



**NEPAL**

<b>United Nations Peace Fund for Nepal (UNPFN) Project Status Update</b>  <b>October to December 2010</b>			
<b>Participating UN Organization:</b>	ILO and FAO	<b>UN Fund cluster and Nepal PBF Priority area:</b>	Quick Impact project
<b>Project number:</b>	PBF/NPL/D-1 (UNPFN/C-1)	<b>Funding round Strategic Outcome:</b>	
<b>Project Title:</b>	<b>Jobs for Peace: 12,500 Youth Employed and Empowered through an Integrated Approach</b>		
<b>Total approved project budget:</b>	Total 2,656,000 ( ILO: \$1,851,785, FAO: \$804,215)		
<b>Funds committed:</b>	\$2,453,411 ( ILO: \$1,649,196 FAO: \$ 804,215)	<b>% of approved:</b>	92.37 % (ILO: 89% FAO: 100%)
<b>Funds disbursed:</b>	\$1,788,554 (ILO: \$1,143,317 FAO: \$645,237)	<b>% of approved:</b>	67.34% (ILO: 62% FAO: 88.23%)
<b>Forecast final date:</b>	31 May 2011	<b>Delay (months):</b>	2 Months (ILO)
<b>Anticipated total project duration:</b>	26 months		

**REPORT ACRONYMS USED:**

BDS	Business Development Services
CAP	Conflict Affected Peoples
CEE	Community Economic Empowerment
FAO	(UN) Food and Agriculture Organization
FFS	Farmer Field School
FLE	Financial Literacy Education (training)
FS	Financial Services
FSP	Financial Services Provider
ILO	International Labour Organization
IPs	Implementing Partners
JFFLS	Junior Farmer Field Life School
MoPR	Ministry of Peace and Reconstruction
SIYB	Start and Improve Your Business
TOPE	Training of Potential Entrepreneurs

TOSE            Training of Starting Entrepreneurs  
 TOEE            Training of Existing Entrepreneurs  
 VAHW           Village Animal Health Worker  
 VT                Vocational Training

Objectives	Progress: achievements / results	% of planned
<p><b>Overall Objective:</b>            To contribute to national peace building and poverty reduction through engaging youth in productive employment activities and empowerment</p>	<p><b>Indicators:</b>            - Perceived decrease in youth-led illegal/destructive incidences in selected communities by the end of year two.            - % increase of youth participation in productive and constructive activities</p>	<p>n/a (forms part of final project results reporting)</p>
<p><b>Immediate Objectives:</b>  <b>I.</b> Targeted young women and men engaged in productive employment and economic opportunities with increased gender and disadvantaged group equality in work opportunities   <b>II.</b> Youth empowered to address youth priorities while contributing to dialogue and mutual understanding for peace building</p>	<p><b>Indicator #1:</b> Productive employment opportunities created for 12,500# young men and women (including targeting 33% women and 40% disadvantaged group beneficiaries)   <b>Indicator #2:</b> # Additional spin-off jobs created by beneficiary youth businesses and cooperative enterprises for youth and others             - Outreach of youth-led empowerment projects (including targeting 33% women and 40% disadvantaged group beneficiaries) and impact in addressing youth priorities while contributing to dialogue and mutual understanding for peace building</p>	<p>84%             n/a (forms part of final project results reporting)             70%</p>
<p><b>Output 1 (ILO):</b>            Quick-impact jobs created for youth through the provision and maintenance of community infrastructure</p>	<p><b>Indicator #1.1:</b> At least 20,000 paid workdays created for 200# young women and men (at least 40% from socially excluded groups) in the provision and maintenance of productive community infrastructure   <b>Indicator #1.2:</b> Actual quantifiable productive community infrastructure provided/maintained</p>	<p>152%;            30,423 paid workdays created and 80% of physical works sub-projects completed; the information for indicator #1.2 will be provided in the final</p>

