

Country Investment Facility

Submission Form Template

The Administrator has decided to establish a new facility that provides a reserved amount of funds for Country Offices to carry out activities in 2018-2019 specifically targeted for **catalytic investments** in:

1. Areas of **growth and business development** – such as resource mobilisation activities with non-traditional, diverse, new partners; or formulating new types of partnerships with local and/or national governments and existing donors. These are activities that have a reasonable to high chance of resulting in new/increased programmes at the CO level. The expected outcome is that Country Offices can increase their programmes as a direct result of such funding.
2. Areas of **visionary interest and innovation**– these activities are targeted for longer term benefits particularly in the areas of innovation, modernization, and/or technology. These activities may not have a short term/immediate benefit, but enable the CO to invest in innovations related to achieving the SDGs; for example, an investment in solar panels, or other alternative forms of energy, or investment in a new digital platform in a CO where other means of communication are challenging. These could be new areas that the CO may not otherwise have the funds or risk appetite to undertake.

Resources from this facility cannot be used for running of the office or any gaps within the operational structure and/or existing projects, nor for scaling up of past projects.

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| Submitted by CO | Solomon Islands Sub-Office, Pacific Office in Fiji |
| Contact person | Azusa Kubota, Ednah Ramou and Srijana Rana |

PURPOSE AND OBJECTIVE

The submitting CO should outline the purpose and proposed objective(s). First, a clear explanation on how the objective meets the corporate criteria (A and/or B). Second, a clear rationale in support of the regional priority. Third, a total requested amount for 2018-19.

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| <p>Purpose <i>Specify how the CO intends to use the funds from the facility</i></p> | <p>Innovative solutions and alternative financing for youth unemployment</p> <p>The youth unemployment rate in the Solomon Island is 45.9% of the total labor force (source; ILO). Access to vocational trainings and non-formal education is limited. This situation is identified by many as a destabilization factor to the country's peace consolidation efforts after the departure of the regional assistance mission. Therefore, it is critical to address this issue.</p> <p>UNDP in the Solomon Islands together with the regional Youth Co-lab initiative has rolled out the country's first ever peacebuilding innovation programme, which culminated into the national innovation summit.</p> <p>The funding from the facility will fill in an important gap that currently exists in this space by bringing various partners and resources together to design a comprehensive package of solutions for the youth. It will be complementing the work already done in empowering young people to be innovators and will support the post summit efforts to turn the business ideas into action. The funding will be used to finance a set of pilot initiatives (holistic support) to improve youth engagement and entrepreneurship in the Solomon Islands.</p> |
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- 1) Two sets of physical and virtual spaces or a small inter-linked facility, with innovation and business support services enabling idea development to growth focused acceleration support for young entrepreneurs in all stages of their business.
- 2) Seed capital for a risk guarantee fund (to minimize and cover investment capital risk) at South Pacific Business Development (a development bank). The seed funding will incentivize the bank to fund youth startups and address value chain financing needs of the youth and the enterprises where they are engaged.

An umbrella agreement will be signed between Honiara City Council (HCC), Solomon Island Chamber of Commerce and Industries (SICCI), South Pacific Business Development (SPBD) and UNDP to implement the activities.

The service lines of the innovation spaces (a co working space and an innovation center) will be divided into two paths for two groups of young entrepreneurs. One will be private sector led co-working space for aspiring entrepreneurs and startups, the other (innovation center) is led by Solomon Islands Chamber of Commerce for businesses in expansion stage. Businesses in idea development and startup stage are relying on mentorship to refine ideas and build products for alpha testing; businesses in the expansion stage (which already have income with solid grounding in the market and customer base) will need support on market expansion, branding and positioning strategies. The hub (co working space and an innovation center) will have regular staffing, and a set of processes in place to support both these tracks.

The first initiative (co working space) will be launched with the Honiara City Council (HCC), which is currently refurbishing its multipurpose youth facility (anticipated completion date- July 2019). Prior to that, UNDP will support Honiara City Council to partner with an entrepreneur (café owner) to pilot test and co create the concept of a co working space for youth engaging the Micro Small and Medium Enterprises (MSMEs) in Honiara.

Until the physical facility at HCC is operational, the co-working and innovation space will be run out of a rented warehouse where it will have indoor sports facility (skate boarding facility), access to coaching services by an international rugby player and a coach (Mr. Ilivasi Tabua) and other national and international players, a gaming/coding room and a dedicated space for mentorship and counselling services. Additionally, ANZ bank will donate computers, which will strengthen the gaming/coding facility. This entrepreneur (café owner) led co working space will respond to youth's (aged 18-24) growing need for a private space where they can go, play, explore, design and co create projects and take them to the next level.

