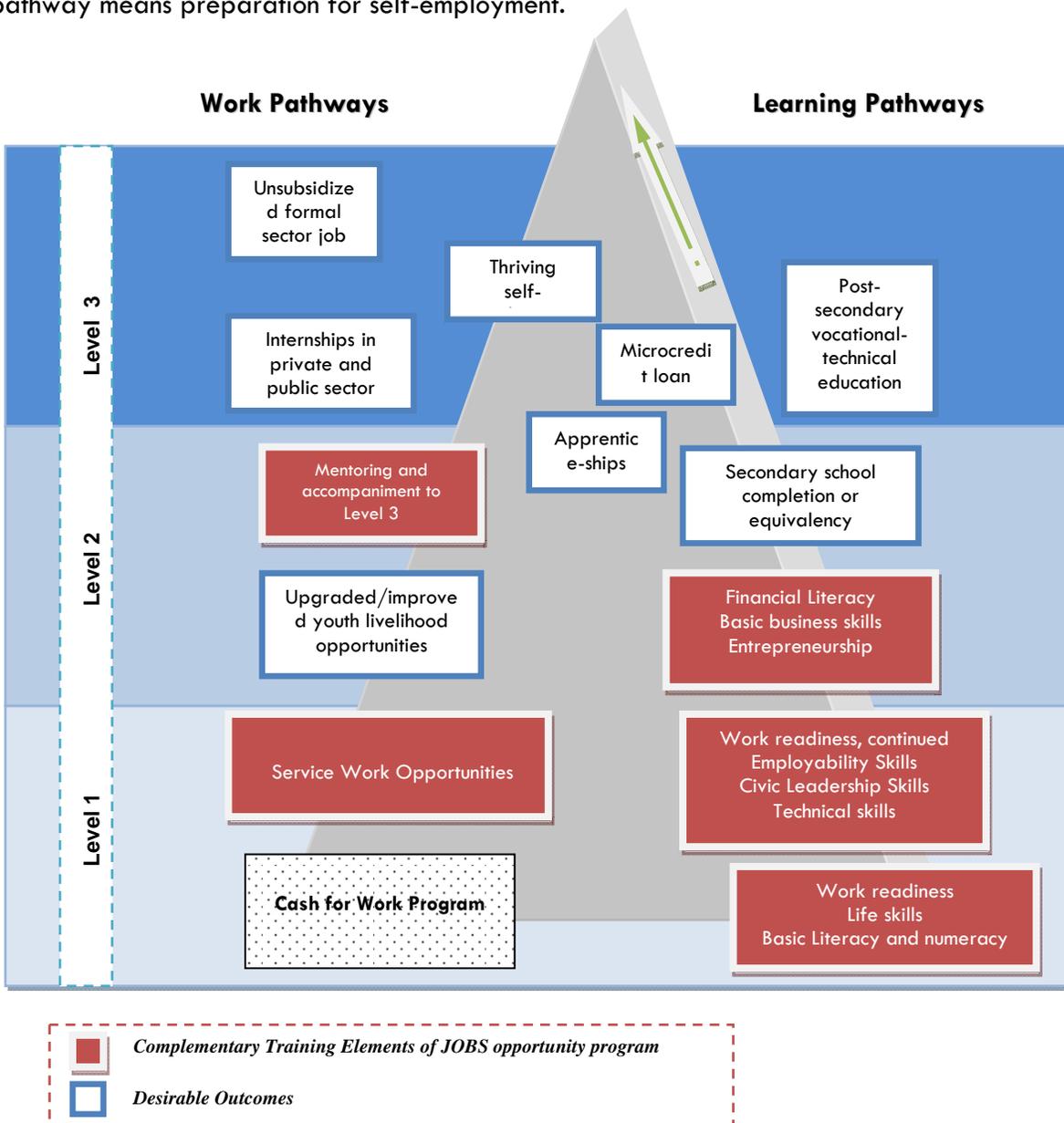
Thus, while the diagram remains helpful, especially in promoting the idea that there are both work and learning pathways, it can also help structure further discussion about how to tailor the PAS program to meet the needs of youth who select the Job/Internship or Non-Formal Education tracks compared to those youth who select the small business pathway or vocational training option.

