



United Nations Peace Fund for Nepal (UNPFN)
ANNUAL PROGRAMME NARRATIVE PROGRESS REPORT
REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2009

Submitted by:

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Country and Thematic Area¹

Nepal; youth employment and empowerment for peace building

Programme No: UNPFN/F-1

MDTF Office Atlas No: 00072058

Programme Title: Jobs for Peace 12,500 youth employed and empowered through an integrated approach

Participating Organization(s):

International Labour Organization (ILO) and United Nations Food and Agriculture (FAO)

Implementing Partners:

- Local NGOs and specialist service providers

Programme Budget (from the Fund):

ILO: US\$ 1,851,785

FAO: US\$ 804,215

TOTAL : US\$2,656,000

Programme Duration (in months): 24 Months

Start date²: 18.3.2009

End date: 31.3.2011

Budget Revisions/Extensions:

None to date

¹ E.g. Priority Area for the Peacebuilding Fund; Thematic Window for the Millennium Development Goals Fund (MDG-F); etc.

² The start date is the date of the first transfer of funds from the MDTF Office as Administrative Agent.

I. Purpose

Provide the main outputs and outcomes/objectives of the programme.

OBJECTIVE:

- To contribute to national peace building and poverty reduction through engaging youth in productive employment activities and empowerment

IMMEDIATE OBJECTIVES:

- To increase opportunities for productive employment and income generating activities for youth, focusing on un(der)employed, and particularly marginalized poor youth
- Youth-led creation of opportunities for productive and decent work, enhanced productivity and enhancement of societal linkages to promote peace building
- Increased gender and disadvantaged groups equality in work opportunities

OUTPUTS:

- **Output 1:** 20,000 work-days of employment created for youth (at least 40% for socially excluded groups) while improving/constructing community-based infrastructure
- **Output 2:** At least 3,000 youth jobs created either in wage employment or self employment through skill enhancement programmes
- **Output 3:** 4,000 jobs created for young people through the establishment of 2,000 youth-led enterprises
- **Output 4:** Partnering with financial service providers and establishment of a guarantee fund, to facilitate access to financial services for youth, for setting up and developing their enterprises.
- **Output 5:** 30 youth cooperatives strengthened/formed with linkages to private sector to support at least 4,500 youth cooperative members and their families for increased technical skill and income
- **Output 6:** 1,000 employed and empowered through trust fund for youth-led projects.
- **Output 7:** At least 25 youth-led initiatives to empower and employ youth and to promote sports, music and arts financed and running.

Explain how the Programme relates to the Strategic (UN) Planning Framework guiding the operations of the Fund.

- The 2008 United Nations Peace Fund for Nepal (UNPFN) priority plan identified “Community Recovery” as one of the priorities: under the “Community Recovery” element, specific reference is made to “employment and youth empowerment by providing alternative options for members of youth movements including skills training and employment opportunities in conflict-affected and other vulnerable areas”. The Jobs for Peace (J4P) Project is responsive to creating more employment and economic opportunities for youth to contribute to peace and development in conflict-affected and vulnerable Nepali districts.
- The relevant framework at the national level is the United Nations Development Assistance Framework (UNDAF) 2007-09, recently extended for a further two years, and the Government of Nepal Three Year Interim Plan (TYIP) 2007-10, also recently extended for a further two years. The J4P Project relates to the prevailing TYIP and UNDAF strategies as follows:

RELEVANT GoN 3-YR INTERIM PLAN 2007-10 STRATEGY	RELEVANT UNDAF 2008-10	RELEVANT J4P PROJECT OUTCOMES & OUTPUTS
Inclusive development process and carry out targeted programs (with emphasis on supporting development through the inclusion of communities, regions and gender excluded from all processes of development).	UNDAF National Priority/Goal #4: Social Justice and Social Inclusion <ul style="list-style-type: none"> • <u>UNDAF Outcome:</u> Respect, promotion and protection of human rights strengthened for all, especially women and the socially excluded, 	The project’s overall and immediate objectives as well as the project’s outputs have specific beneficiary targets for gender and disadvantage groups.

