



Government of Lesotho
United Nations Development Programme /
International Labour Organisation /
United Nations Children's Fund

Programme Title: Promotion of Youth Employment towards Poverty Reduction in Lesotho

Executive Summary

The overall objective of this project is to create decent employment for youth women and men and promote social cohesion through pro-poor policies, increased capacity of relevant national stakeholders to develop policies and/or regulations that generate more and better jobs in sustainable enterprises. This is done through supporting the formulation of enabling environment and improved policies, as well as strengthening the national institutional capacity for the delivery of entrepreneurship and technical training and providing micro-finance and business development services.

The project will focus on the following:

- Labour market information: Capacity of relevant institutions (MGYSR, MEL, BoS, etc.) is enhanced in collection, analysis and dissemination of appropriate labour market information, which can be used as a basis for creation of more conducive policy and better legal and regulatory framework for enterprise development.
- Policy environment: A supportive national youth policy and a comprehensive medium-term National Action Plan for Youth Employment (NAPYE) responsive to HIV & AIDS and gender aspects is developed.
- Education system and entrepreneurial mindset: Entrepreneurship education system is improved and a positive mindset towards entrepreneurship is promoted.
- Access to resources: Access to resources (technical and entrepreneurial skills, business development services, financial and other services) is enhanced.
- Promoting effective Social Dialogue: Social dialogue between the government, labour unions and private sector, as well as the National Youth Council representatives is encouraged through appropriate consultation mechanisms.

These interventions are expected to contribute to achieving the national priority of promoting pro-poor economic growth. Implementation will be based on lessons learned from the pilot phase of the programme.

Programme Period: 2010-2012
 Programme Title: Promotion of youth employment towards poverty reduction in Lesotho
 Atlas Award ID: 00044612
 Start date: 01.01.2010
 End Date: 31.12.2012
 PAC Meeting Date: 10.12.2009

Total resources required: USD 1,570,000
 Total allocated resources:
 o UNDP Regional Programme for Social Cohesion and Youth Employment for Sub Saharan Africa 300,000
 o ILO 80,000
 o UNICEF 50,000
 o GOL 600,000
 Unfunded budget: 540,000

Agreed by (Ministry of Finance
and Development Planning):

Mr. Mosito Khethisa, Principal Secretary for the MFDP

Agreed by (Ministry of Gender
& Youth, Sports & Recreation):

Mr. Makalo Theko, Principal Secretary for the MGYSR

Agreed by UNDP:

Ms. Ahunna Eziakonwa-Onochie, UN Resident Coordinator and UNDP
Resident Representative

Agreed by ILO:

Ms. Ahunna Eziakonwa-Onochie, UN Resident Coordinator and UNDP
Resident Representative

Agreed by UNICEF:

Mr. Ahmed Magan, UNICEF Representative

UNDAF Outcome: National Institutions able to implement sustainable pro poor economic development, environmental management and household food security policies and strategies with special focus on vulnerable groups including women, young men and women and the disabled

Country Programme Outcome:

National Institutions able to implement sustainable pro-poor economic development, environmental management and household food security policies and strategies with special focus on vulnerable groups including women, children, young men and women and the disabled

Country Programme Output:

- 1) Government, local authorities and communities have the capacity to adopt and implement a National Action Plan on Youth Employment for decent employment with particular focus on women, orphaned and vulnerable youth.
- 2) Government institutions, private sector institutions and NGO's have capacity to facilitate creation of decent employment opportunities for both young men and women

Expected Outputs:

- 1) **Capacity of relevant institutions (MGYSR, MEL, BoS, etc.) is enhanced in collection, analysis and dissemination of appropriate labour market information, which can be used as a basis for creation of more conducive policy and better legal and regulatory framework for enterprise development.**
- 2) **Supportive national youth policy and a comprehensive medium-term National Action Plan for Youth Employment (NAPYE) responsive to HIV & AIDS and gender aspects is finalized.**
- 3) **Entrepreneurship education is improved and a positive mindset towards entrepreneurship is promoted.**
- 4) **Access to resources (technical and entrepreneurial skills, business development services, financial and other services) is enhanced.**
- 5) **Social dialogue between the government, labour unions and private sector, as well as the National Youth Council representatives is encouraged through appropriate consultation mechanisms.**

National partners:

Implementing partner: Ministry of Gender & Youth, Sports & Recreation (MGYSR)

Other partners: Ministry of Finance and Development Planning (MFDP), Ministry of Employment and Labour (MEL); Ministry of Trade, Industry, Cooperatives and Marketing (MTICM); Ministry of Education and Training (MET); Bureau of Statistics (BoS); Youth Organisations, Education Institutions (National University of Lesotho, Technical Institutions) Association of Lesotho Employers & Business, Trade Union Federations, Business Associations (Mohloli Chamber of Business, Lesotho Chamber of Commerce and Industry), SMME Support Network, Partners of the Micro Finance Forum, Regional Programme on Youth Employment, UNDP Africa, private sector.

UN Partners: UNDP, ILO, UNICEF

Duration: 2010 – 2012

Acronyms

AGOA	African Growth and Opportunity Act
BCC	Behavioural Change Communication
BDA	Business Development Agency
BDS	Business Development Service
BEDCO	Basotho Enterprises Development Corporation
BoS	Bureau of Statistics
CBL	Central Bank of Lesotho
CYB	Commonwealth Youth Programme
DNES	Directorate of National Employment Service
GoL	Government of Lesotho
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IPRGS	Interim Poverty Reduction Growth Strategy
KAB	Know About Business
LFS	Labour Force Survey
LMI	Labour Market Indicators
LPPA	Lesotho Planned Parenthood Association
MGYSR	Ministry of Gender & Youth, Sports & Recreation
M&E	Monitoring and Evaluation
MEL	Ministry of Employment and Labour
MET	Ministry of Education and Training
MDGs	Millennium Development Goals
MFI	Micro-Finance Institutions
MMCT	Moliko Micro-Credit Trust
MLGC	Ministry of Local Government and Chieftainship
MTICM	Ministry of Trade, Industry, Cooperatives and Marketing
NAPYE	National Action Plan for Youth Employment
NMS	National Manpower Survey
ODA	Official Development Assistance
OVC	Orphans and Vulnerable Children
PPP	Public Private Partnership
PRS	Poverty Reduction Strategy
RUFIP	Rural Finance Intermediation Program
SC	Steering Committee
SIYB	Start and Improve Your Business
SMME	Micro, Small and Medium sized Enterprise
SWOT	Strengths, weaknesses, opportunities and threats analysis
TVD	Technical and Vocational Department
TVET	Technical and Vocational Education and Training
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
YDO	Youth Development Officer
YE	Youth Employment
YERP	Regional Programme for Social Cohesion and Youth Employment for Sub-Saharan Africa

I. SITUATION ANALYSIS

Country Socio-Economic Context

Employment creation has been unanimously identified as a key concern in the major national policy documents produced by the Government of Lesotho (GoL) since 2000, and most prominently in its Vision 2020 and the previous national Poverty Reduction Strategy (PRS). The concern for employment creation is echoed in the numerous country assessment reports and sector studies over the last years. Employment creation is also the main theme of the National Employment Policy.

The concern for employment creation is to be seen against the backdrop of a local economy where overall GDP growth of 4% annually since independence has not translated into adequate growth in job opportunities for young people. Unemployment in Lesotho stands at 22.7% of the economically active population and is slightly higher in the rural areas (23%) than urban areas (22%) (LFS2008). Young people who make up the bulk of the national workforce are particularly severely affected by unemployment; ILO estimates the rate being as high as 38%. Unemployment among young women is estimated to be even higher at 43%.