Given the on-the-ground reality, what is interesting about the diagram is that the Work Pathways (top left) and Learning Pathways (top right) are on opposite sides, even though in Timor-Leste these two pathways are meeting the needs of youth with similar education profiles. For this subset of youth, the end goal is often a formal sector job (with an employment contract), typically in an office setting. If the youth already has needed skills, he or she proceeds directly to an internship.

¹⁷ One small modification would be to add a box that focuses on non-formal education, since secondary school completion or equivalency is not an option open to most PAS youth. As yet, there is no pre-secondary or secondary school equivalency exam offered by the Government of Timor-Leste. Youth who dropped out in primary school can now take an equivalency exam.

If the youth does not yet possess office skills, he or she typically enrolls in a computers or English course.

Notably, there is no Business Pathways label included in the diagram. Desirable outcomes for the business pathway (thriving self-employment, microcredit loans, apprenticeships) are provided in the middle of the grey triangle, and these outcomes do reflect the on-the-ground reality in Timor-Leste. Yet, the youth who choose the business pathway have a fundamentally different profile (less educated and poorer) from the youth who choose the job/internship or non-formal education pathways. They often have a fundamentally different short-term goal as well, self-employment in a microenterprise. While these young people may work for large private sector employers in the future, in the near-term (given rural market conditions in Timor-Leste) selecting the business pathway means preparation for self-employment.



Based on these newly-available data, including actual pathway selection and socio-economic profile (level of education, level of income, resident of rural suco or district town) of the first 505 youth to have selected a pathway and entered Livelihood Accompaniment, the PAS program has determined that youth could benefit from building a balanced skill set in Phase One Work Experience, with a mix of entrepreneurial, clerical and hand-on/vocational skills.

Given the challenge associated with finding a large Work Sponsor, are there any viable alternative ways of structuring Phase One work experience to meet the needs of all PAS youth? One possibility might be to pilot test having only one Work Experience per cohort, for example managing a restaurant on site at the PAS Learning Center, and having all youth rotate among different functions of the business (planning menus and scheduling staff rotations, purchasing supplies, cooking, customer service, marketing, and financial management). There could even be an agreed upon plan for how the profits would be used (e.g., to fund the community service project or the graduation ceremony). The main reasons for this modification would be to encourage entrepreneurship skills in Phase One that will help those students who choose the business track in Phase Two, and also to provide more practical administrative skills in Phase One that will help students who choose the internship or non-formal education track in Phase Two.

Recommendation 5.1: If the PAS program is extended, EDC will try to design any future Phase One Work Experience activities to increase acquisition of office-administrative skills and entrepreneurial skills, not just vocational skills.

Recommendation 5.2: In the interim, EDC should continue to provide further entrepreneurship training in Phase One geared especially toward self-employment in a microenterprise for youth who are likely to select the business pathway. This Phase One emphasis could be followed up in Phase Two with new workshops on how to grow a microenterprise into a small- or medium-sized enterprise, including information about accessing available microcredit options.

Result II: Local Institutions Have Improved Capacity to Prepare Low-Skilled Youth for Work

The findings and recommendations associated with Result II emerge from one central challenge, the limited capacity of Timorese NGOs within the pool of organizations with the potential to become PAS Training Partners. In order to put this challenge in context, it is helpful to understand the history of NGOs in Timor-Leste. Most Timorese NGOs were founded in the late 1990s or in the post-independence period. While there are some NGOs with deeper roots in the Indonesian occupation period, especially if they have a non-political focus (e.g., in agriculture), most are quite young and are still managed by the original founder.