		project report
<p><b>Output 2 (FAO &amp; ILO):</b> Capacity of target youth to start/expand farm enterprise activities and to secure gainful agricultural and off-farm employment opportunities strengthened through enabling and facilitating services for farm technical skills training and upgrading, and vocational skills training and job placement services (target = 3000# youth)</p>	<p><b>Contributions to Immediate Objective I:</b> <b>Indicator #2.1:</b> Expected new/improved productive agri-enterprise and farm labour incomes of up to 2,400# and productive wage incomes of 600# young women and men trainees (with gender target of 33% and disadvantaged group target of 40% met) <b>Indicator #2.2:</b> # FFS/JFFLS facilitators/coordinators trained and facilitated to deliver farming skills training to # beneficiaries <b>Indicator #2.3:</b> # functional FFS and JFFLS established and # youth trained and type training <b>Indicator 2.4:</b> 6# Vocational Training service providers facilitated to deliver various vocational training services to at least 600# young men and women for employment</p>	<p>n/a (forms part of final project results reporting)</p> <p>95% complete</p> <p>100% complete</p> <p>100% complete</p> <p>76% youths are under productive employment</p>
<p><b>Output 3 (FAO &amp; ILO):</b> Target youth productive farm and off-farm enterprises skills and knowledge enhanced through entrepreneurship training (target = 4000# youth)</p>	<p><b>Contributions to Immediate Objective I:</b> <b>Indicator #3.1:</b> Expected productive enterprise incomes of up to 4000# young men and women from productive farm and off-farm enterprises (target 50% young women beneficiaries and 40% from disadvantaged groups) (ii) #/Type enterprises started/expanded by beneficiaries <b>Indicator #3.2:</b> 36# local BDS trainers trained and 15# service providers employing the trainers delivering SIYB services to # youth beneficiaries</p>	<p>84% youths have started and improve their businesses</p> <p>100% complete</p>
<p><b>Output 4 (ILO):</b> Access to finance for potential young entrepreneurs facilitated through improved availability of information on financial products, enhanced capacity of FSPs to reach the target group with appropriate financial products, and through financial literacy education (new target = 1400# youth)</p>	<p><b>Contributions to Immediate Objective I:</b> <b>Indicator #4.1:</b> 1,000# existing self-employed youth experiencing/expecting to secure stabilized/maintained/improved net business incomes (target 33% young women beneficiaries and 40% from disadvantaged groups) incomes as a results of Financial Literacy Education training and access to Financial Services <b>Indicators #4.2:</b> Type financial services accessed by # beneficiaries <b>Indicators #4.3:</b> (6# Financial Service Providers trained in financial literacy education, and financial risk analysis and planning for onward training of target youth <b>Indicators #4.4:</b> # target youth trained in financial literacy education and provided with access to financial services</p>	<p>67%</p> <p>67%</p> <p>100% completed</p> <p>67%</p>
<p><b>Output 5 (FAO &amp; ILO):</b> Cooperatives and</p>	<p><b>Contributions to Immediate Objective I:</b> <b>Indicator #5.1:</b></p>	