	for sustained peace and inclusive development.	
Increase investment in physical infrastructure (particularly development of physical infrastructure, using new concepts as well as regular maintenance and quality improvement)	UNDAF National Priority/Goal #2: Quality Basic Services <ul style="list-style-type: none"> • <u>UNDAF Outcome</u>: Socially excluded and economically marginalized groups have increased access to improved quality basic services 	Project Output #2 is dedicated to immediate job creation for youth through increased investment in the provision and maintenance of community infrastructure
Achieving employment-oriented, pro-poor and broad-based economic growth [with special emphasis on agriculture and big projects with capacity to generate jobs especially projects providing more employment to women, Dalit, indigenous (Adibasi) Janajati, youth and Madhes: for economic prosperity, strategies will be adopted to make the role of the private sector and cooperatives effective]	UNDAF National Priority/Goal #3: Sustainable Livelihoods <ul style="list-style-type: none"> • <u>National Priority or Goal</u>: (1) New and decent employment and income opportunities; (2) infrastructure, especially rural infrastructures. • <u>UNDAF Outcome</u>: By 2010, sustainable livelihood opportunities expanded, especially for socially excluded groups in conflict-affected areas • <u>CP Outcome C.1</u>: Policies, programmes and institutions improved for poverty reduction, better economic opportunities and protection of workers • <u>CP Outcome C.1.1</u>: Employment and income opportunities under safe conditions and access to financial services enhanced and diversified, especially for youth and excluded groups 	The project is significant in its scale for achieving broad-based employment creation in the two target districts including the targeting of the cooperatives and the private sector with specific gender and disadvantaged group beneficiary targets. Private enterprises are more competitive, create more jobs and local income

- The relevant MDG to which the project primarily contributes is MDG#1.

II. Resources

Financial Resources:

- Resources provided by the UNPFN as stated on the cover page

Human Resources:

- ILO: 2# National Professional staff; 1# National Operations staff
- FAO: 3# National Professional Staff; 2# National Operations Staff

III. Implementation and Monitoring Arrangements

Summarize the implementation mechanisms primarily utilized and how they are adapted to achieve maximum impact given the operating context.

- Following early consultations with District Authorities in Parsa and Rhautat, a number of Village Development Committees³ (VDCs) were prioritized for targeting.
- The main implementation mechanism primarily utilized is the contracting of qualified local and regional consultants, individual and organizational training service providers, trainers and service provider organizations, financial services providers and other local implementing partners.
- Maximum impact is achieved by FAO and ILO provision of Training-of-Trainer (ToT) and other technical assistance to trainers and service providers prior to and during delivery using FAO and ILO tested tools and methodologies.
- FAO and ILO will duly develop inter-agency procedures for selecting and financing contracts under Output #6 (Employment Fund for youth-led projects) during the first quarter of 2010.

³ Nepali Districts are administratively divided into VDCs, and if relevant, municipalities.

Provide details on the procurement procedures utilized and explain variances in standard procedures.

- Standard FAO and ILO procurement procedures are utilized with no variances.

Provide details on the monitoring system(s) that are being used and how you identify and incorporate lessons learned into the ongoing project.

- It is expected that the programme logical framework will be refined and revised somewhat during early 2010 to facilitate sharper measurement of results and reflect some changes in implementation strategies for Outputs #2, #4 and #5 as elaborated in Section V below.
- A results measurement system (MS excel and access database) covering beneficiary baseline data collection and impact progress and final measurement and reporting will be designed during the first quarter of 2010 for Outputs 1 to 4 inclusive: the system will be elaborated for Outputs 5 to 7 during the second quarter of 2010.
- FAO field staff will collect baseline and progress measurement data for their relevant components of Outputs #2, #3, #5 and #6.
- ILO field staff and implementing partners will collect baseline and progress measurement data for Output #1.
- ILO will provide service providers and implementing partners with the skills and systems to collect and report baseline and progress indicator information for ILO components of Outputs #2, #3, #5 and #6, and for ILO's Outputs #4 and #7: quality assurance on service provider and implementing partner delivery and reporting accuracy will be provided by a combination of national consultant technical backstoppers and the ILO field team.
- The FAO-ILO monitoring systems allow for the early identification of any constraints and deficiencies in service provider delivery and reporting for early correction during the course of implementation.