Many of these NGOs remain quite small; field-based program employees are generally hired on short-term contracts on a project-by-project basis and are not retained in between projects. This is

true for PAS Training Partners as well. They generally hire the Trainer and two Team Leaders only after they receive a grant from PAS. Since the Trainer and Team Leaders are not regular employees, they often do not have existing ties with the Director of the organization. In addition, the Director of the NGO usually serves as the Project Manager for the PAS project, although this person may be stretched across multiple projects and/or may be lacking in direct managerial skills. Both of these issues can have a negative impact on communication within the organization which, in turn, affects the quality of the organization's financial and program reporting to PAS.

Moreover, the geographic reach of Timorese NGOs is also limited. Most Timorese NGOs operate in either Dili only, one district only, or Dili and 1-2 districts only. No Timorese NGO has a truly *national* presence or could be classified as having "reached scale," for example with a national office in Dili, field offices in multiple districts outside of Dili, and permanent staff even in-between projects.

ISSUE 3: DUE TO THE LIMITED GEOGRAPHIC REACH OF MOST TIMORESE NGOS AND IN ORDER TO MEET ESTABLISHED YOUTH ENROLLMENT TARGETS, PAS HAS WORKED WITH MANY PARTNERS IN JUST ONE DISTRICT EACH.

Finding 6: The PAS program has a broad reach (9 rural districts) and has enhanced the capacity of 16 Timorese NGOs; however, the number of districts and number of partners may be higher than is feasible to manage for a project of PAS's size and staffing levels.

The geographic reach of the PAS program is out of step with other USAID projects, which generally operate in Dili and 1-2 rural districts. This broad geographic reach makes it more challenging for PAS's Dili-based staff to monitor fully and with sufficient regularity partner compliance in each location. However, given the limited capacity of Timorese NGOs in financial compliance and program reporting (monitoring & evaluation), regular training and monitoring by PAS Dili-based staff is essential.

In addition to having a broad geographic reach, the PAS program has also worked with an unusually large number of local implementing partners. Most other USAID projects have several implementing partners, but typically not more than 5-10 partners. While the PAS program would have preferred to work with fewer partners in several locations each, there are few Timorese NGOs that have reached sufficient scale to be able to operate in multiple locations. Since most potential partners work in only one district outside of Dili, the PAS program initially had to work with many partners in one district each.¹⁸

¹⁸ Of the 16 PAS partners to date, only two work with PAS in more than one district. In both cases, the Learning Center locations are geographically close and just happen to fall in different administrative districts. ETADeP maintains one PAS Learning Center in Natarbora/Manatuto and one in Fatuberliu/Manufahi, while FC maintains three Learning Centers in Maubisse/Ainaro, Ailue Villa/Aileu and Laulara/Aileu.

PAS has tried to limit the number of partners by working with some Training Partners for successive cohorts of youth in the same location. While a particular Training Partner might have lower capacity to train youth at the beginning of the first cohort, this capability can be expected to rise with each subsequent cohort. Each Training Partner is evaluated between the first, second, and third cohort of youth on a range of criteria to determine if their capacity is sufficient and on an upward trajectory.

PAS has also tried to limit the total number of partners by supporting existing partners who had successfully managed one cohort to then expand into new sub-districts close to their existing Learning Center. However, this has sometimes had the unintended consequence of the partner becoming stretched in its ability to manage multiple sites.

Recommendation 6.1: EDC should send a grants management team to Dili to conduct an assessment on the number of districts, number of partners, and capabilities of existing partners. This assessment may result in a recommendation to reduce the number of districts and/or partners, or it may lead to new approaches to managing existing sub-grants.

Finding 7: The shift toward greater reliance on Training Partners, while necessary, has increased the expectations and hence the capacity requirements for the local NGOs with whom PAS is pledged to work.