<p>communities strengthened to become competitive/more competitive and entrepreneurial to create more jobs and incomes, and to involve more youth members (target = 4500# youth and at least 30# cooperatives)</p>	<p>Actual/expected increased enterprise incomes of at least 3,500# youth beneficiaries from 30# cooperatives (target 33% young women beneficiaries and 40% from disadvantaged groups)</p> <p><b>Indicator #5.2:</b> (i) #/Type of cooperative enterprises (ii) #/Type of cooperatives linked with the private sector</p> <p><b>Indicators #5.3:</b> (i) # community group youth members of # community groups experiencing/expecting increased business incomes (target 33% young women beneficiaries and 40% from disadvantaged groups) (ii) # community groups with action plans</p>	<p>100% completed</p> <p>100% complete</p> <p>100% complete</p>
<p><b>Output 6 (FAO &amp; ILO):</b> Productive employment and economic opportunities created for youth through youth-led employment schemes (target = 1000# youth)</p>	<p><b>Contributions to Immediate Objective I:</b> <b>Indicator #6.1:</b> Actual/expected increased enterprise incomes of at least 1000# youth beneficiaries (target 33% young women beneficiaries and 40% from disadvantaged groups) <b>Indicator #6.2:</b> #/Type of youth self-employment/group enterprises</p>	<p>100% complete</p> <p>69% complete</p>
<p><b>Output 7 (ILO):</b> Youth-led empowerment opportunities provided addressing youth priorities while contributing to dialogue and mutual understanding (target = 25# interventions)</p>	<p><b>Indicators #7.1:</b> (i) At least 25# youth empowerment interventions; and, (ii) Type interventions and #/type beneficiaries</p> <p>- #/Type of empowerment interventions (at least 25#) - Total # youth beneficiaries and % women and disadvantaged youth</p>	<p>88% complete</p>

### Qualitative achievements against objectives and results and any challenges

#### SUMMARY HIGHLIGHTS (October-December 2010):

The project is on track to achieve its overall target outcome of 12,500# jobs for target youth in Parsa and Rautahat Districts in Nepal, and all project resources are committed/earmarked as of 31 December 2010. Based on the progress report of the implementing partners, 10,557# youth got wage/self employed in various occupations out of total target 12,500# by this project so far. To briefly revisit the project strategy, the main emphasis of the project is quick-impact job creation either wage or self employment for the target groups using various proven, quick-impact job creation approaches (i.e., Components #1-6 of the project outputs), as well as some space for creative youth empowerment projects driven by local youth and their organizations (i.e. Component #7 of the project outputs). A project self-assessment/evaluation is completed. Major findings of self evaluation is as follows;

- The current forecast for the outreach of job creation activities to target youth is a commendable 96% coverage of the overall project target of 12,500# youth target.

- The project is currently expected to achieve a highly satisfactory actual job creation impact of around 68% of the target of 12,500# youth: this target is over-ambitious given the level of resources provided and the short implementation timeline.
- With one exception, the project's job creation output components contributing to the project's immediate employment objective (i.e. outputs #2 to #6 inclusive) are contributing are performing well: the components are not integrated to enhance job creation impact which would have been desirable and may still be possible.
- The infrastructure works component (output #1) is out-performing all other project components as regards expected achievements compared with targets.
- The original project design has some fundamental deficiencies that should be addressed in any future replications: tighter original design and a far quicker start could have contributed to a greater scale of impact as time adequately measure it.
- The project sites selected by the local partners in the target districts are dispersed across a wide geographical area contributing considerable logistics difficulties for start-up, implementation and monitoring.
- The effort made by the National Programme Manager (NPM) and the small FAO and ILO project teams supported by national consultants and ILO and FAO technical backstops in programming all project activities and resources in difficult circumstances is to be highly commended.

UNPFN has approved the extension of the project until May 2011 to complete all the activities. FAO will complete all its activities by the end of March 2011. Some project logical framework and budget revisions resulting from this extension and other changes in the composition of activities for the target outputs were also approved by the UNPFN. The major changes made was incorporated the target under component #4 and reduced the same number of target from component #4. Output wise progress overview of the project components including challenges, etc., follows;