Unemployment also has its impact on income inequality – currently the poorest 10 per cent have command on less than one per cent of the total income, where as the richest 10 per cent possess more than 50 per cent of the total income. This disparity is more pronounced in the rural areas since urban districts have significantly higher levels of income compared to the rural districts. Youth in the rural areas are in a worse situation than their urban counterparts and are more likely to be engaged in the informal economy than the urban youth, also due to lack of employment opportunities. According to ILO (2006), the rural youth are also more likely to drop out of school before completing primary education (only 7.9% of employed males from urban areas did not have any education, compared to 28.4% of their rural counterparts. Furthermore, only 47% of urban female workers had only primary education, as opposed to 77.7% of their rural counterparts.) In addition, youth lack adequate skills needed in the present job market due to outdated education curricula and insufficient industry cooperation in educational planning.

Lesotho has the third highest HIV prevalence rate in the world, with 23.2% of the population being infected. HIV/AIDS has a high case–fatality ratio, which leads to large numbers of orphans and vulnerable children (Lesotho is estimated to have 180,000 orphaned children), decreasing life expectancy, and declining productivity. In UNAIDS Global Report 2002, it was projected that a person who was 15 years old in 2000 has a 74% chance of becoming HIV positive by the time he/she attains the age of 50 years. The epidemic has a gender bias with women being more affected and the prevalence rate among women under 30 years is estimated to be as high as 39.2% and among all the infected 57% are women. It is evident that HIV/AIDS affects youth's employment opportunities since it mostly affects the economically productive adult population aged between 15 to 49 years.¹ HIV and AIDS reduce ability to work and the epidemic also indirectly burdens the economically active population also indirectly, as many are care takers to their orphaned or infected siblings or extended family.

The employment prospects for young people in Lesotho are further overshadowed by recent changes in the macro-economic environment. While the national labour force of about 1.2 million people keeps expanding at an annual rate of approximately 2.1% p.a.² and about 25,000 young women and men enter the labour market each year for the first time in search of employment, the number of formal employment opportunities has stagnated. This trend is partly explained by the consolidation process in the local clothing and footwear industries that has seen the retrenchment of thousands of jobs held overwhelmingly by young women³. Also, thousands of jobs have fallen away as a result of the privatization of parastatals and the reform efforts in the civil service in progress since 1999.

¹ The Government of Lesotho: National HIV and AIDS Strategic Plan 2006 – 2011; National HIV and AIDS Research Agenda 2007 - 2011; UNAIDS Lesotho HIV Prevention Response and Modes of Transmission Analysis

² Extracted from paper presented at the ILO Southern African Sub-Regional Conference on Youth Employment 2005

³ *ibid*

In response to the youth employment challenge, GOL has identified micro, small and medium sized enterprises (SMME) development as one strategy to alleviate the pressure on the Basotho labour market. As envisaged in the Millennium Development Goals (MDG's), Vision 2020, the previous Poverty Reduction Strategy (PRS) and the National Employment Action Plan linked to the National Employment Strategy, the idea is to empower young women and men to set up and run their own small businesses and to create decent employment opportunities for others in the process.

The programme will specifically work towards achievement of four MDGs: 1) Combating HIV and AIDS through increasing knowledge and skills pertaining to HIV and AIDS among youth during the entrepreneurship courses; 2) MDG 2 Eradication of extreme poverty and hunger through job and income creation; 3) MDG 4 Ensuring gender equality through mainstreaming gender aspects into training and national policies and action plans; and 4) Ensuring environmental sustainability by encouraging the youth to establish environmentally friendly businesses.

All stakeholders in the socioeconomic development of the Youth in Lesotho are aware that the integration of young women and men into the labour market through the promotion of self-employment is an uphill struggle. As once again discussed during the National Youth Employment Forum in Maseru in February 2007, past efforts to stimulate the development of young entrepreneurs have often fallen short of expectations, for various reasons: lack of target group focus, lack of tailored support services, failure to bundle financial and non-financial business support services, lack of a sustainability strategy, overlap and sometimes duplication of support interventions, and complacency among young people. In early 2009, many of these findings were once again reaffirmed by an evaluation of the Youth Employment Promotion Project (YEP) implemented by the MGYSR with support from UNDP, ILO and UNICEF (Promotion of Youth Employment towards Poverty Reduction in Lesotho, External Evaluation Report, March 2009, Morabo Morojele).

The problems that have been identified notwithstanding, the pilot phase has revealed some positive elements, which must be build upon in order to optimise the impact of this intervention. In particular the project has demonstrated that under correct support and guidance young people are capable of creating self employment as well as employ others (during 2007-2009 over 2000 youth have been trained in entrepreneurship, and in 2008 and 2009 over 500 businesses have been established with an average employment of 1.6 per establishment. In addition, contrary to the normal sentiments that youth are highly risky money lenders and hence un-bankable, the repayment rate realised amongst young people who received credit under the Lesotho Youth Credit Initiative was over 85%.

The programme outlined below is designed with these lessons from the pilot phase in mind. Furthermore, the initiative is closely linked to other Government-led private sector development programmes currently implemented with support from ILO, UNDP, the Commonwealth Secretariat and the World Bank.

Problem to be addressed

The programme will address the severe problem of high youth unemployment in Lesotho. It aims at:

- Enhancing the capacity of relevant institutions (MGYSR, MEL, BoS, etc.) in collection, analysis and dissemination of appropriate labour market information, which can be used as a basis for creation of more conducive policy and better legal and regulatory framework for enterprise development, as well as monitoring and evaluation of the activities;
- Supportive national youth policy and a comprehensive medium-term National Action Plan for Youth Employment (NAPYE) reviewed to encourage formulation of decent employment opportunities;
- Business education improved and a positive mindset towards entrepreneurship promoted;
- Access to resources like technical skills, business development services, and access to finance enhanced, e.g. training employable skills, providing business development services (BDS), improving access to micro financing etc.;

- Social dialogue between the government, labour unions and private sector representatives is promoted around socio-economic issues and reaching good labour relations, increased productivity and building consensus on socio-economic issues through appropriate consultation mechanisms. This dialogue will be a cross-cutting element in the programme as it is necessary and relevant in all the outputs.

After the pilot phase of the previous programme, an external evaluation report was conducted⁴ and the key lessons are utilized in this new programme. Although the results of the evaluation were generally positive, a number of challenges were highlighted:

- Structural and institutional weaknesses; there is the need to review the structure of the project oversight management (Steering Committee) and the Project Coordinating Unit.
- Resource barriers preventing youth from effectively taking up opportunities especially in enterprise establishment, e.g., lack of proper business financing mechanisms (in a study conducted on barriers to enterprise start-up for youth 70% indicated access to finance as a major impediment);
- Policy and legal framework challenges hamper entrepreneurship (in a study conducted on barriers to enterprise start-up (MGYSR 2007 – unpublished) for youth 45% indicated legal requirements and taxation levels and procedures to be major obstacles for enterprise establishment);
- Lack of knowledge and information was identified as a reason for remaining unemployed - many young people do not have sufficient information with regard to becoming entrepreneurs;
- Low levels of employable skills of youth remains an important factor that can be attributed to the high levels of unemployment amongst the youth (although Lesotho's population is one of the highly literate in the Southern African region, this is not translated into employable skills. The matter is further exacerbated by the lack of adequate skills training facilities for those youth who drop out of school before completing secondary education compounded by inflexible training system that do not allow targeted training opportunities.)
- Limited industry involvement and participation in technical and vocational education and training (TVET) (the curricula for the different courses are designed in isolation although many domestic stakeholders speak about the importance of strengthening industry participation in TVET. The industry participation in the affairs of the Technical and Vocational Department (TVD) still remains limited).
- There is a need for a proper project management structure for effective delivery. Restructuring of the oversight structure, i.e. project steering committee (SC) through development of proper terms of reference and encouraging stakeholders to nominate appropriately qualified people as members is a key element.

