

**Livelihood Support for Vulnerable Youth in São Tomé e Príncipe -  
31 March 2016**

<b>São Tomé e Príncipe 2016</b>	
<b>Appealing Agency</b>	<b>UNDP</b>
<b>Project Title</b>	Livelihood Support for Vulnerable Youth in São Tomé e Príncipe
<b>Project Code</b>	00095776/00099833
<b>Cluster</b>	Basic Social Services
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Provide livelihood support and work experience for unemployed through public work schemes</li> <li>2. Create a vibrant small business development environment through provision of micro-finance support</li> </ol>
<b>Beneficiaries</b>	Unemployed and Vulnerable Youth
<b>Implementing Partners</b>	UNDP, WFP, Department of Labour (Ministry of Health and Social Affairs), Ministry of Defence and Public Order
<b>Project Duration</b>	3 Years (1 December 2016 - 31 October 2019)
<b>Funds Requested</b>	\$3,000,000
<b>Potential Donor:</b>	African Development Bank
<b>Location</b>	Nationwide
<b>Gender Marker Code</b>	<b>GEN1</b>
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***Situational Overview***

The problem of youth unemployment is a critical one for São Tomé and Príncipe (STP). Youth between the ages of 15 and 24 already make up some 52% of the population. This percentage is likely to increase even further given that the number of young people is growing at a faster rate than that of the overall population (2% against just over 1%) According to IMF's 2011 world economic outlook, the unemployment rate in STP stood at 15.1% in 2010. Furthermore, the lack of sustainable and reliable, full time employment is a matter of concern. This situation is further exacerbated by the government's inability to develop a youth employment policy and generate employment for young people, which has resulted in the youth of STP becoming the most vulnerable segment of the population. This reality is retarding economic prosperity and could potentially lead to political instability. Underlining this challenge is the average post-graduation period of inactivity, which is estimated at five years.

In response to this situation, the UN Framework for Development Action Plan (2012-2016) stipulated as the second of its four principal objectives facilitating greater access to productive resources, especially young people and women, to reduce their vulnerability. This project will support this aim, in particular the second component, by helping to strengthen the Government's efforts to address structural economic inequalities by providing job opportunities and supporting small-scale entrepreneurial ventures that will capitalize on the recent advances in literacy rates in STP.

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This project supports Pillars 2 and 4 of the Government's National Development Strategy a) the creation of a favourable environment for sustainable and integrated economic growth that will permit income distribution and employment creation and b) improving social cohesion and social inclusivity by alleviating poverty, supporting the most vulnerable groups, creating employment opportunities and ensuring equal opportunities for men and women. As highlighted in the UN Common Country Assessment for STP, women have benefited less from job opportunities despite the country's commitment to ensuring gender equality. This project will help redress this imbalance.

This project will contribute to the achievement of the Sustainable Development Goals (SDG8; SDG10; SDG13) outlined in Table 1 below:

**Table 1: Project Support to SDG Attainment**

<b>Sustainable Development Goals</b>	
<b>SDG 8</b>	<b><i>Promote strong, inclusive and sustainable economic growth and decent work for all.</i></b>
<b>SDG 10</b>	<b><i>Reduce inequality within and among countries</i></b>
<b>SDG 13</b>	<b><i>Promote actions at all levels to address climate change</i></b>

### **Project Objectives**

- Provide work experience and training for unemployed local youth
- Create a vibrant small business development environment in STP

### **Anticipated Outcomes**

- Tackle the current high level of youth unemployment and vulnerability
- Provide direction and business development assistance to the youth of São Tomé e Príncipe to deter them from partaking in anti-social activities.
- Inject capital into vulnerable local communities to generate cash flow and provide stimulus to local businesses and community development
- Support youth who successfully complete their public work assignment in the establishment of small business venture through micro-finance support
- Provide business development capacity building support to the project's local counterparts in the Department of Labour, Ministry of Health and Social Affairs

### **Project Strategy**

Youth who have completed their education but have been unable to obtain regular or sustained employment since will be eligible for inclusion on this scheme. Districts where there exist particularly high levels of youth unemployment and an absence of economic development will be prioritised.

