

COUNTRY INVESTMENT FACILITY SUBMISSION FORM

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:

A. 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.

B. 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.

Country Office:

STP

Purpose and Objectives

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.

Purpose:

The main purpose of the project is to promote and drive an innovative concept that could enable more young people to become social entrepreneurs. The project intends to demonstrate and promote two different approaches: One traditional “development”-oriented approach for developing a national leadership on and awareness of social entrepreneurship; the second: One social enterprise approach for providing a comprehensive package of services to youth interested in social entrepreneurship, starting in two main districts of the country (Agua Grande and Mé-Zochi).

The first Component will focus on developing national leadership on and awareness of social entrepreneurship by:

- Building **strategic partnerships** with international organisations specialized in supporting social entrepreneurship such as Ashoka and Impact Hub
- Developing **awareness of social entrepreneurship among decision-makers** in Government, the Business Community, development workers and namely amongst youth through targeted communication.
- **Mobilising and engaging these stakeholders** for a sustainable approach to social entrepreneurship.

The package of the Component #2 will be comprised of:

- Skills Development in Networking, Resource Mobilisation, Business Planning and Management
- Exposure to successful role models in social enterprising
- Opportunities for placements as interns, apprentices or volunteers in large enterprises (social or not)
- Access to small capital
- Access to group or individual mentoring and coaching services

It is expected that this component 2 will generate revenue which will help to sustain it as well as the activities required under Component # 1, kicking off with a pilot stage, involving the selection of specific areas, testing out these innovative approaches.

Rationale

São Tomé and Príncipe faces a number of related challenges. Despite average GDP growth of over 4 per cent since 2012, poverty has not declined significantly. Access to economic opportunities is skewed, as shown by the unemployment rates of 19.7 per cent for women and 9.3 per cent for men,¹ and the economic activity rate of 51 per cent for women and 75 per cent for men.² The unemployment rate among young people aged 15-24 is 23 per cent, compared to the global average of 13 per cent in 2015.

UNDP has a great opportunity to assist the Government in implementing the Transformation Agenda by establishing an effective aid management mechanism and building on resource mobilization strategies. This project will certainly create a positive investment environment, increasing potential economic opportunities and helping young people to build partnership, mobilizing resource and generate revenue under sustainable basis.

Precrafting the design challenge for this project, following insights on Awareness; Motivation, Models, Discrimination and Dependency pursued our country office, when trying and interviewing focused group to find responses to this question: **How might the UNDP enables more young people to become social entrepreneurs?**

1. Awareness

Some young entrepreneurs are practicing social enterprising without being aware of it
Whilst young people understand what entrepreneurship is, few interviewees have heard of social entrepreneurship or understand what it is mean.

2. Motivation

Addressing social problems is not a priority for young entrepreneurs.
Young people want to set up enterprises for themselves, to resolve their own problems and not for the common good.
Young people see resolving social issues as separate from setting up a business and making money out of it.

3. Models

Young people are not exposed to models of successful social entrepreneurs, be them national or international.
Young people do not have experienced entrepreneurs to go to for business advice.
Social entrepreneurship is not part of Business Schools' curricula.

4. Discrimination

Young entrepreneurs often lack credibility when attempting to mobilize resources or partnerships for social enterprises
Young female entrepreneurs feel that they face discriminatory practices because they are young and female

5. Dependency

Many young people are stuck in poorly paid full-time employment which does not allow them to have time and save enough money for their entrepreneurial dreams.
Large companies do not sign loyalty agreements with young entrepreneurs who sell products, making them highly vulnerable to competition.
The dependence on the local market can limit young people's potential for innovation.

¹ Population Census National Statistics Institute (INE) 2015.

² Institut National de la Statistique Profil de la Pauvreté 2012.

This project is an opportunity for the covered Council Cities and the Autonomous Region of Príncipe to leverage environmental and social constraints: Why is social entrepreneurship a difficult venture?