EDC's approach to workforce development is integrated. In designing PAS, EDC did not opt for either a youth livelihood program or a youth education program; it aimed to achieve both goals within the same project based on the assumption that neither approach alone is effective. While there are many programs in Timor-Leste that supply livelihood or educational training to youth, these young people then often struggle at the stage of practical implementation based on their own interests. This is why PAS was designed to integrate curriculum-based work readiness training and practical work experience in a team setting in Phase One, and then follow up with mentoring/coaching along one of three Livelihood Pathways selected by each youth participant in Phase Two.

However, prior to PAS, no Timorese NGO was well-positioned to deliver integrated workforce development programming for youth. In part, as mentioned previously, this is because most Timorese NGOs trace their roots to the struggle for independence. As a result, the strengths of current Timorese NGOs lie in advocacy and community outreach, not more technically complex programming, such as workforce development. This is true of PAS Training Partners as well. Many trace their founding to civil society or community development initiatives, and thus have some experience in advocacy and facilitation/training, for example in health (FSP), gender (FPWO), or education (FC). Other PAS partners have a background in vocational training, either in agriculture (LAHO, ETADeP, and BIFANO), welding and carpentry (CTC), or computers/media (CJC). However, no PAS partner already had experience in educational training + livelihood creation in multiple sectors + youth audience.

While all PAS partners have received grants from other international donors before they are awarded a grant from PAS, in many cases these prior grants were smaller than the PAS grant or were narrowly defined within one sector (e.g., watsan or health or agriculture or gender). Thus, a PAS grant must involve significant capacity building of the local partner, due to the integrated nature of workforce development programming and because PAS is asking partners to expand beyond their traditional sectoral/technical areas of expertise.

As mentioned previously, not all NGOs delivered each component of the PAS program to the level expected. Of the 9 NGOs which PAS has evaluated as of September 30, 2019, only 6 are ongoing partners of PAS.¹⁹ Two partners, LAHO and CTC, were stronger partners with respect to the work experience (skills training) component of Phase One than the curriculum component.²⁰ In both cases, the partner wished to return to their pre-PAS specialty after the first cohort of youth and, in both cases, PAS staff had rated the partner as weaker in curriculum delivery, so the decision was mutual and amicable. In both cases, PAS would be enthusiastic about sending PAS youth participants who have graduated from Phase One to either of these partners for vocational-technical training in Phase Two.

Although LAHO and CTC did enhance their capacity to train youth in workforce development, they did not *significantly* enhance their capacity; they stuck to existing strengths and did not adapt well to new curriculum approaches or subjects. The partnerships had a positive impact on the local community, though, because each organization is continuing to provide the type of vocation training they had already been providing in the community prior to PAS, either vocational training or agriculture/livelihoods training. Presumably, both organization will incorporate the elements of the PAS program they found most compelling into future programming. Moreover, both LAHO and CTC, along with two other PAS partners (BIFANO and CJC) have already become government-certified training providers by INDMO/SEFOPE.

However, what the experiences of CTC and LAHO suggest is that there are some longstanding vocational training providers in Timor-Leste who teach particular skills well, but whose staff/instructors would benefit from further training in more experiential and learner-centered teaching methods. In fact, the experiences of LAHO and CTC raise a concern that the specificity of the certification system proposed by the National Institute of Labour Force Development (INDMO) may lead to certification of Training Providers whose staff can teach a particular skill well but would benefit from additional training in order to be able to deliver dynamic, high-quality, experiential education with respect to workforce readiness skills.

¹⁹ LAHO and CTC were dropped for program reasons and FSP for financial compliance reasons.

²⁰ CTC also had the worst dropout rate to date. Only 19 of the original 48 youth finished the program. This may be an indicator of weak curriculum delivery, but it could also be due to the daily commute from Suai to Salele. Most PAS youth enrolled at CTC were from Suai, and they had to arrive by truck each day. Indeed, CTC's own vocational training program is a residential boarding program, in part due to the isolated location.