These challenges indicated in the evaluation report need to be addressed in order to increase the impact in the new programme. The Government has demonstrated political will to tackle these issues through the MGYSR in relation to implementation of the youth development agenda. The agenda has been developed in a consultative manner with inputs from all stakeholders. This commitment has inspired a number of important players, such as SMME Network, Basotho Enterprise Development Corporation (BEDCO), Rural Financial Intermediation Programme (RUFIP), Private Sector and other development partners, such as the World Bank, and they have shown willingness to take part in programme activities. This implies that a more harmonised approach towards youth employment can be adopted and implemented. Furthermore, the increasing harmonisation of the legal policy framework, especially in relation to access to credit and protection of rights means that business access and employment opportunities for men and women and youth can be potentially realised. Finally, while the current training system has been criticised for its weaknesses, a number of institutions belonging to different stakeholders have shown willingness to adopt more flexible and demand driven technical and vocational training programmes. (Appendix 1 shows a SWOT Analysis of the current Youth Employment Project done by a group of youth SIYB⁵ Trainers, Youth Development Officers and representatives of other relevant institutions and development partners).

⁴ Promotion of Youth Employment towards Poverty Reduction in Lesotho, External Evaluation Report, March 2009, Morabo Morojele

II. STRATEGY

Target Groups and Beneficiaries

The ultimate programme beneficiaries are the youth within the age group of 15-35 years. This takes into account both the Government's and the UN's definition of youth (the Government's definition is 15-35 years and the UN's definition is 15-24 years). Within the target population, the programme will focus on youth living in both urban and rural areas with emphasis on development of rural youth as they are lagging behind in development. It is envisaged that with restructuring, additional resources and participation of more stakeholders and partners in programme activities, it will be possible to cover the whole country. In addition, the programme contributes to orphans and vulnerable children (OVCs)⁶ and their caregivers' employment creation.

The intermediate beneficiaries of the programme are selected youth employment promotion policy planning and coordination bodies, and facilitators and providers of business support services for the youth. On the policy level, the programme will primarily work with Ministry of Gender and Youth, Sports and Recreation (MYGSR), Ministry of Employment and Labour (MEL), Ministry of Education and Training (MET) and Ministry of Trade and Industry, Cooperatives and Marketing (MTICM), but also with employers' and workers' representative organizations. Among the institutions facilitating or providing business support services for the youth, the programme will work with the SMME network, the network of trainer consultations established by the Youth Employment Promotion project, and other organizations that are yet to be identified through sector-specific business support service mapping exercise.

Programme Details

The programme is going to build on the existing pilot 'Youth Employment Promotion towards Poverty Reduction in Lesotho' and utilize the essential information gathered in that phase.

This programme will work in collaboration with other UN programmes such as the Public Private Partnership (PPP) for Urban Environment (The project aims to promote enterprises that are environmentally friendly and it is envisaged that support will be sought from the PPP for Urban environment, in identifying suitable business ideas and supporting them to become environmentally friendly businesses) and the SMME Development programmes. It is imperative that the private sector is supported to become a vibrant sector with new and productive employment by easing the start up, possibilities to operate efficiently, and to grow the businesses. This can be achieved by improving the supportive policy environment, facilitating access to credit, simplifying the regulatory environment and creating opportunities for innovation and increased employment. In addition, a change in mindset towards entrepreneurship, and especially youth led businesses needs promoting. In the long run, active dialogue between the government, labour unions and private sector is needed as a support mechanism and to enhance creation of decent employment.

The programme is conducted through five integrated activities and mainstreaming cross-cutting issues:

⁶ According to the National Policy on Orphans and Vulnerable Children (2006, Ministry of Health and Social Welfare, GOL) orphan is any person who is below the age of 18, who has lost one or both parents due to death and a vulnerable child is any person who is under the age of 18, who has one or both parents who have deserted or neglected him/her to the extent that he/she has no means of survival and as such is exposed to dangers of abuse, exploitation and/or criminalization and is, therefore, in need of care and protection. Vulnerable children include orphans, children living on the streets, children with challenging behavior, children in need of legal and other forms of protection, children who have been or are physically, psychologically, emotionally, or sexually abused, neglected children, children who behave in a manner that may harm them, children involved in child labour, children with disabilities, children involved in commercial sex work, children who frequent the company of immoral persons, children infected or affected by HIV and AIDS and other chronic diseases, children whose parents are delinquent and/or children who cannot be supervised by their parents or guardians and children who by virtue of their age are vulnerable. However, as the target group of the YEP is youth aged from 15 to 35 years, OVC's refers to all vulnerable youth aged 15 to 35 and they are also assisted in the same manner as OVCs as long as they fall within the OVC definition or take care of an OVC, when they are referred to as OVC Caretakers.

1. *Capacity of relevant institutions (MGYSR, MEL, BoS, etc.) is enhanced in collection, analysis and dissemination of appropriate labour market information, which can be used as a basis for creation of more conducive policy and better legal and regulatory framework for enterprise development*

This programme will provide technical support on building of youth labour market information (LMI) and statistical capacities of relevant selected government departments/institutions (especially MGYSR) to produce, use, and analyse accurate and timely labour market information. This information is vital in development of policies and strategies for employment creation. In particular, the project will cooperate with MEL and Directorate of National Employment Service (DNES) to improve timely and comprehensive collection and analysis of labour market data. The BOS is in the process of developing a comprehensive National Data Base for which a number of Ministries have already been assessed on their data needs and requirements. The project will therefore work very closely with the BOS in development of youth specific labour market indicators. In this regard, the MGYSR will be assisted to set up a small information management unit which will be responsible for collection, analysis and dissemination of youth as well as gender disaggregated data in collaboration with the DNES. A partnership will be established with the BOS to ensure that the data collected during the national data collection covers all the relevant parameters and is sufficiently disaggregated in relation to youth and gender. The programme will also cooperate with DevInfo programme since the programme already has an established database administrator system in place. Focal points for Lesotho DevInfo from the MGYSR and MEL will be chosen, who will be responsible for updating current information on selected youth employment indicators. In order to produce timely information for youth employment policy creation and monitoring and evaluation needs, these people will be provided with sufficient training on data base management and data analysis. As DevInfo already has its training plan and activities scheduled, the selected people from the Ministry will participate in these activities.

In 2011 and 2012, the programme will continue to support timely dissemination of relevant indicators on youth employment, which are needed to design better policies and incorporate youth issues into national policies.

More specifically the programme will support the following LMI activities:

- Identification of required youth employment indicators for appropriate policy formulation.
- Training on the collection, processing, analysis, dissemination, and use of youth employment indicators.
- Preparation of a youth employment (situation) report from the Lesotho labour force survey (LFS) 2008.
- Preparation and dissemination of a regular youth employment bulletin from existing surveys programme.
- When a national manpower survey (NMS) is planned, identification of market, skills, and businesses opportunities as well as training needs for young women and men through NMS data.

2. *Supportive national youth policy and a comprehensive medium-term National Action Plan for Youth Employment (NAPYE) responsive to HIV and AIDS and gender aspects is developed*

Policy and legal framework play a vital role in ensuring that youth can take up employment opportunities as they arise, or can get involved in increased entrepreneurship. In this regard the Government's strong involvement and commitment can help overcome fragmented responses and insufficient human and capital resources for large scale policies and sustainable operations. Youth employment agenda will be highlighted in the further policy development in Lesotho. In particular the current youth policy will be reviewed with a view to streamline youth employment and placing it at the centre of the national development agenda. Given the particular socio-economic situation in Lesotho, the project will also ensure that issues related to the HIV and AIDS pandemic and the challenging gender situation are mainstreamed into these essential youth policy documents.