In parallel, part of the funding will be used to support the Solomon Islands Chamber of Commerce and Industries and its, "Young Entrepreneur Council" (to be launched in June 2018) to establish an innovation Center, ideally housed close to the co working space. At the outset, UNDP will provide seed capital and support the chamber of commerce to mobilize additional technical and financial resources by tapping into DFAT's Strong in Business (Strongim Bisnis) and skills for employment program and others. Concurrently, UNDP will support the local Chamber to establish linkages with DFAT's (Canberra based) flagship program- Innovation Exchange to strengthen the pilot initiative. The innovation center at the chamber will service youth startups and junior entrepreneurs aspiring to grow and expand their businesses through Business to Business (B2B) mentoring, skills and technology transfer and sector specific (cocoa, coconut, tourism, construction, transportation, digital services etc.) enterprise acceleration support services to unlock the sector specific constraints to improve the competitiveness of their enterprises. UNDP's Youth Co:Lab

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| | <p>initiative will support the refinement of business development processes, and use innovation challenges to ensure cross pollination of ideas between the youth, the mentors and the businesses. Youth Co:Lab will bring in the experiences from other centers (Timor Leste, Sri Lanka) where one stop centers/ or innovation spaces have been developed for youth.</p> <p>With the objective of improving access to innovative sources of financing to finance the youth led initiatives, UNDP will partner with Kiva through SPBD http://www.spbdmicrofinance.com/spbd-network/solomon-islands; UNDP will provide seed capital to establish a risk guarantee fund. The fund will help the development bank to pilot test innovative financial services to serve the underserved markets such as the youths and their enterprises. Additionally, it will incentivize them to develop products and service offerings that match the local social and cultural context, accelerating youth startups access to capital. At the start, UNDP will put in a seed capital and launch the facility jointly with the interested MSMEs, DFAT/NZ projects and UNDP’s youth advocate- Mr. Ilivasi Tabua (former Fijian Rugby player and a coach) who during the launch of the fund, will announce and commit to mobilizing additional resources to expand the risk guarantee fund for the youths. The risk guarantee fund will help the bank to de risk the capital that is lent to the young entrepreneurs and their social businesses. The risk guarantee fund will be hosted and run by SBPD (development bank) with technical support from Kiva. https://www.kiva.org/about; Recently, Kiva has extended its wholesale lending facility at 0% interest to SPBD to enable expansion of SPBD’s financial services in the rural areas of the Solomon Islands. Thus far, in terms of the beneficiaries, SPBD in the Solomon Islands has been funding SMEs and women owned enterprises only. The seed funding from UNDP, will encourage both SPBD and Kiva to pilot test and develop financial products and services that cater to the youth and their enterprises (from early stages to post incubation).</p> |
| <p>Alignment with facility objectives <i>Specify how the purpose aligns with one or both of the objectives of the facility</i></p> | <p>The seed funding will help UNDP to establish its market position in the space of alternative financing, innovation and business support services to address youth and unemployment issues. If the pilot initiatives are successful it will have a catalytic impact in government’s peace and reconciliation efforts after the departure of the regional assistance mission from the Solomon Islands. Therefore, it is critical to address this issue. During the scoping mission in preparation to this proposal, the donors were positively amazed to learn that UNDP was investing its core funds to support innovation, growth and business development. Both DFAT and New Zealand Aid are keen to support UNDP in its visionary interests and innovation. Nevertheless, we first need a small capital to pilot test the initiative on the ground to further refine the concept prior to sharing with the donors.</p> |
| <p>Alignment with regional priorities</p> | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Innovation in programming of operational areas; <input checked="" type="checkbox"/> Resource mobilization for country programme; <input checked="" type="checkbox"/> Private sector engagement; <input type="checkbox"/> SDG integration and country platforms; and <input type="checkbox"/> Financing for SDGs |
| <p>Total amount requested</p> | <p>USD 228,000</p> |