The Ministry of Defence and Public Order through the STP army will supply training personnel (Sergeant Majors) for a 'boot camp' preceding the public work assignments. These boot camps will prepare the unemployed youth for the 'discipline' of successfully completing their public work assignments. During the boot camp, the trainees will be allocated to various locations for their training.

Upon completion of the one month boot camp training period, the youth will be assigned to various public work schemes for a period of nine (9) months. Preference will be given to public works schemes in vulnerable regions that promote environmental sustainability including improving access to safe water and sanitation. Priority regions for public work

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schemes will be selected by reference to the STP Poverty Assessment database prior to the project's commencement.

During their public work assignments, the youth will receive a monthly stipend of US\$52.50 (equivalent to the minimum wage of 975,000 dobras) and receive training on business development (business plan preparation, finance, marketing including assessing market needs and the availability of resources locally to enable the establishment of a business venture at a reasonable cost). This will prepare trainees for the initiation of a micro-financed project at the end of their public work assignment. As part of this training they will prepare a business plan, with the project's support, for submission to the Central Bank.

Finalised business plans will be assessed on a standard commercial basis by the Central Bank and upon approval credit will be provided to launch the proposed enterprise. This credit will be made available at a preferable rate of interest to the project's successful trainees. The extended loans will be guaranteed by the project through a reserve of US\$1.5 million dollars that will be deposited as a surety with the Central Bank.

Upon successful completion of the public work assignment and after the business plan submission process, there will be a two month period where participants will be trained on micro-finance management and assisted in the initial stages of launching their business.

Capacity building support for the project's local counterparts at the Department of Labour will be provided on how to support local small-scale businesses in the development and assessment of business plans, effective financial management, marketing and so forth. This will ensure sustainability of the project's achievements by providing the Department of Labour with personnel who will be equipped to undertake similar initiatives in the future as well as to cultivate and foster small-scale indigenous enterprises in general.

Monitoring and Evaluation (M & E) of project progress will be carried out by the WFP in close cooperation with senior personnel assigned by the STP Department of Labour and the Army. Upon identification of any problem areas impacting negatively upon project activities during the M & E process, immediate corrective measures will be identified and implemented. The project will also be audited by an independent local company.

This project will make use of the resources of São Tomé e Príncipe to ensure project costs are kept to a minimum while also helping develop local capacity that can be utilised in the future to replicate similar interventions at an optimal cost. Furthermore, the tents and other utensils that are acquired for the boot camps will be made presented to the country's disaster response units in the municipalities at the conclusion of the project.

### ***Project Funding***

This project requires US\$3 million in funding from external sources. The government of STP will contribute to this project by providing military personnel and locations for the base camp training as well as identifying suitable public works, supervising participants in these schemes and providing business support for the establishment of the successful trainees' small business ventures. UNDP will absorb the cost of provision of support services to the project from its office in São Tomé e Príncipe.

### ***Partner Roles and Responsibilities***

#### ***UNDP***

- The project will engage a qualified international consultant who will ensure the successful implementation of all the project's activities. Backstopping and technical assistance support will also be provided by the UNDP office in STP

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WFP

- In partnership with the Department of Labour and the Ministry of Defence, WFP and the municipality administrations, WFP will identify and prioritise the social infrastructure works to which the project trainees will be assigned
- Assist and provide capacity building training to the works' monitoring teams and issue reports on progress
- Assist in the procurement of accommodation/tents locally for the staging of the boot camps
- Will be responsible for monitoring and evaluation of project activities in cooperation with senior officials assigned by the Department of Labour and the STP Army

Department of Labour, Ministry of Health and Social Affairs

- Will have responsibility for the overall management of the project
- Will help define the most vulnerable locations in terms of unemployed youth
- Will manage the public works schemes and assess performance of the project's participants
- Will support youth who successfully complete their public works' assignments in the establishment of their new business

Ministry of Defence and Public Order

- Will run the initial one month 'boot camps' for the selected vulnerable youth - provide personnel and training locations
- Will supervise and monitor the performance of the youth at the 'boot camps' and in coordination with the project assess their suitability for inclusion in the public works schemes