In order to address the bottlenecks to youth employment and entrepreneurship in particular that were defined earlier, the project will:

- i. Carry out a comprehensive study on the current situation of labour market issues and labour absorption, especially regarding youth employment and employment promotion structures. In addition the programme will support studying value chains in the sectors that have the most potential for Lesotho's economic growth. Some studies on the potential sectors have already been conducted. From these sources, it will be analyzed which sectors provide most potential employment opportunities for youth. This will be used to provide information on viable business sectors to the young entrepreneurs as currently lack of information in this field in Lesotho affects negatively the quality of the business the youth establish, as the decisions are based on beliefs rather than accurate information. These inputs will be utilized in developing a National Youth Employment Action Plan (NAPYE) in which HIV and AIDS and Gender issues are mainstreamed. The prior consultative process carried out for the NAPYE has identified two main areas, which youth believe are key areas to deal with: Firstly, education and restructuring of training systems to meet the requirements of the job market; and secondly, entrepreneurship, enterprise establishment and business development. These two areas of concern will also be addressed through outcomes 3 and 4 of the current project which will thereby contribute to the concrete implementation of the NAPYE. Furthermore, in order to ensure that the NAPYE that will be developed will achieve the desired goals, a Balanced Scorecard⁷ methodology will be adopted. This will ensure that impact is optimized as activities of all key stakeholders are aligned to the strategy and duplication is avoided and complementarity of activities is ensured.
- ii. Capacity building in process reengineering and management between central-, district YDO- and trainer level is enhanced by hiring a facilitator who develops an implementable plan of improving the area.
- iii. The MGYSR is in the process of establishing the National Youth Council, whose main mandate would be to drive the youth development agenda in the country from governance issues to socio-economic empowerment. Once established the Youth Council will require support in capacity building for it to become effective. This support will be provided in the form of training and institutional build up.

As an essential part, the programme coordinator will oversee mainstreaming youth issues into the policies and frameworks. As a first step, the NAPYE will be finalized and after that the programme will contribute to broader scale policy mainstreaming during the following years. The legislative framework is to be studied and the policy and legal framework improved from the point of view of youth employment, HIV and gender issues. Youth employment, HIV and gender issues will be mainstreamed to national socio-economic policies.

3. Entrepreneurship education⁸ is improved and a positive mindset towards entrepreneurship is promoted

The development of demanded technical and vocational skills is vital to improve employability of the youth. In addition, as became evident in the implementation of the pilot phase, entrepreneurship training should be intensified both for out of school and in school youth. In particular training at school level should emphasise on changing the mindset of young people

⁷ The **Balanced Scorecard** (BSC) is a strategic planning and management system that is used to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It is a performance measurement framework that adds strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance. (Balanced Scorecard Institute)

⁸ Reference here is only made to relevant parts of the entire education system which mainly includes Technical and Vocational education and training, career guidance and counseling and entrepreneurship education and training.

to consider entrepreneurship as a viable alternative career for them. Considering the problem of skills mismatch and low interest in entrepreneurship, which hinders decent employment of youth, the following strategies will be adopted:

- i. Interaction and dialogue among government, training institutes, employers' organisations, trade unions and civil society organizations will be encouraged to improve effectiveness, relevance and efficiency of the skills development programmes. Industry involvement in planning, policy making, training needs -assessment, curricula development, training delivery, monitoring and evaluation will be improved.
 - ii. A framework for demand driven short term training courses based on Modular Employable Skills (decided in consultation with industry representatives) will be designed.
 - iii. Close working relations will be forged with the MEL on provision of career guidance and counselling to youth early secondary education to ensure that students are informed when they make career choices. This will further entail working together with relevant institutions – Manpower Development Secretariat, Private Sector, Ministry of Trade and Industry in the long run to conduct a labour market analysis survey that will highlight the medium and long term labour market requirements of the country.
 - iv. Partnerships with vocational and technical training institutes will be formed to develop flexible and responsive training programs. These programs will be designed in such a manner that they directly provide the necessary skills without subjecting the youth to the rigours of higher education.
 - v. Testing & certification of skills acquired informally will be enhanced by supporting and building the capacity of the TVD to facilitate regular testing.
 - vi. Social and cultural impediments play a vital role in entrepreneurship and thus it is important to put in place mechanisms that can create a constructive mindset, not only among young people, but among whole communities on how they regard youth entrepreneurship. The programme will support the implementation of the Know About Business (KAB) -module in TVET institutes to promote entrepreneurship as a preferred option of employment. Currently KAB is being implemented in 10 institutes, but 15 more are being incorporated in the plan starting from 2011.
4. Access to resources (technical and entrepreneurial skills, business development services, financial and other services) is enhanced

Skills training

This programme will continue providing technical and entrepreneurial skills training to youth, including HIV and AIDS orphans and vulnerable youth. The SIYB training provided since 2007 will continue and improvements will be made according to lessons learned from previous experience. The skills training will take into account the following aspects:

- i. SIYB material, which was used in the pilot phase of the previous programme, will be adapted to Lesotho conditions. The optimal situation would be having training packages that are adapted to Lesotho conditions and to the target group. Appropriate material on HIV and AIDS and gender issues will be provided to be incorporated into the modules.
- ii. The selection criteria of the trainees will be enhanced since experience during the pilot phase of the project has shown that it is important to develop a coherent trainee's selection criteria for potential entrepreneurs. While entrepreneurship training is believed to increase person's productivity regardless of whether one becomes an entrepreneur or not; it is important to come up with a selection criteria that will enable

selection of those youth with a genuine interest and capability to become effective entrepreneurs.

- iii. Capacity building needs of the trainers will be identified and enhanced in selected areas.
- iv. In addition, ICT training being an important area of education will continue to be trained at Youth Resource Centres to ensure easy access to it especially by rural youth. It would further be entrenched to become an integral part of the Youth Employment Promotion Programme. Partnerships with private sector will be sought to find ways of improving the provision ICT training to both urban and rural youth.

Access to Finance and Enterprise Establishment

Despite the youth being afforded all the necessary entrepreneurship and technical skills, they might be unable to start their businesses if access to start-up capital is not made easily accessible. Currently accessing start-up capital is particularly difficult for youth as the mainstream banking system regards them as a high risk group that is generally un-bankable. Therefore there is a dire need to ensure that youth have easy access to start-up capital and this could be achieved through a viable micro-finance industry in the country. To ensure this the project will:

- i. Continue to collaborate with other development partners (UNCDF) to support capacity building of relevant micro-finance institutions. At the same time assistance on establishment of Self-Help Groups and Business Associations/Clusters amongst youth will be continued.
- ii. The programme will participate together with other stakeholders, including the Rural Finance and Intermediation Programme (RUFIP), the Central Bank of Lesotho, NGO's such as World Vision, Catholic Relief Services etc., in the national Micro-Finance Forum, whose main objective is to provide proper guidance in micro-finance mainstreaming into Lesotho's financial system.

To encourage youth to design good business plans and provide alternative ways to access seed capital, a business plan competition will be held. The best plan will get a loan or start-up capital as a prize. The private sector will be engaged in the competition ideally as donors and technical advisors.

Business Development Services

Experience on the businesses that were established during the pilot phase of the project has shown that sustainability and viability can only be achieved if necessary support services are provided to the entrepreneurs.

- i. The programme will continue working on initiating Business Development Services (BDS) together with other players in the field. In the medium term, a comprehensive business development service programme will be developed, and guidelines for BDS providers will be formulated. Firstly, the players should analyze who has the most potential to conduct BDSs. In addition, the current SIYB Trainers will be capacitated to provide grass root business development services especially in the rural areas where it might not be profitable for mainstream BDS providers to operate. In collaboration with the Local Council Offices, the trainers will be trained to operate business start-up information agencies. These agencies will be used to provide information to potential, as well as established entrepreneurs, ranging from financing opportunities, marketing, supplies and inputs, as well as other important business information required. Particular emphasis on BDS will be placed on marketing as it has proofed to be one of the biggest impediments to business development, i.e. a number of businesses established during the pilot phase have alluded to the problem of lack of adequate markets for their products as one of the main reasons they are not growing. In this

instance those BDS providers with expertise on marketing will be encouraged to work with existing as well as emerging businesses.