| (cannot exceed \$500k per CO, for the period 2018-19) | Description | Budget Account | Amount |
|---|---|--|---------------------|
| 1. | 1 International UNV for a year | 71500 - UN Volunteers | \$59,000.00 |
| 2. | 3 Senior National consultants with finance and communication expertise | 71300 - Local Consultants | \$30,000.00 |
| 3. | Risk guarantee fund (provision of seed capital to de risk investments that are borrowed by youths). | 74300 - Contributions | \$50,000.00 |
| 4. | 2 Offices refurbishment support | 75100 - Facilities & Administration | \$25,000.00 |
| 5. | 2 Technical experts (sector specific technical expertise) and 3 Office help/ ICT technical support | 77200 - Salary and related costs-TA/GS | \$49,000.00 |
| 6. | Organization of at least 3 events/trainings | 75700 - Training, Workshops and Confer | \$15,000.00 |
| Total Amount: | | | \$228,000.00 |

| EXPECTED RESULTS | |
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| <i>The submitting CO should list the expected benefits and success. The CO should enter at least one, up to three.</i> | |
| Financial Benefits (Brief description of desired result) | |
| Result #1 | Under one umbrella organization/arrangement: A youth co-working space established on a cost sharing basis with Honiara City Council and contributions from the private sector (local SMEs). In kind contribution of at least \$ 100000 (physical space, ICT and online facilities and back up support) mobilized from the Honiara City Council and the private sector resulting in a leverage of 1:2. |
| Result #2 | This will also include, establishment of an Innovation center in partnership with the Solomon Islands Chamber of Commerce and Industries. At least 2 new innovative solutions developed to address the youth entrepreneurship and unemployment challenges to mobilize additional resources. |
| Result #3 | A risk guarantee fund at SPBD established to support youth initiatives. Additional resources mobilized through private sector led fund raising campaigns to expand the risk guarantee fund. |
| Technical Benefits (Brief description of desired result) | |
| Result #1 | Out of all the youth accessing the co working space, 10% will have developed innovative solutions and co-created new projects to address key development challenges (in line with the SDGs) in the Solomon Islands |
| Result #2 | Technical capacity to support innovations (to access new networks, technologies, trainings) increased at the SICCI. At least two new innovative solutions to unlock youth entrepreneurship and unemployment challenges developed and launched. |
| Result #3 | A risk guarantee fund at SPBD established and running. At least 10 youth led enterprises/initiatives funded. |
| Other Benefits | |
| The initiatives will contribute to Solomon Island government's national peace building policy and Government's efforts in peace building through increased engagement of the youth in productive activities, key to sustaining post conflict peace and development in the Solomon Islands. | |

This initiative will serve as a proto type to similar centers that will be built.

List other less tangible benefits

Indicators for Success

The submitting CO should identify specific indicators for each result area, being as specific as possible. Each indicator should include a baseline (if available), target, source of data, and timeline. The CO should enter at least one, up to three.

Indicator #1 Co working space for youth established and pilot tested engaging the private sector

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| Indicator baseline | 0 (there are none) |
| Indicator target | At least 100 youth access co working spaces out of which 10% will develop initiatives to support the Sustainable Development Goals (SDGs) |
| Source of data | Attendance records, meeting minutes, memos, registration fees, surveys |
| Timeline for target <i>(not to go beyond June 2019)</i> | June 2019 |

Indicator #2 Number of innovative solutions pilot tested at the innovation Center to enhance the competitiveness of the youth led enterprises

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| Indicator baseline | 0 |
| Indicator target | At least 2 new solutions tested resulting in positive changes in the competitiveness (cost savings, profits, access to new markets) of the enterprises led by youths or with high engagement of youth |
| Source of data | Records at the Solomon Chamber of Commerce and Industries, and company records/ledgers and accounts |
| Timeline for target <i>(not to go beyond June 2019)</i> | June 2019 |

Indicator #3 Number of public and private sector actors making commitments to de risk capital invested in youth initiatives including the value of the commitments made (both cash and in kind)

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| Indicator baseline | 0 |
| Indicator target | At least 3 commitments made to expand the size of the risk guarantee fund |
| Source of data | Interviews, bank records, additional resources mobilized and media monitoring |
| Timeline for target <i>(not to go beyond June 2019)</i> | June 2019 |

IMPLEMENTATION

Budget Details

The submitting CO should identify the implementation plan during 2018-19. The plan should include description, account code and estimated costs (total limit is \$500k). Funds requested through these proposals cannot be used for the following:

- Running of the office or any gaps within the operational structure and/or existing projects, nor for scaling up of past projects.