Report on any assessments, evaluations or studies undertaken.

- The following studies/assessments were completed to guide FAO and ILO implementation strategies and targeting.
 - FAO and ILO joint Technical Mission for review and elaboration of strategies for Outputs 1, #2, #3 and #4 of the programme.
 - FAO locational cooperatives mapping, needs assessments and recommendations in support of strategy and intervention planning for ILO components of Outputs #3 and #5.
 - ILO locational financial risk assessment of micro and small enterprise opportunities to facilitate training of Business Development Services (BDS) providers and their subsequent guidance of youth into viable enterprise opportunities under Output #3.
 - ILO Local Competitive Advantage (LOCA) exercise in support of strategy and intervention planning for ILO components of Outputs #2, #3 and #5.

IV. Results

Provide a summary of Programme progress in relation to planned outcomes and outputs; explain any variance in achieved versus planned outputs during the reporting period.

- While it was planned that the majority of activities for Outputs #1, #3 and #5 activities would be underway by October 2009 to commence contributing to programme outputs and outcomes, this was not possible for the reasons elaborated in the third sub-section of Section IV below.
- The major progress in relation to planned outcomes and outputs has been on FAO's component of Output #2 with FFS and JFFLS beneficiary training targets met: the measurement of target outcomes and outputs as regards impact on increased incomes and employment for target beneficiaries will be measured by FAO field staff during the course of 2010.

Report on the key outputs achieved in the reporting period including # and nature of the activities (inputs), % of completion and beneficiaries.

- **Output #1 (ILO):**
 - Identification and planning of community infrastructure projects is on-going and the first of several community contracts is under implementation as of 31 December 2009: it is planned to have all contracts under implementation by 1 April 2010 and as many as possible completed before the onset of the monsoon rains from early July 2010.
 - It appears that the Output target of 20,000 paid workdays created for 200 youth beneficiaries will be duly exceeded.
- **Output #2 (FAO):**
 - The target beneficiary numbers for FAO on this component is 2,400# youth with increased incomes from agri-business and agricultural labour opportunities.
 - The key outputs are 50# FFS/JFFLS facilitators trained and onward training of 1,200# FFS, 720# JFFLS and 480# individual youth farm skills training (combined = 100% target beneficiaries met) completed while meeting the targets of 33% women and 40% disadvantaged groups beneficiaries.
- **Output #2 (ILO):**
 - As per the strategy changes elaborated in Section V below, the ILO is focusing on vocational training of 600# youth beneficiaries for employment.
 - The contracting of identified vocational training service providers has commenced and the delivery of six-month training and job placement services interventions are expected to commence from March/April 2010.
- **Output #3 (ILO):**
 - ILO targets the training of 3,556 youth entrepreneurs for micro and small enterprise start-up and expansion: the first phase of ILO's training-of-trainers (18#) from selected BDS service providers was completed in December 2009 and the second phase (18#) is planned for January 2010.
 - The contracting of selected service providers has commenced and the delivery of six-month training and post-training counseling services is expected to commence from February/March 2010.
- **Output #3 (FAO):**
 - FAO is designing an action programme targeting increased incomes for 229 members of a milk cooperative that will be activated in early 2010.

- **Output #4 (ILO):**
 - ILO is in the process of redesigning an action programme and activities for this component that will be activated during the second quarter of 2010 (see also strategy changes elaborated in Section V below).
- **Output #5 (FAO):**
 - Pursuant to the cooperatives locational field assessment completed during in late 2009, the FAO will identify and activate an action programme targeting 2,250 youth during early 2010.
 - ILO will develop its strategy and for targeting of cooperatives and communities during the first quarter of 2010 and implement it from the second quarter.
- **Output #6 (FAO and ILO):**
 - The Application Form and Guidelines for the Youth Employment Fund targeting 1,000 youth beneficiaries from youth-led organizations will be developed and published by the end of the first quarter and interagency arrangements also completed during this period: implementation of qualifying applicant grant contracts will commence in May 2010 for completion on/before mid-November 2010.
- **Output #7 (ILO):**
 - The Application Form and Guidelines for the Youth Empowerment Fund targeting at least 25 initiatives from youth-led organizations will be developed and published by the end of the first quarter and implementation of qualifying applicant grant contracts will commence in May 2010 for completion on/before mid-November 2010.