- ii. Business incubation centres have also been identified as ideal for development of highly productive and profitable businesses that can have maximum impact on economic development of the country. In the medium term, the programme will embark on setting up these centres with the view of incubating most promising business ideas. Due to large amount of resources required to set up these centres, initially they will only be established in economic sectors which are identified as the most promising and in which Lesotho has a competitive advantage. In particular the project will collaborate with the Vocational Training Centres rehabilitation and establishment of production centres project⁹ to establish envisaged business incubation centres in close collaboration with the institutes of higher learning i.e. National University of Lesotho, Lesotho Agricultural College and Lerotholi Polytechnic. A working relation will also be established with the Social Compact for Youth led Response to Poverty Reduction and HIV and AIDS project¹⁰ supported by the GOL and WFP.

5. *Social dialogue between the government, labour unions and private sector, as well as National Youth Council representatives is encouraged through appropriate consultation mechanisms*

Social dialogue¹¹ between the government, labour unions and employer unions has been modest in Lesotho. In order to improve the situation, strategies to improve social cohesion¹² will be developed. Including all the stakeholders in the policy formulation, implementation and monitoring processes, and building broader and continuous dialogue between institutions is vital for formulation of a coherent approach and achieving better results on youth employment issues. Government, businesses, labour and other key players need to recognize the potential for forming partnerships that focus to reduce the overall scale of youth unemployment, while giving added focus to help young people to acquire the necessary skills that would enable them to secure gainful employment. In order to promote communication around employment issues, this project will contribute by facilitating creation of a platform where tripartite cooperation can be strengthened and social dialogue around employment issues can take place. As social cohesion is necessary in ensuring sustainable success in all the outputs, this added dimension will serve as a forum to promote the dialogue in all the areas of the programme. To ensure the full representation of youth in this platform, National Youth Council will take part in the dialogue. Awareness-raising sessions on work of the social partners and how the UN system can support the formation of social cohesion will be held. To provide timely information on the social aspects of employment, a review on labour market relations will be conducted and a development plan made.

⁹ This is a project that will be implemented by the Ministry of Gender and Youth Sports and Recreation and it is aimed at rehabilitating the existing Vocational Centers operated by the MGYSR and MEL, and turn them into modular based training centers that also function as business incubation centers. The Project will also establish similar centers at BEDCO premises throughout the country.

¹⁰ This project is aimed at bringing together government and the poor, the private sector and the civil society, to empower young men and women in particular, to achieve their full social, economic and political worth, with their participation, through a multi-faceted response to food insecurity, inadequate shelter, poverty and HIV and AIDS.

¹¹ **Social dialogue** is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between labour and management (or trade unions and employers' organisations), with or without indirect government involvement. Concertation can be informal or institutionalised, and often it is a combination of the two. It can take place at the national, regional or at enterprise level. It can be inter-professional, sectoral or a combination of all of these. The main goal of social dialogue itself is to promote consensus building and democratic involvement among the main stakeholders in the world of work. Successful social dialogue structures and processes have the potential to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability and boost economic progress.

¹² **Social Cohesion** has differing definitions, however, in this document it refers to a stage where the different actors have a shared vision on the range of issues where social cohesion is sought for. This allows solving problems of poverty and inequality in an integrated way. It facilitates the participation of citizens in societal activities. (Combat Poverty Agency and EuropeAid)

The UN agencies will facilitate participation of both the private sector (employers' and workers' organisations) in policy discussions at the national level as well as to ensure their contributions to the work of the UN System in general.

Strategic Partnerships, Resource Mobilization and HIV and AIDS and Gender Mainstreaming

During the pilot phase less attention was given to establishment of strategic partnerships and mobilisation of extra resources for the programme. However, in this project more effort will be put in establishing partnerships, not only with other development agencies but also with the private sector. In particular the private sector will be mobilised to participate more in the programme through public private partnership (PPP) arrangements. For instance the private sector could participate more in the envisaged business incubation centres whereby they can invest in some of the businesses and mentor them for realising their maximum potential.

As a coordination mechanism, the programme will continue participating in regular meetings with other stakeholders operating in the same field. These meetings were initiated by the Ministry of Finance and Development Planning (MFDP) Private Sector Development Unit in late 2009, when it was noticed that some overlapping programmes have been planned. These meetings serve as a forum to discuss various issues related to SMMEs and to provide a clear structure how to operate in a manner such that different initiatives support each other.

Amongst the development partners the Joint UN team will continue to provide financial, as well as technical support to the programme. However, more resources will be mobilised from other sources. In particular the Regional Youth Employment programme of the Bureau for Africa in UNDP will be a partner in this project in provision of technical and financial support to the activities 1, 2 and 5. The MGYSR will continue to ensure that there is a Ministerial coordination group and other national stakeholders involved in the promotion of youth employment and enterprise development continue to actively participate in the programme. The established working relation with Commonwealth Youth Programme through the Commonwealth Youth Credit Initiative will be continued and more collaboration especially with micro-finance providers will be sought.

As HIV and AIDS are a major concern in Lesotho, these issues, together with the gender inequality, have been highlighted as cross-cutting issues having a negative impact on youth employment. Women, especially in the rural areas, have often marginalised access to productive resources. This is due to cultural attitudes still prevailing despite favourable legislation for advancement of gender equality in the society. In addition, HIV and AIDS have serious negative impact on the ability to work. Support will be provided on both fronts: improving the capacity of the MGYSR and other stakeholders to increase awareness about gender equality and implementation of gender economic empowerment programmes; and improving the capacity of the MGYSR to deliver effective HIV prevention programmes that are informed by Young people's Behavioural Change Communication (BCC) operational framework. Emphasis will further be placed on implementation of mitigation programmes for vulnerable youth.

The programme is largely based on wide stakeholders' participation and involvement to ensure that policies for youth employment, institutional arrangements, training and mobilization of resources will lead to sustainability and effectiveness of youth employment enterprise development, which would further propel increased employment opportunities in Lesotho.

Programme Outcome and Outputs

Through the present strategy and support from all the relevant stakeholders, the programme aims at formation of a comprehensive national approach to improving youth employment. Eventually the programme will lead to creation of augmented employment opportunities for youth and increased amount of youth successfully employed. In the longer term stronger labour market institutions and improved labour management are essential in order to maintain sustainable labour market. These objectives will be achieved through the expected outputs outlined above.

To ensure continuity and sustainability of the programme results, strengthening of the national institutions related to youth employment are given high importance in the programme. In addition, the programme activities are undertaken jointly with the national counterparts in the related institutions.

Programme Objectives

Facilitating youth employment is a critical factor in sustainable national development and poverty reduction. It is also an important issue in ensuring achievement of MDGs, especially eradication of extreme poverty and hunger. In the short and medium term, the programme improves livelihoods of individual youth and provides more knowledge and possibilities in employment. In the long term, this programme contributes to economic growth and prosperity of the country. Hence supporting creation and revision of national policies and institutions, as well as monitoring and evaluation mechanisms related to youth employment enables continuous and sustainable development of the country.

III. MANAGEMENT AND COORDINATION ARRANGEMENTS

Management

The programme will continue to be nationally implemented by the MGYSR as the main implementing partner, in close collaboration with the MEL, other relevant departments, and the social partners. MET will be a key partner to support the review of the curricula and incorporation of entrepreneurship elements into the existing curricula. Technical support will be provided by the UNDP, ILO, UNICEF, and the Commonwealth. Day to day business of the programme will be managed by a National Project Coordinator based at the MGYSR reporting to the Youth Employment Steering Committee (which will include the UN joint partners). A Memorandum of Understanding (MOU) will be signed by the partners detailing the specific working arrangements.