| # | Description | Budget Account | Amount | Timeline |
|---|---|----------------|---------|---------------------|
| 1 | 1 International UNV for a year | | 59,000 | June 2018-June 2019 |
| 2 | Senior National consultants with finance and communication expertise | | 20,000 | June 2018-June 2019 |
| 3 | 3 Office help/ ICT technical support | | 20,000 | June 2018-June 2019 |
| 4 | 2 Offices refurbishment support | | 30,000 | August 2018 |
| 5 | 2 Technical experts (sector specific technical expertise) | | 34,000 | June 2019 |
| 6 | Organization of at least 3 events/trainings | | 15,000 | June 2019 |
| 7 | Risk guarantee fund (provision of seed capital to de risk investments that are borrowed by youths). | | 50,000 | April 2019 |
| 8 | Total (USD) | | 228,000 | |

Key Partners

The submitting CO should identify the key government partners and/or other development partners, along with a description on the role of the partner in the activities and if/how they will contribute to the project.

The initiatives will be private sector led and will be pilot tested through Honiara City Council (will contribute physical space, ICT and sports facilities), Solomon Islands Chamber of Commerce and Industries (will provide mentoring, skills and technology transfer, business support services, creation of enabling environment and policy advocacy services) and South Pacific Business Development-SPBD (access to finance to the youth led initiatives and social enterprises) Kiva will also provide capacity building support to SBPD staff and provide wholesale lending @ 0% interest to SPBD .

Risks

The submitting CO should identify the risks associated with the project. This could include the risks associated with key partners, factors that may contribute to achievement of results, availability of data, and any other relevant factors.

| Risk | Mitigation strategy |
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| Youth may not use the co working space on a regular basis or due to overwhelming demand the co working space will not be able to cater to the growing demand | Development of a communication plan and outreach strategy to the youth ensuring alignment between the demand and supply of services |
| Solomon Islands Chamber of Commerce and Industries may not allocate time and resources to build and develop its external networks to enhance its access to new knowledge and services to support innovation. | Align activities with the Chamber of Commerce's work plan and budget to avoid overlaps. |
| SPBD may not have the capacity to maintain and run the risk guarantee fund | Ensure technical support and capacity building advise from Kiva |

UNDP' in Fiji (multi country office) Inclusive Growth Portfolio-Overview of initiatives

Date: 16th April, 2018

1. UNDP's work on SDG awareness raising, innovation and localization.

A lack of awareness of the SDGs is one of the key barriers to implementation of the SDGs in the Pacific and globally. UNDP is soliciting, funding (grants, human resource, access to knowledge networks, innovation hubs and centers) to the Australia and New Zealand's own SDG implementation and mobilize cash and in kind contributions to support the SDGs related projects in the Pacific. Ideally, bearing in mind limited engagement of large private sector actors in the Pacific, UNDP would like to explore the concept and the possibility of mobilizing donor top ups/Australia or New Zealand's private sector's top ups to every dollar or contributions mobilized through the government and private sector actors operating in the Pacific. The contributions could be both cash and in-kind resources (physical and human resources). Some of the ongoing activities of UNDP are highlighted below:

- 1.1 UNDP jointly with the PIFs and the CROP agencies is supporting the Pacific Island governments 'to localize SDG in national plans and budgets including mobilization of UN joint support for Voluntary National Reporting Processes (VNRs).
- 1.2 UNDP is also pilot testing the concept of a co working space and an innovation hub at the University of South Pacific (USP) building on UN's lessons from The Australia/Pacific Regional Network of the Sustainable Development Solutions Network (SDSN). The objective of these activities are to raise awareness of the stakeholders (government, youth and private sector) on the SDGs and co create innovative solutions to address sustainable development challenges.

1.2.1 Mobilizing private sector commitments and contributions for the SDGs

Example-1:

In practical terms, the initiative would mobilize resources through a programme allowing sponsors to 'adopt' sharks in their natural habitat. It would be designed and implemented with the Shark Reef Marine Reserve managed by Beqa Adventure Divers located in Fiji, as well as its partners Shark Foundation Switzerland and Save our Seas Foundation. Several tiers of 'adoption' would be offered, with current proposals ranging from a US\$50 entry level option through to a US\$100k option aimed at corporate clients, and varying packages of benefits.