Explain, if relevant, delays in programme implementation, the nature of the constraints, actions taken to mitigate future delays and lessons learned in the process.

- The planned six-month inception phase of the project was delayed by the four month annual climatic window of July-October when start-up field activities are severely curtailed firstly by lack of motorable road access to project sites during the monsoon rains (July-September), by the annual high festival season during October when clients and stakeholders are generally not available, and the annual December UN agency annual financial year closure work.
- The subsequent implementation of action programmes and activities during 2010 will be planned so as to avoid the above period.

List the key partnerships and collaborations, and explain how such relationships impact on the achievement of results.

- The first key partnership is with the local authorities (DDCs) in each district so that the selection process of locations and beneficiaries is given legitimacy.
- Implementation partnerships with local service providers and trainers are maximized as these partners are best placed in terms of knowledge and experience of local operating conditions, beneficiary locational targeting and delivery systems to impact favorably on the achievement of results.

Other highlights and cross-cutting issues pertinent to the results being reported on.

- None to report for 2009.

V. Future Work Plan (if applicable)

Summarize the projected activities and expenditures for the following reporting period (1 January-31 December 2010), using the lessons learned during the previous reporting period.

- The work and expenditure plan for ILO for 2010⁴ is attached.
- The major changes in strategies that will be duly reflected in a revised logical framework and budget submission to the UNPFN are as follows:
 - **Output #2 (ILO):** ILO's strategy for employment creation under this component is based on vocational skills training: the original community economic development strategy is relocated to Output #5.
 - **Output #4 (ILO):** It was originally envisaged that a guarantee fund would be put in place with selected service providers to support the extension of credit to relevant project youth beneficiaries. However, and as noted by the FAO-ILO Technical Mission, the history of the success of guarantee funds in Nepal is very poor with little incentive on the part of participating financial service providers to enforce loan recovery collection systems, and high levels of loan default and business failure. The FAO-ILO Technical Mission recommended that impact would be enhanced with resources invested in strengthening the capacity of BDS providers contracted for delivery for Output #3 and selective financial services providers (FSPs) to provide onward financial literacy education and financial risk analysis training and planning to target youth in order to facilitate more sustainable access to finance, as well to assist FSPs to develop/improve specific FS products for youth. While less project resources would be required to implement this revised component, any surplus will need to be reallocated to achieving/enhancing the results of other outputs due to unforeseen cost increases in local service provider and implementing partner contracting.
 - The above changes would not affect the objectives and outputs of the project and would enhance delivery and impact.
 - **Output #5 (ILO):** ILO's strategy will be based on a combination of cooperative building and community economic development.
- A logical framework and budget revision reflecting the above will be submitted to the UNPFN for review and approval during the first quarter of 2010.

VI. Performance Indicators (optional)⁵

- To be considered in 2010 progress and annual reports as relevant.

VII. Abbreviations and Acronyms

BDS	Business Development Services
DDC	District Development Committee
FAO	(United NATIONS) Food and Agriculture Organization
FFS	Farmer Field School
FS	Financial Services
FSP	Financial Services Provider

⁴ See ANNEX 1A attachedO.

⁵ E.g. for the UNDG Iraq Trust Fund and the MDG-F.

ILO	International Labour Organization
JFFLS	Junior Farmer Field Life School
MDGs	Millennium Development Goals
MS	Microsoft
ToT	Training-of-Trainers
TYIP	(Government of Nepal) Three Year Interim Plan
VDC	Village Development Committee
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNPFN	United Nations Peace Fund for Nepal