- Prevalence of aid: high dependency of many African nations on ODA
- Potential or actual perceptions of the general public: profit vs. social benefits
- Individual assumptions, perceptions and belief systems: social mission vs. financial profit
- Youth aspirations: pursuit of one own's interest vs. the common good
- Limited entrepreneurial culture & enabling environment/ incentives
- Lack of models of social entrepreneurship

Objective 1

- To demonstrate the financial, environmental and social impact through business means"

Output 1.0: Enhanced awareness and insight about the significance of achieving resource efficiency and build on Social partnership for contribution towards ODS (Eradicate poverty in all its forms and dimensions)

Output 1.1: Recognized financing and investment opportunities in promoting Social Partnership through PPP models;

Output 1.2: Investment on addressing social and environmental problems and making a profit in the process, which young people can reinvest in his/her initiative in order to sustain it.

Objective 2

- To develop a multi stakeholder partnership which can serve as a blue print for further replication of model in other municipality across the country upon completion of the catalytic pilot phase.

Output 2:0 Enhanced awareness and understanding of potentials and benefits of social partnership as common facility in municipalities at business areas and communities level.

CO intend to use the DIM Modality to spend the resources. The project will use innovative technology means to reach and accelerate the delivery of service to the targeted population, starting in the two main District of the Country and scaling-up to other's one . The resources available for this project will also serve to improve monitoring and evaluation of activities to link the result of the project to key stakeholders aiming at leveraging additional resources.

The Social Enterprise to promote social entrepreneurship and Climate Resilient Livelihood Communities' Options among youth thanks to two **mutually reinforcing** caravans:

- A **blue caravan** on enabling environment type of activities funded with Government and traditional development aid funding (i.e. UNDP)
- A **green caravan** on support services for youth interested in social entrepreneurship, initially with contributions of interested business partners, and in the future funded by membership fees and South-South Partnership's Connection

Alignment with facility objectives:

Specify how the purpose aligns with one or both of the objectives of the facility

This project aligns with facility objective, specifically in terms of "visionary interest and innovation", as it is designed to be life changing, whilst also encompassing **SDG 1, 8, 9, 11 & 17**.

It is predominantly innovative in the sense that it will be the first building in the country fully reliable on Social Partnership. This would be a long term investment that will be recovered over time and contribute to achieving SDGs.

The project combines components on skills development, entrepreneurship, access to jobs and finance, awareness raising on issues related to youth development, and promotion of youth inclusion in local and national dialogue. It focus on innovation and using information and communication tools to connect youth to resources (financial and technical), mentors, and policy-makers, among other things.

Alignment with regional priorities: This project aligns with regional priorities particularly on the following areas; advancing Sustainable Development Goals (SDG 1, 8; 9; 11 & 17), the Transformation STP Agenda 2030, the African Union Commission Agenda 2063 and the Global UNDP Programme on Youth Empowerment.

Total amount requested:
(cannot exceed \$500k per CO, for the period 2018-19)

Expected Results

The submitting CO should list the expected benefits and indicators for success.

Financial Benefits

Result 1 Enabling environment type of activities funded in future with Government and traditional development aid funding

Technical Benefits

Result 1

- **Skills Development** in Networking, Resource Mobilisation, Business Planning and Management
- **Exposure** to successful role models in social enterprising
- Opportunities for **placements** as interns, apprentices or volunteers in large enterprises (social or not)
- Access to small **capital**
- Access to group or individual **mentoring and coaching** services

Result 2 Demonstrating food waste model approach and viability in a cost effective and easy to replicate manner

- Obtaining basic young partnership generation data from the communities level and successful pilot project in two main Cities council
- Capacity building of the local authorities on social partnership financing
- Leverage and promote local know-how

Other Benefits:

Environmental Benefits

- Capturing new generation interest for Green Surrounding and Accelerated Transfer of Information (i.e. Green Libraries at Digital Cities Council ...)
- Capturing rural and local communities interest for Air Pollution and Urban Surrounding Degradation
- Reducing Air Pollution and Organic Waste Odors at Urban Surrounding
- Destroying Pathogens and Bacteria that could be harmful to human health
- Reducing the need for fossil fuel-based fertilizers (availability of organic fertiliser)
- Protecting Watersheds through reduction of water and soil pollution from waste

Social Benefits

- Social entrepreneurship among youth
- Agua Grande and Mé-Zochi will become a leader in the country and thus the leader of scaling up activates and building social partnership practices
- Community participation.

Indicators of 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.

Indicator:

Number of Building strategic partnerships with South-South organisations specialized in supporting social entrepreneurship and Environmental Impact Hub

Baseline: 0

Target: 15

Source of data: Project reports; Blue and Green Caravans on Social and Economic Partnerships

Timeline for target: One year

Indicator:

Number of social and economic partnerships built amongst young people through targeted communication and Green Libraries

Baseline: Survey

Target: 150 young people engaged in Social Partnership and Climate Resilient Livelihood Communities' Options.

Source of data: Project reports; Green Libraries

Timeline for target: One year

Indicator:

Developing Awareness enabling **decision-makers** in Government, Business Community and development workers to be engaged with youth social entrepreneurship

Baseline: 0

Target: 7 Blue and Green Caravans; 30 Green Libraries; 55 decision-makers

Source of data: Project reports; Blue and Green Caravans

Timeline for target: One year

Indicator: Number of Young People engaged for a sustainable approach to social entrepreneurship transversal to climate resilient livelihood option; Green markets and Green jobs created

Baseline: 0

Target: 150 Young People; 10 tons of Organic fertilizers 10 Green markets;

Source of data: Project reports; Blue and Green Caravans

Timeline for target: One year

Implementation

Key Activities, Costs, and Timeline:

The submitting CO should identify the implementation plan during 2018-19. The plan should include activities, costings, timeline – activities, estimated costs (total limit is \$500k), and timeline.

Table Control Functionality	Activity Description	Activity Cost	Time Line
Activity 1	Building Strategic and Youth People Partnerships	100.000	Jan – July 2019
Activity 2	Engaging Sustainable Youth People Approach	155.000	Jan – July 2019
Activity 3	Developing Awareness for decision-makers in Government, Business Community and development workers	50,000	Jan – Dec 2019
Activity 4	Small capital (Grants) and individual mentoring and coaching services	195,000	July – Dec 2019

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.

Table Control Functionality	Partner	Role Description
	Senior decision makers from Ministries of Employment and Youth and National Institute of Youth	To provide policy guideline, enforcement and endorsement of the project
	City Council of Autonomous Region of Príncipe	To provide policy guideline, enforcement and endorsement of the project
	Municipalities	Enabling Investment Environment to facilitate the project implementation
	Private Sector Actors through South-South Partnership and Local Youth CSO	To Provide finance and technology.

Risks:

1.The project will not be accepted and supported by all stakeholders

Risk rating: low

2. Social discrimination (emergence of a new class that does not integrate in the related community)

Risk rating: low

Mitigation: **Blue and Green Caravans, developing awareness with all** key stakeholders. This will be pursue along the implementation of the project.

2.External Factors, such as economic, social, political and technological situation will not remain supportive to the project

Risk rating: low

Mitigation:

2.1. The Mayors and the aldermen, as representatives of political forces in the district, for the establishment of a communication and information strategy;

2.2. Attractive innovation practices introduced in the Caravans Agenda;

2.3. Sensitize and empower the community to new management practices; demonstrate the value of these practices from new technologies to monitor and evaluate these new models of management practices that are being implemented with the own beneficiaries

2.4. Creation of microfinance policy; Tax incentives

Contacts

CO Focal Points

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Document submission status

Draft

Document is final