EDC is committed to an integrated, holistic approach to workforce development programming. Indeed, providing both classroom-based and on-the-job practical work experience is current best practices in workforce development programming. Nonetheless, the enabling environment (NGO capacity) is a challenge to program delivery. The switch to a single provider model, with the Training Provider responsible for both in-class delivery and the work experience component, has made Phase One more complex than originally designed.

Recommendation 7.1: PAS should offer refresher training to ongoing partner organizations, focused especially on the vital role of Team Leaders. While many current Trainers are strong and continue to improve in their efforts to promote learner-centered curriculum, the role of Team Leader is multi-dimensional and additional training would help Team Leaders build their skills in market assessment, entrepreneurship, group management, and work site safety.

SECTION SIX: CONCLUSIONS

This section summarizes program delivery, ongoing challenges and actionable recommendations for changes in the near-term. Result I is discussed first, followed by Result II.

Result I

EDC is delivering a strong, integrated program in hard-to-reach areas to low-skilled youth. The PAS program is reaching its targeted audience and training youth in the “soft skills” most often cited by Timorese employers as critical for work readiness (e.g., time management, positive attitude, teamwork, etc.).

An ongoing challenge is the need – throughout Timor-Leste and not just among the youth population – to foster entrepreneurship beyond the microenterprise level. While this challenge is likely to remain in the near term, PAS graduates should be well-positioned to work for larger private sector employers in the future, when the enabling environment is more favorable and the private sector is able to expand, either through the growth of Timorese firms or foreign investment.

The key near-term recommendations with respect to Result I are that the on-the-job work experience element of Phase One can be improved further in terms of the relevance of the trainings, encouragement of entrepreneurial behavior, and provision of more direct links between Work Experience in Phase One and pursuit of the small business livelihood pathway in Phase Two.

Result II

The PAS program has trained 16 local partners to deliver workforce development programming to youth in 9 out of Timor-Leste’s 12 districts (excluding Dili). This is a huge contribution to building the capacity of the NGO sector in Timor-Leste, both in general (improvements in the ability of these organizations to deliver a program to USAID specifications) and specifically with respect to workforce development programming.

Nonetheless, ongoing challenges remain in terms of the size, scope and capacity of PAS’s partner organizations. The PAS program has already dropped several partners for either technical or financial compliance reasons. It is possible that other current partner organizations may not be rated high enough when they are reviewed by PAS at the end of managing their first cohort, prior to a possible continuation for a second cohort.

The key near-term recommendation with respect to Result II is that PAS should increase its training of partner organizations in financial compliance and some elements of technical delivery. On the technical side, the Team Leader role should be the focus of an upcoming refresher training.