ANNEX 1A
 JOBS for PEACE PROJECT NEPAL: ILO WORK PLAN & EXPENDITURE FORECAST 2010

REF	OUTPUT-ACTIVITY-TASK	WORK PLAN 2010												EXPENDITURE FORECAST 2010				
		J	F	M	A	M	J	J	A	S	O	N	D	QTR 1	QTR 2	QTR 3	QTR 4	Total
														us\$	us\$	us\$	us\$	us\$
1	OUTPUT 1 (EIIP)																	
1.1	Project Technical Planning (ILO)																	
1.2	Implementing Partner Contracting and Payments																	
1.3	Nat Consultant #1																	
1.4	Nat Consultant #2																	
1.5	Stakeholder KMS Workshop																	
SUB-TOTAL OUTPUT #1:												29,800	178,850	66,800	13,933	289,383		
2	OUTPUT 2 (Vocational Training)																	
2.1	Project Technical Planning (ILO)																	
2.1	VT Service Provider Contracting and Payments																	
2.1	Soft Skills Service Provider Contracting and Payments																	
2.1	Nat Consultant for SP Delivery Mon & TVET Cap Bldg																	
SUB-TOTAL OUTPUT #2:												0	39,800	142,677	73,300	255,777		
3	OUTPUT 3 (SIYB)																	
3.1	ToT SIYB																	
3.2	Project Technical Planning (ILO)																	
3.3	BDS Provider Contracting and Payments																	
3.4	Nat Consultant for SP Delivery Monitoring																	
SUB-TOTAL OUTPUT #3:												43,100	103,522	197,076	114,793	458,491		
4	OUTPUT 4 (Financial Services)																	
4.1	RISK ANALYSIS TRAINING for BDS & FS PROVIDERS:																	
4.1.1	BDS Providers Orientation Workshop Costs																	
4.1.2	ILO Delhi Mission Costs for Or Workshop																	
4.1.3	International Expert Inputs																	
4.1.4	Int Expert Training Workshops																	
4.2	ACCESS to FINANCIAL SERVICES:																	
4.2.1	Nat Consultant Mapping of FS Demand & Providers																	
4.2.2	Meetings with FS Providers - HQ Mission																	
4.2.3	FSP Youth FS Products Tech Ass - ITC Mission																	
4.2.4	FSP Youth FS Products Tech Ass - Workshops																	
4.2.5	FSP FLE Training & FS Delivery to Youth Support																	
SUB-TOTAL OUTPUT #4:												0	54,816	21,000	9,000	84,816		
5	OUTPUT 5 (Cooperatives & Communities)																	
5.1	STRATEGY:																	
5.1.1	RFP Design, & App Screening & Selections (ILO)																	
5.2	TECHNICAL ASSISTANCE																	
5.2.1	Nat Consultant, Mkt Opportunities & Mkt Linkages																	
5.2.2	Nat Consultant - CED Process Bldg Training																	
5.2.3	Provision for Infra Consultant																	
5.3	INTERVENTIONS																	
5.3.1	Implementing Partner Contracting and Payments																	
5.3.2	Implementing Partner Training Workshops																	
SUB-TOTAL OUTPUT #5:												0	29,800	163,400	100,271	293,471		
6	OUTPUT 6 (Youth Employment Fund)																	
6.1	PLANNING:																	
6.1.1	RFP Design, & App Screening & Selections (ILO)																	
6.1.2	ILO-FAO Interagency Arrangements																	
6.2	TECHNICAL ASSISTANCE																	
6.2.1	Nat Consultant TA & Monitoring O6 & O7																	
6.3	INTERVENTIONS																	
6.3.1	Implementing Partner Contracting and Payments																	
6.3.2	Implementing Partner Training Workshops																	
SUB-TOTAL OUTPUT #6:												0	8,700	44,900	31,200	84,800		
7	OUTPUT 7 (Youth Empowerment Fund)																	
7.1	PLANNING:																	
7.1.1	RFP Design, & App Screening & Selections (ILO)																	
7.2	TECHNICAL ASSISTANCE																	
7.2.1	Nat Consultant TA & Monitoring O6 & O7 (per 6.2.1)																	
7.3	INTERVENTIONS																	
7.3.1	Implementing Partner Contracting and Payments																	
7.3.2	Implementing Partner Training Workshops																	
SUB-TOTAL OUTPUT #7:												0	15,000	80,000	40,000	135,000		
GRAND TOTAL:												72,900	430,488	715,853	382,497	1,601,738		