The Shark Marine Reserve in Fiji has conducted 14 years of research, with contributions from scientists from around the world, resulting in a database valued at USD \$250,000. Working with the organization through this initiative would provide a partnership with an independent conservation initiative with deep experience and access to a unique population of 200 individually named, wild bull sharks that the public can dive with. UNDP would be a partner in the initiative. In exchange for jointly funding the set-up costs and advocacy support, 30% of the revenue generated would be allocated to UNDP's priority initiatives in support of SDG 14. The remaining revenue stream would be used by implementing partners to support marine conservation efforts, including shark research and tagging.

Example: 2

FarmEd and The Earth Care Agency (TECA) are social businesses have come together to create a platform, currently known as the FarmEd Blockchain Platform, which positively contributes to economic livelihoods and food security in the developing world by strengthening the supply chain and improving the product output of smallholders. The purpose and objective of this of this project is to create and trial a MVP app with the following features:

- (i) basic record keeping and report generation for 6 crops / SKUs (which will give basic organic, GAP and quality assurance reporting);
- (ii) Pest and Disease image recognition for any crops users have;
- (iii) Chatbot feature focusing on providing advice to farmers about the key 6 crops;
- (iv) a product ordering feature, enabling buyers to place orders via an e-commerce platform (here we will use TECA's existing inventory and e-commerce platform to test the uptake of buyer usage).

Farmers, buyers and logistics providers will be the registered users of the app.

USP jointly with the businesses will engage with an app developer (e.g. Tracability), and then work closely with users to test the MVP in order to understand user engagement in order to further develop the platform. The trial group users have already been approached and agree to participate. The trial group are:

- 15 selected farmers in a cooperative (Fiji Queen Organic Association)
- 1 commercial farm (Ranadi Plantation)
- 15 independent indigenous smallholder farmers (who represent a cross section of compliance experience, English Language ability and tech literacy)
- buyers (Nanuku Auberge Resort, second buyer TBC but options include Shangri-la Resort, Turners and Growers and Yacht Help)
- 1 transport company (TBC)

2. Advancing SDG commitment to leave no one behind and UNDP's agenda on reaching the ones left furthest behind.

2.1 Under this UNDP is pilot testing a project to promote youth, women and people with disabilities engagement and employment through development of an online gig economy starting with Fiji and eventually scaling up in the Pacific with private sector (Mind Pearl, Pacific Telecommunication Association (PITA) and UNCDF).

2.2 UNDP in the Solomon Islands together with the regional Youth Co-lab initiative has rolled out the country's first ever peacebuilding innovation programme, which culminated into the national innovation summit. UNDP will use its small funding to fill in an important gap that currently exists in this space by bringing various partners and resources together to design a comprehensive package of solutions for the youth. It will be complementing the work already done in empowering young people to be innovators and will support the post summit efforts to turn the business ideas into

action. The funding will be used to finance a set of pilot initiatives (holistic support) to improve youth engagement and entrepreneurship in the Solomon Islands.

- Two sets of physical and virtual spaces or a small inter-linked facility, with innovation and business support services enabling idea development to growth focused acceleration support for young entrepreneurs in all stages of their business.
- Seed capital for a risk guarantee fund (to minimize and cover investment capital risk) at South Pacific Business Development (a development bank) with technical support from KIVA <https://www.kiva.org/about>; The seed funding will incentivize the bank to fund youth startups and address value chain financing needs of the youth and the enterprises where they are engaged.

2.3 Supporting economic empowerment of youth and women through agriculture (farm management practices, value addition, access to finance and asset building)

2.3.1. Regional Farm to Table project with South Pacific Community (SPC) in Fiji and Vanuatu

This is a regional SPC led project which still has couple of year left to complete its cycle i.e. Policy and promotion and capacity building on organic agriculture which was funded through Global Spanish MDG fund (known as SDG-F) but this fund no longer exists therefore, there is a budget deficit of about USD 300,000 to complete the activities in Fiji and Vanuatu. The ambition is to scale up the project across the Pacific with a focus on improving agriculture competitiveness (Cocoa, coffee, kava, fish, fresh vegetables etc.) through improved traceability, farm management practices and organic certification.

2.3. 2 Broadening the scope of Markets for Change with UN Women to enhance women and youth's economic empowerment at the household level and in rural areas.

UNDP is supporting the implementation of outcome 2(economic advancement and empowerment of women market vendors in Fiji, Solomon Islands and Vanuatu). This is a DFAT funded UN Women project. However, there is demand for scaling up the activities in rural areas, combining market vendors program with youth and agriculture to translate women's economic empowerment at the household level. Rugby Union/Federation, local government and provincial councils have shown keen interest in taking the activities in the rural areas Fiji, Solomon Islands, Vanuatu, FSM. The business model was pilot tested in the Solomon Islands and was highly successful.