Quarterly reports are to be presented to the Steering Committee by the National Project Coordinator. The reports will also be used in resource mobilization and increasing awareness on the work in youth employment. There is a need for greater coherence and coordination between the different projects and programmes, particularly when they are dealing with the same target population, as for instance SMMEs. The duties of the Programme Coordination Unit (PCU) will therefore have to be expanded to include a function of integration of the different efforts related to youth employment that are being implemented within the Ministry. The PCU will ensure coordination between different Ministries as well as other stakeholders in the programme.

Overall coordination will be provided by the MGYSR and UNDP, along with the financial, technical and administrative support, to ensure that programme activities are undertaken timely and coordinated to meet the desired outcomes for the country. ILO's role is to provide technical and advisory services to the Implementing Partner. UNICEF will support especially mainstreaming of HIV and AIDS and promotion of gender equality. Furthermore, UNICEF will support inclusion of vulnerable and marginalised youth and OVC caregivers to ensure that they fully benefit from the programme.

Communication

Each participating stakeholder shall take appropriate measures to publicise the joint programme and to give due credit to the other participating organisations. Lessons learnt will be circulated through various knowledge networks to other programme countries.

IV. MONITORING AND EVALUATION PLAN

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis (see **Error! Reference source not found.**), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organisation, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the quarterly progress report (QPR) covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Final Project Evaluation

- Towards the end of 2012, an evaluation will be conducted funded through the project. An international/local consultant will be engaged to assess the impact of the project and draw up Lessons Learned. The evaluation should be specifically focused towards determining the extent to which the national capacity is sufficient to continue to carry out the foreseen activities. If gaps exist, the evaluation should serve to indicate the required activities to ensure sustainable national capacity. This evaluation is critical to ensure that the UNDP exit strategy is viable and that national capacity is indeed built as one of the key results.

Reporting

Each participating UN organization prepares financial reports annually and at programme end for its programme components. UNDP's standard reporting procedures as outlined in the User Guide on Statutory and Financial Reporting will apply for its programme, and the annual and final financial reports will be certified.

Finally, responsibility is assigned to UNDP for the preparation of aggregated/consolidated Financial Reports for submission to the Joint Programming Steering Committee and its subsequent submission to donors.

Audits

Consistent with current practice, audits of joint programmes will be conducted in accordance with the respective UN organisations' requirements. The audits conducted by the agencies'

internal and/or external auditors should be considered acceptable to all UN organisations who are programme partners. As such, this joint programme will be audited through the internal UNDP audit mechanism and therefore, the budget includes costs estimates for annual audits.

V. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of Lesotho and UNDP, signed on 31st December 1974.

Consistent with Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner.

The Implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via

<http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

PROGRAMME RESULTS AND RESOURCES FRAMEWORK

Project Title and ID: Promotion of Youth Employment towards Poverty Reduction in Lesotho

UNDAF Outcome: National Institutions able to implement sustainable pro poor economic development, environmental management and household food security policies and strategies with special focus on vulnerable groups including women, young men and the disabled

Partnership Strategy:

- a. **Main partner: Ministry of Gender, Youth, Sports and Recreation (MGYSR)**
- b. **YE National Steering Committee: Government ministries (Ministry of Employment and Labour (MEL), Ministry of Trade, Industry, Cooperatives and Marketing (MTICM), private sector, youth business chambers, SMME network, ILO, UNDP and UNICEF and other stakeholders that might be identified.**

INTENDED OUTPUTS VI.	OUTPUT TARGETS FOR	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output 1: <i>Capacity of relevant institutions is enhanced in collection, analysis and dissemination of appropriate labour market information, which can be used as a basis for creation of more conducive policy and better legal and regulatory framework for enterprise development</i></p> <p>Baseline:</p> <ul style="list-style-type: none"> • Low availability of employment related data, although the established M&E system enables providing accurate information for policy formulation purposes • Adding relevant indicators and timely dissemination could be improved <p>Indicators:</p> <ul style="list-style-type: none"> • Number of indicators established and measured on youth 	<p>Targets:</p> <ul style="list-style-type: none"> • Comprehensive capacity development plan in place with the selected government departments/institutions in relation to the regular collection, processing, analysis, dissemination and use of reliable labour market information on youth employment. • Supporting the effective use of the information in policymaking and building up the capacity of relevant institutions to collect the data • Regular (annual) reporting on selected youth labour market indicators • Regular (annual) reporting on policy and institutional achievements with respect to youth employment 	<p>Activity results:</p> <ul style="list-style-type: none"> • Carry out a capacity needs survey in selected government departments/institutions to determine their respective organizational and institutional capacity constraints with respect to the generation, supply and utilization of labour statistics and labour market indicators. • Implement capacity building plan through the provision of technical assistance as per the needs assessment to collect, produce and analyse relevant labour statistics and labour market information. • Establish functional and sustainable labour statistics units with the relevant institutions. • Identify required youth employment indicators for appropriate policy formulation. • Organize training on the collection, processing, analysis, dissemination, and use of youth employment indicators. 	<p>MEL, ILO, MGYSR, MET, BoS, UNDP, YERP</p>	<p>USD 150,000 (1st year 120,000 provided by YERP)</p>

<p>employment of</p> <ul style="list-style-type: none"> • Frequency of dissemination • Number of persons trained on the collection, processing and analysis of youth employment indicators • Situation report on youth employment from LFS 2008 data • Bulletin on youth employment 		<ul style="list-style-type: none"> • Prepare of a youth employment (situation) report from the Lesotho labour force survey (LFS) 2008. • Prepare and disseminate a regular youth employment bulletin from existing surveys programme. • If and when a national manpower survey (NMS) is planned, identify market, skills, and businesses opportunities as well as training needs for young women and men through the NMS. 		
<p>Output 2: <i>A supportive national youth policy and a comprehensive medium-term National Action Plan for Youth Employment (NAPYE) responsive to HIV and AIDS and gender aspects is developed</i></p> <p>Baseline:</p> <ul style="list-style-type: none"> • No current information on labour market issues and labour absorption, nor value chain analysis on the sectors, which have the most potential for Lesotho's economic growth • Youth policy not addressing youth employment issues • Youth policy not sensitive to HIV and AIDS and gender issues 	<p>Targets:</p> <ul style="list-style-type: none"> • A comprehensive understanding on the current situation of labour market issues and youth employment and diagnosis on employment promotion structures, as well as the value chain on the areas which have most growth potential for entrepreneurs in Lesotho • National Action Plan on YE using BSC methodology • Youth employment programmes to mainstream HIV prevention and gender equality • Strengthened and empowered Department of Youth to coordinate YE activities • Institutional strengthening of the National Youth Council • Build the capacity of the National Youth Council to effectively deliver its mandate 	<p>Activity Results:</p> <ul style="list-style-type: none"> • Study labour market issues on labour absorption, as well as value chain analysis on the sectors that have the most potential for entrepreneurship in Lesotho • Conduct a study on YE and employment promotion structures and finalize the NAPYE using BSC methodology and incorporating HIV and AIDS and gender issues • Capacity building and strengthening business process reengineering between central, district YDO's, trainers etc. • Strengthening capacities of trainers and YDO 's to deliver HIV risk reduction/aversion interventions for young people • National Youth Council trained in Institutional management and coordination of youth 	<p><i>MGYSR, UNDP, UNICEF, LPPA, ILO, MEL, MTICM, Private Sector, YERP</i></p>	<p>Consultative forums inputs;</p> <p>International and Regional declarations, action plans and resolutions on youth employment</p> <p>International tools on Youth Employment Action Plans</p> <p>Youth Policy, SMME policy</p> <p>National BCC strategy (2008-2013), Young People's Operational Framework, Minimum package on HIV and</p>