ANNEX 1 - USAID PAS Progress Indicators thru 30 September 2009

USAID Economic Growth "F" Indicators	Indicator Code	Performance Indicators	FY1		FY2						FY3	Life of Project		
			Targets	Actuals	FY2 Targets	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	FY2 Actuals	Targets	Targets	Actuals To Date	
Result I: Targeted Youth are More Capable of Earning A Livelihood														
Number of Persons Participating in USG-funded Workforce Development Programs	OP 1.1	Number of Persons Participating in the PAS Project												
		Male	500	125	1400	101	205	247	832	1385	990	2500	1510	
		Female	250	55	700	46	104	115	396	661	495	1250	716	
	OC 1.1	Number and % of Persons Successfully Completing 4-Month Livelihood Preparation Phase												
		Male					102	159	289	550	1450	2000	550	
		Female					47	85	139	271	725	1000	271	
		Raw Total				102/125	159/205	289/302	550/632			550/632		
		%			80%	82%	78%	96%	87%		80%	87%		
Number of Persons Completing USG-funded Workforce Development Programs	OP 1.2	Number of Persons Participating in 4-Month Livelihood Accompaniment Phase												
		Male			440	102	92	311	505	1495	2000	505		
		Female			220	47	43	162	252	748	1000	252		
	OC 1.2.3	Number and % of Participants Successfully Completing the PAS Project												
		Male					102	92	194	1406	1600	194		
		Female					49	43	92	703	800	92		
		Raw Total				102/102	92/92	194/194			194/194			
		%			80%	100%	100%	100%		80%	100%			
Number of People Gaining Employment or More Remunerative Employment as a Result of Participation in USG-funded Workforce Development Programs (Male/Female)	OC 1.2.1	Number and % of Youth Participants Who Successfully Begin At Least One Income Generating Activity During Livelihood Accompaniment Phase												
		%			176/440	77	82	203	362/505		960-1200	362/505		
		Male			40%	34	37	105	176		60-75%	72%		
	OC 1.2.1.1	Number of Youth Participants Engaged in New or Enhanced Small Enterprises												
		Male					71	54	104	229			229	
		Female					32	26	45	103			103	
OC 1.2.1.2	Number of Youth Participants Engaged in Internships or Jobs													
	Male					6	28	99	133			133		
	Female					2	11	57	70			70		
Number of People Transitioning to Further Education and Training as a Result of Participation in USG-funded Workforce Development Programs (Male/Female)	OC 1.2.2	Number and % of Youth Participants Who Successfully Begin At Least One Educational Training Opportunity During Livelihood Accompaniment Phase												
		%			264/440	25	10	106	141/505		400-640	141/505		
		Male			60%	11	6	54	71		25-40%	28%		
	OC 1.2.2.1	Number of Youth Participants Engaged in Formal or Non-Formal Education												
		Male					22	5	100	127			127	
		Female					10	3	50	63			63	
OC 1.2.2.2	Number of Youth Participants Engaged in Vocational Training													
	Male					3	5	6	14			14		
	Female					1	3	4	8			8		

ANNEX 1 - USAID PAS Progress Indicators thru 30 September 2009

USAID Economic Growth "F" Indicators	Indicator Code	Performance Indicators	FY1		FY2						FY3	Life of Project	
			Targets	Actuals	FY2 Targets	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	FY2 Actuals	Targets	Targets	Actuals To Date
Result II: Local Institutions Have Improved Capacity to Prepare Low-Skilled Youth for Work													
	OP 2.1	Number of Training Partners (TP) Participating in the PAS Program	5	2	12	1	4	2	7	14	2	12	16
	OP 2.1.1	Number of Trainers & Team Leaders Trained and Training Days Provided											
		Number of Participants	6	36	12	14	15	47	88				94
		Number of Training Days	36	180	75	90	128	289	582				618
	OP 2.1.2	Number of Management Staff Trained and Training Days Provided											
		Number of Participants	2	24	0	4	5	6	15				17
		Number of Training Days	6	48	0	28	26	18	72				78
	OP 2.1.3	Number of Skills Trainers Participating in the PAS Program		6	12		24	6	38	68			74
	OC 2.1	Number of Training Partners with Enhanced Capacity to Train Youth in Workforce Development Initiatives			10					13/16 Partners To Date	2	12	13
Number of Workforce Development Initiatives Created Through USG- assisted Public-Private Partnerships	OC 2.2	Number of Organizations Engaged and/or Contributing Resources to Support Workforce Development Initiatives for Low-Skilled Youth			31		10	21	44	75			
	OC 2.2.1	Number of Opportunity Sponsors Supporting Youth Small Business			5		1	0	0	1	5		
	OC 2.2.2	Number of Opportunity Sponsors Supporting Youth Internships / Jobs			6		2	9	30	41	25		
	OC 2.2.3	Number of Organizations or Specialists Supporting Work Exposure Forums			10		3	11	13	27	25		
	OC 2.2.4	Number of Opportunity Sponsors Supporting Youth Vocational Training					3	0	1	4	5		
	OC 2.2.5	Number of Opportunity Sponsors Supporting Youth Non-Formal or Formal Education			10		1	1	0	2	5		