1.1. Communicating SDG', SDG Awareness raising and mobilization of commitments and additional resources (cash & kind) from the private sector to meet the SDG challenges in the Pacific

A lack of awareness of the SDGs is seen as one of the key barriers to implementation of the SDGs in the Pacific and globally. The aim of this activity would be to hire Senior Volunteer/communications specialist to identify key messages and strategies for increasing awareness of and action on the SDGs among different kinds of audiences in Pacific with a main focus on youth and private sector focused activities/projects. Designing joint communications to mobilize cash and in kind contributions to support

the SDGs related projects which could be ideally topped up by the donors and the private sector operating in the Pacific through both cash and in-kind resources (physical and human resources).

For Example:

In practical terms, the initiative would mobilize resources through a programme allowing sponsors to 'adopt' sharks in their natural habitat. It would be designed and implemented with the Shark Reef Marine Reserve managed by Beqa Adventure Divers located in Fiji, as well as its partners Shark Foundation Switzerland and Save our Seas Foundation. Several tiers of 'adoption' would be offered, with current proposals ranging from a US\$50 entry level option through to a US\$100k option aimed at corporate clients, and varying packages of benefits.

The Shark Marine Reserve in Fiji has conducted 14 years of research, with contributions from scientists from around the world, resulting in a database valued at USD \$250,000. Working with the organization through this initiative would provide a partnership with an independent conservation initiative with deep experience and access to a unique population of 200 individually named, wild bull sharks that the public can dive with.

UNDP would be a partner in the initiative. In exchange for jointly funding the set-up costs and advocacy support, 30% of the revenue generated would be allocated to UNDP's priority initiatives in support of SDG 14. The remaining revenue stream would be used by implementing partners to support marine conservation efforts, including shark research and tagging.

1.3 Advancing SDG commitment to leave no one behind and UNDP's agenda on reaching the ones left furthest behind

At the core of the SDGs are the commitments to leave no one behind. Under this, UNDP would like to build on its ongoing research and findings on the ones left furthest behind and share the opportunities and challenges in a multi-stakeholder led forums and workshops. As these activities will greatly enable discussions and ideas around overcoming the challenges associated with leaving no one behind. Example: Sharing knowledge and research on identifying and reaching the right people, alongside show casing new ideas and strategies being pursued across different sectors.

UNDP would like to draw upon New Zealand's knowledge and experiences on their own VNR and processes and the SDG implementation in varied sectors, and identify expertise to help the stakeholders in the Pacific to prioritize and identify activities for the implementation of the SDGs in the Pacific. Examples: use of appreciative inquiry approaches to unpack and address the topics in a positive, proactive and empowering way, encouraging stakeholders (private sector and youth) to share their own ideas and experiences to make it relevant to the Pacific context.

1.3.3. Supporting economic empowerment of youth and women through agriculture (farm management practices, value addition, access to finance and asset building)

1.3.3.1. Regional Farm to Table project with South Pacific Community (SPC) in Fiji and Vanuatu

This is a regional SPC led project which still has couple of year left to complete its cycle i.e. Policy and promotion and capacity building on organic agriculture which was funded through Global

Spanish MDG fund (known as SDG-F) but this fund no longer exists therefore, there is a budget deficit of about USD 300,000 to complete the activities in Fiji and Vanuatu. The ambition is to scale up the project across the Pacific with a focus on improving agriculture competitiveness (Cocoa, coffee, kava, fish, fresh vegetables etc.) through improved traceability, farm management practices and organic certification.

1.3.3. 2 Broadening the scope of Markets for Change with UN Women to enhance women and youth's economic empowerment at the household level and in rural areas.

UNDP is supporting the implementation of outcome 2(economic advancement and empowerment of women market vendors in Fiji, Solomon Islands and Vanuatu). This is a DFAT funded UN Women project. However, there is demand for scaling up the activities in rural areas, combining market vendors program with youth and agriculture to translate women's economic empowerment at the household level. Rugby Union/Federation, local government and provincial councils have shown keen interest in taking the activities in the rural areas Fiji, Solomon Islands, Vanuatu, FSM. The business model was pilot tested in the Solomon Islands and was highly successful.