<ul style="list-style-type: none"> • Institutions involved in youth employment operate in silos • Legal framework not encouraging youth employment • Youth policy not aligned to Young people's BCC operational framework <p>Indicators:</p> <ul style="list-style-type: none"> • National action plan on YE implemented • Founding up a body that utilizes synergies and coordinates YE activities • Mainstreaming youth employment issues into national policies 	<ul style="list-style-type: none"> • National legal and policy framework supporting youth employment • National Action Plan on YE integrated to the country's macro-economic plan 	<p>development issues, especially those impacting youth employment</p> <ul style="list-style-type: none"> • Advocacy and policy advisory services for inclusion of YE/mainstreaming of youth in policy/macroeconomic documents etc. • Pro youth employment policy developed and adopted 		<p>AIDS prevention</p> <p>USD 170,000 (1st year 145,000 provided by YERP)</p>
<p>Output 3: <i>Entrepreneurship education is improved and a positive mindset towards entrepreneurship is promoted</i></p> <p>Baseline:</p> <ul style="list-style-type: none"> • Mismatch between the training and the need at the labour market • Youth do not have employable skills • Low interest and knowledge on entrepreneurship • Institutional set-up for entrepreneurship is weak 	<p>Targets:</p> <ul style="list-style-type: none"> • Forming industry advisory committees and improving private sector involvement • Provide training on employable skills, training to be provided by vocational training providers under the government, private sector and industrial establishments • Testing and certification of skills acquired informally • Teaching entrepreneurship in all TVET institutes 	<p>Activity results:</p> <ul style="list-style-type: none"> • Strengthen interaction and dialogue among government, training institutes, employers' organisations, trade unions and civil society organizations to improve effectiveness, relevance and efficiency of the skills development programmes • Capacity building of the TVD to facilitate regular testing of the skills acquired informally • Develop a new strategic Modular Employable skills framework for skill development based on short term competency • Incorporate KAB in the curricula and teach it in all TVET institutes (now in 10, target to implement 	<p><i>MET, MGYSR, ILO, UNDP, TVD, TVET</i></p>	<p>USD 50,000 (1st year 30,000)</p>

<ul style="list-style-type: none"> • Pilot project provided valuable information on entrepreneurship and starting / improving businesses <p>Indicators:</p> <ul style="list-style-type: none"> • Increased dialogue between the government, training institutes, employers' organisations, trade unions and civil society organizations • Number of education institutions providing entrepreneurship training • Revision of national curricula to include entrepreneurship education 		<p>15 more next year)</p> <ul style="list-style-type: none"> • Develop skills development (TVET) policies and strategies and incorporate them in to the national and sectoral development strategy and youth policy 		
<p>Output 4: <i>Access to resources (technical and entrepreneurial skills, business development services, financial, and other services) is enhanced</i></p> <p>Baseline:</p> <ul style="list-style-type: none"> • Lack of skills, support and financing indicated to be major impediments from establishing sustainable businesses • Unsustainable businesses being established • Weak selection criteria of trainees • Limited training packages (only SIYB) that are not 	<p>Targets:</p> <ul style="list-style-type: none"> • Continue providing training and improve the programme according to the feedback given from the pilot phase <ul style="list-style-type: none"> ▪ 800 youth trained annually as entrepreneurs ▪ Percentage of trainees to establish successful businesses 25% - 200 new businesses established annually, of which 5% are set up by OVCs • In collaboration with the Social Compact project and the Vocational Training Centres rehabilitation and establishment of production centres project, train 400 youth in life skills and assist them to set income 	<p>Activity results:</p> <ul style="list-style-type: none"> • Continue providing entrepreneurship training and increase the ICT learning • Adapting the training packages into Lesotho conditions and include HIV and AIDS and gender issues • Certify the trainers to improve continuity as part of the exit strategy • Improve the selection criteria of the trainees • Facilitate Group & Cooperative formation programme • Support other partners in BDS formation • Initiate the establishment of business incubation centres 	<p><i>MGYSR, ILO, UNDP, MET, UNICEF, Commonwealth, MMCT, Micro-Finance Forum, CBL, Private Sector, MTICM, Mohloli, MOLG,</i></p>	<p>ILO entrepreneurship training tools, Commonwealth entrepreneurship training tools, MET training tools</p> <p>Commonwealth Youth Credit Initiative Tools, RUFIP tools etc.</p> <p>ILO BDS development tools and Best Practices, Commonwealth tools, Regional Programme on Youth Employment</p>

<p>completely suitable for Lesotho context</p> <ul style="list-style-type: none"> • Lack of collaboration on institutions working on entrepreneurship development (skill training centres, MFI's, donors) • Access to micro-financing limited • Weak groups and cooperatives amongst young people • No business incubation centres • BDS institutions weak • No value chain analysis and linkages for the business plans <p>Indicators:</p> <ul style="list-style-type: none"> • Number of youth trained as entrepreneurs • Number of successful businesses founded • Number of people employed in the established businesses • Percentage of employed trainees • Partnership agreements • Joint committees between various partners in collaborating on YE • Quality and quantity of service delivery by institutions involved in YE development 	<p>generating activities</p> <ul style="list-style-type: none"> • Include HIV and AIDS and gender mainstreaming into the training • Provide opportunities to orphans and vulnerable youth to generate employment and income • Improved supply of Business Development services (BDSs) • Facilitate establishment of a Business Incubation Centre in Maseru • Hold a business plan competition 			<p>USD 1,154,000 (1st year 364,000)</p>
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<ul style="list-style-type: none"> • Number of BDS providers • Number of business incubators or partnerships to establish them 				
<p>Output 5: <i>Social dialogue between the government, labour unions and private sector, as well as National Youth Council representatives is encouraged through appropriate consultation mechanisms</i></p> <p>Baseline:</p> <ul style="list-style-type: none"> • Limited capacity and space for social partners to effectively participate effectively in the development of social and economic policies <p>Indicators:</p> <ul style="list-style-type: none"> • No of cases in which social partners, together, participate in social, labour and economic policy discussions 	<p>Targets (year 1):</p> <ul style="list-style-type: none"> • Comprehensive understanding on existing social dialogue/cohesion mechanisms, as well as labour management relations • Capacity and effectiveness of social partners to engage in social dialogue strengthened • Platform for effective cross-cutting tripartite social dialogue established • Effective and continuous involvement of social partners in the formulation, implementation, and evaluation of national as well as UN development frameworks 	<p>Activity results:</p> <ul style="list-style-type: none"> • Create a platform for dialogue • Develop strategies for improving social cohesion • Conduct awareness-raising sessions on the work of the social partners and the UN System • Facilitate sessions on how the social partners and the UN System can develop and enhance a shared understanding of social dialogue and potential benefits • Conduct a tailor-made training in representational skills and negotiations for social partners to enhance their participation in dialogue institutions, including effective involvement in the work of the UN System 	<p><i>MGYSR, MEL, MET, MFDP, private sector, labor unions, UNDP, ILO, YERP</i></p>	<p>USD 45,000 (1st year 35,000 funded by YERP)</p>

Project Title: Youth Employment Promotion towards Poverty Reduction in Lesotho

Year: 2010 and 2011-2012

Project Number:

Expected Outputs	Planned Activities	Timeframe						Responsible party	Planned budget		
		Q1	Q2	Q3	Q4	2011	2012		Funding source	Budget description	Amount VII.
Output 1: <i>Capacity of relevant institutions is enhanced in collection, analysis and dissemination of appropriate labour market information, which can be used as a basis for creation of more conducive policy and better legal and regulatory framework for enterprise development</i>	Carry out a capacity needs survey in selected government departments /institutions to determine their respective organizational and institutional capacity constraints with respect to the generation, supply and utilization of labour statistics and labour market indicators.	x						MEL, ILO, MGYSR, MET, BoS, UNDP	UNDP Regional Programme YERP (2010)		Consultants, training, capacity building, reporting and publishing 120,000 in 2010 (30,000 in 2011-2012)
	Implement capacity building plan through the provision of technical assistance as per the needs assessment to collect, produce and analyse relevant labour statistics and labour market information.	x	x								