Examples of Projects:

1.Promoting youth engagement and employment through innovation, ICT and use of alternative finance

Promoting youth engagement and entrepreneurship through innovation and alternative sources of financing in the Solomon Islands

In close consultation with MFAT colleagues in the Solomon Islands, UNDP is investing some of its own core funds to foster youth engagement and address youth unemployment issues. The youth

unemployment rate in the Solomon Island is 45.9% of the total labor force (source; ILO). Access to vocational trainings and non-formal education is limited. This situation is identified by many as a destabilization factor to the country's peace consolidation efforts after the departure of the regional assistance mission. Therefore, it is critical to address this issue.

UNDP in the Solomon Islands together with the regional Youth Co-lab initiative has rolled out the country's first ever peacebuilding innovation programme, which culminated into the national innovation summit.

UNDP will use its small funding to fill in an important gap that currently exists in this space by bringing various partners and resources together to design a comprehensive package of solutions for the youth. It will be complementing the work already done in empowering young people to be innovators and will support the post summit efforts to turn the business ideas into action. The funding will be used to finance a set of pilot initiatives (holistic support) to improve youth engagement and entrepreneurship in the Solomon Islands.

- 1) Two sets of physical and virtual spaces or a small inter-linked facility, with innovation and business support services enabling idea development to growth focused acceleration support for young entrepreneurs in all stages of their business.
- 2) Seed capital for a risk guarantee fund (to minimize and cover investment capital risk) at South Pacific Business Development (a development bank) with technical support from KIVA <https://www.kiva.org/about>; The seed funding will incentivize the bank to fund youth startups and address value chain financing needs of the youth and the enterprises where they are engaged.

An umbrella agreement will be signed between Honiara City Council (HCC) which will provide physical space in New Zealand funded multi- functional youth facility in Honiara, Solomon Island Chamber of Commerce and Industries (SICCI) will establish an innovation center building on the concept of fostering Youth Entrepreneur Council and (Youth@ Work program of DFAT which is phasing out) South Pacific Business Development (SPBD) which will provide access to finance (alternative finance) and UNDP to implement the activities.

Promoting youth, women and people with disabilities through online gig economy in Fiji and in the Pacific

The youth unemployment rate in the Pacific is high and the geography of the region dampens prospects. The main objective of this proposal is to test an innovative approach to generating new income earning opportunities for youth, disabled people and home based unpaid care workers including women that would otherwise struggle to find productive work in Fiji. The concept if approved, will be a joint pilot between the UNDCF and UNDP.

Specifically, funding would support a pilot to test the feasibility of a programme combining:

- a. Support for young and disabled people that would otherwise struggle to find productive work to earn a living through the global online outsourcing industry, delivered with support from local private sector partners and UNCDF; with

b. A package of financial training and services (social protection services such as regular savings, micro pension and micro insurance services) that could help participants to manage the volatility involved in working in this sector.

The Pacific Office has undertaken analysis of the employment challenge in the Pacific. This pilot would be a practical next step to test the viability of a response to the substantial issues identified, with a view to seeking additional partners to support a scale-up in other Pacific Island States if successful.

Supporting economic empowerment of youth and women through agriculture (farm management practices, value addition, access to finance and asset building)

Regional Farm to Table project with South Pacific Community (SPC) in Fiji and Vanuatu

This is a regional SPC led project which still has couple of year left to complete its cycle i.e. Policy and promotion and capacity building on organic agriculture which was funded through Global Spanish MDG fund (known as SDG-F) but this fund no longer exists therefore, there is a budget deficit of about USD 300,000 to complete the activities in Fiji and Vanuatu. The ambition is to scale up the project across the Pacific with a focus on improving agriculture competitiveness (Cocoa, coffee, kava, fish, fresh vegetables etc.) through improved traceability, farm management practices and organic certification.

Broadening the scope of Markets for Change with UN Women to enhance women and youth's economic empowerment at the household level and in rural areas.

UNDP is supporting the implementation of outcome 2(economic advancement and empowerment of women market vendors in Fiji, Solomon Islands and Vanuatu). This is a DFAT funded UN Women project. However, there is demand for scaling up the activities in rural areas, combining market vendors program with youth and agriculture to translate women's economic empowerment at the household level. Rugby Union/Federation, local government and provincial councils have shown keen interest in taking the activities in the rural areas Fiji, Solomon Islands, Vanuatu, FSM. The business model was pilot tested in the Solomon Islands and was highly successful.