	Establish functional and sustainable labour statistics units with the relevant institutions.	x	x	x	x						
	Improve labour statistics data availability and timely dissemination, incorporate more indicators.					x	x				
	Identify required youth employment indicators for appropriate policy formulation.		x								
	Organize training on the collection, processing, analysis, dissemination and use of youth employment indicators.		x								
	Prepare a youth employment situation report from the LFS 2008.	x									
	Prepare and disseminate a regular youth employment bulletin.					x	x				
	Identify market, skills, and businesses opportunities as well as training needs for youths through a national manpower survey.					x	x				
Output 2: <i>A supportive national youth policy and a comprehensive medium-term National Action Plan for Youth</i>	Prepare a study on labour market issues and labour absorption	x	x	x				<i>MGYSR, UNDP, UNICEF, LPPA, ILO, MEL, MTICM, Private Sector, UNDP Regional</i>	UNDP Regional Programme, UNICEF (2010)		Consultants, capacity building, training
	Make a study on the value chain in the	x	x	x							

<i>Employment (NAPYE) responsive to HIV & AIDS and gender aspects is developed</i>	sectors having the most potential for Lesotho's economic growth							<i>Programme</i>			145,000 in 2010 (25,000 in 2011-2012)
	Conduct a study and a Balanced Scorecard on YE and employment promotion structures and finalize the NAPYE incorporating HIV & AIDS and gender issues	x	x	x							
	Submit NAPYE for Cabinet approval			x							
	Capacity building and strengthening business process reengineering between central, district YDO's, trainers etc.		x	x							
	National Youth Council trained in Institutional management and coordination of youth development issues, especially those impacting on youth employment		x	x	x						
	Improved legal and policy environment for youth employment			x	x	x	x				
	Mainstreaming youth employment issues into national economic and social policies				x	x	x				
Output 3: <i>Entrepreneurship education is improved and a positive mindset towards entrepreneurship is</i>	Strengthen interaction and dialogue among government, training institutes, employers' organisations, trade unions and civil society organizations to	x	x	x	x	x	x	<i>MET, MGYSR, ILO, UNDP, TVD, TVTAB</i>		Consultants, promotion, cooperation facilitation 30,000 in	

<i>promoted</i>	improve effectiveness, relevance and efficiency of the skills development programmes										2010 (2,000 in 2011-2012)
	Capacity building of the TVD to facilitate regular testing of the skills acquired informally		x								
	Develop a new strategic framework for skill development based on short term competency based on Modular Employable Skills			x	x						
	Support incorporating (KAB) in the curricula	x	x	x							
Output 4: <i>Access to resources (technical and entrepreneurial skills, business development services, financial, and other</i>	Continue providing entrepreneurship training and emphasise ICT learning	x	x	x	x	x	x	MGYSR, ILO, UNDP, MET, UNICEF, Commonwealth, MMCT, Micro-Finance Forum,	ILO, UNICEF, ???		Trainers' allowances, workshops, facilitation 364,000 in

	Adapting the training packages into Lesotho conditions and including HIV & AIDS and gender issues	x	x	x								
	Certify the trainers to improve continuity	x	x									
	Improve the selection criteria of the trainees	x										
	Participate in Micro-Finance Forum and drafting the guidelines for working with MF service provider, as well as assisting on establishment of self-help groups together with other agencies	x	x	x	x	x	x					
	Organise workshops for incorporation of Social Compact and Production Centres programmes within the YEP	X	X									
	Support other partners in BDS formation	x	x	x								
	Hold a business plan competition			x								
	Initiate the establishment of business incubation centres						x	x				
Output 5: <i>Social dialogue between the government, labour unions and private sector, as well as National Youth Council representatives</i>	Create platform for dialogue	x	x							UNDP Regional Programme (2010)		Consultants, facilitation, workshops, training 35.000 in
	Research on national social dialogue/cohesion mechanisms			x	x							

	Develop strategies to improve social cohesion		x								
	Conduct awareness-raising sessions on the work of the social partners and the UN System		x								
	Facilitate sessions on how the social partners and the UN System can develop and enhance a shared understanding of social dialogue and potential benefits			x							
	Conduct a tailor-made training in representational skills and negotiations for social partners to enhance their participation in dialogue institutions, including effective involvement in the work of the UN System			x	x	x	x				
TOTAL										2010 2011- 2012	694,000 876,000

Annex 1: SWOT analysis of the youth employment promotion project in Lesotho done by stakeholders including; youth entrepreneurs, unemployed youth, SIYB Trainers, Loan Officers, Youth Development Officers, UN Organisations, Rural Finance and Intermediation Programme, Youth Organisations etc.

<p>OPPORTUNITIES</p> <ol style="list-style-type: none"> 1. Conducive and supportive Policy environment National Youth Policy formulated; National Youth Council Act enacted; Gender and development policy; Strong political will on youth development programmes, including access to credit evidenced by budgetary allocations, ministry's policy; 2. Harmonised legal framework for access to credit and protection of rights – equal opportunities 3. Availability of technical and vocation institutions; Youth resource centres – business skills/culture/attitude 4. Pilot project received high level commitment and resources from key stakeholders such as MGYSR, UNICEF, ILO, CYP, UNDP and Mineworker's Development Agency; 5. Entrepreneurship awareness created and Critical mass of young men and women trained on entrepreneurship 6. Number of potential strategic partners surfacing e.g. SMME network, BEDCO, private institutions, IFAD RUFIP 	<p>THREATS</p> <ol style="list-style-type: none"> 1. HIV & AIDS pandemic, especially hitting the youth; 2. Macro economic situation Global economic crisis – AGOA products and textiles, lesser ODA; Lower remittances from mineworkers = lesser disposable incomes; International trade agreements, such as Customs Union, Free trade areas. 3. Limited micro financial services providers 4. Absence of Microfinance policy/regulations/legal framework 5. Uncoordinated efforts – Duplication of activities 6. Poor education system - mismatch between supply and demand of labour, technical and vocational skills low amongst youth 7. Target group highly mobile (exit strategy, linkage with onward destination)
<p>STRENGTH</p> <ol style="list-style-type: none"> 1. A pool of trainers capacitated on entrepreneurship 2. YE Programme structures in place 3. Pilot tested and lessons to form basis for future interventions 4. Committed ministry management and committed local authorities 5. New business established and old improved by project 6. Business plan template 7. YED structures in place 8. HIV risk reduction and avoidance programme available 	<p>WEAKNESSES</p> <ol style="list-style-type: none"> 1. Limited financial resources especially for loanable funds & Lack of innovative support systems to youth entrepreneurs – equipment and infrastructure leasing 2. Limited local knowledge on microfinance and lowly developed microfinance industry (resulting in poor policy and monopolistic actions of the only MF Provider) 3. Weak project management structure (DPT youth & YEP staffing) 4. Poor communication amongst stakeholders and within institutions (forward & Backward report system) & Lack of common vision 5. Poor coordination and oversight of MAB/Steering committee 6. Poor Incentive and remuneration package – Staff turnover 7. Training manuals in English and lack of packages for illiterate youth/selection criteria 8. Lack of entrepreneurship / innovation / viable market sectors/supply chain analysis 9. Creation of unsustainable businesses 10. Limited follow-up on trainees and established businesses 11. No clear terms of reference between the Project and the Service Providers 12. Inadequate incorporation of HIV prevention as well as involvement of vulnerable young people

Annex 2: Proposed Organisation Structure of the Youth Employment Promotion Project