#### **OUTPUT #1 (ILO), EMPLOYMENT-INTENSIVE INFRASTRUCTURE PROJECTS:**

The project is on course to significantly exceed the output target of 20,000# paid workdays through implementing 16 labour intensive infrastructure sub-projects as the selected projects are labour intensive and less use of external materials where maximum labour have been mobilized for short term employment and also some projects being implemented in collaboration with Govt. line agencies in material contribution part. All infrastructure projects being implemented by community asset user groups managed by youth, actual productive community infrastructure targeted includes such as agricultural road rehabilitation and improvement (9 projects), collection/market centre construction (3 projects), river training/erosion prevention (1 project), irrigation canals (2 projects) and Fish Ponds (1 project). The demand for labour on the sub-projects from local community youth has been overwhelming. The project has faced some periodic challenges implementing this output. For example, labour is not always available as workers will take-up more lucrative, ad hoc casual employment such as agricultural labour (planting, harvesting, etc). This disrupted implementation prior to the monsoon rains which also halts most construction works while limiting access to beneficiaries for training activities, and such implementation delays have contributed to the need for a project extension to complete activities. The link between short employment creation on Output Component #1 and long term jobs for the members of target asset user groups has been strengthened by adding responsive activities under Output Component #5 that inter alia include steering the members into self-employment activities. Total 30,423 paid workdays have been generated so far by the project.

#### **OUTPUT #2 (FAO and ILO), SKILLS DEVELOPMENT for EMPLOYMENT:**

To achieve the target under this component farm/off-farm vocational skills training activity has been developed for the youth. Major focus is given to on farm skills development and for that 30# Farmers Field School and 50 Junior Farmers Field Life School facilitators trained and facilitated through two local partners to deliver farming skills with new technology to 1920# of beneficiaries out of which 1,718 self/wage employed in local/seasonal

agriculture opportunities. Further, 885 are employed in agri and live stock service enterprises out of total 1,420# youths trained on various agriculture and livestock skills through another two service providers. Similarly, on off-farm vocational skills, project delivered a wide variety of vocational training like Garment fabricator, Embroidery, Masons, Plumber, Tile/Marble fitter, Furniture maker, Building electrician, Gabion weaver, Motor cycle servicing/mechanics, Lathe operator, Beautician, Mobile phone repairing, Sweets and dairy technician and Basic computer hardware technician trainings to 614# target youth for wage and or self-employment and 458 beneficiaries are involved in self and wage employment with an average income of more than NRS 3,000. Apart from the logistical difficult of servicing clients in a large are with poor infrastructure, the only other major challenge under this component of identifying those skills gaps in the local labour market was resolved early in 2010 through service provider labour market research and training was delivered accordingly and being successful to achieve the results.

### **OUTPUT #3 (FAO and ILO), YOUTH ENTREPRENEURSHIP:**

Under this component the project has trained/engaged 15# service providers with 36# trainers for delivering enterprise start-up and expansion training to 3,757# youth for a variety of popular local enterprise activities responsive to pre-assessed market opportunities including financial risk assessments. The Start and Improve Your Business (SIYB)-level one trainings are completed and the service providers are providing counselling and backstopping support to the beneficiaries to start the new business and improve their existing businesses. Out of 4,320 trained beneficiaries under Training Of Potential Entrepreneur (TOPE), 2,256 (about 52%) joined second round of training i.e in Training Of Starting Entrepreneur (TOSE). Based on the report progress report of Business Development Service Providers (BDSPs) 1,424 beneficiaries has started their own micro businesses like retail shop (Kirana pasal), Stationary shop, cycle repairs shop, cosmetic shop, readymade clothe shops, vegetable vendors etc. after getting TOSE training, and also created employment for another 241 persons in their businesses.

Similarly, 1,501 beneficiaries trained in Training Of Existing Entrepreneur (TOEE) methodology out of which 1,256 improved their businesses and created employment for additional 188 beneficiaries. The project has created network to link TOEE graduates with the Micro Financial Institutions (MFIs). The micro entrepreneurs have started to use day book for accounting purpose and expanding their businesses with the help of financial services from the local Micro-finance Institutions.

Besides this, the project has also supported Annapurna Milk Producers Cooperative of Badnihar, Biruwaguthi VDC of Parsa district with milk chilling vat and lacto scan to increase 229# youth members incomes by improving milk collection, storage, processing, and whole selling. Altogether 3,354 beneficiaries under this component got employed out of total target 4,000 and counselling work is still ongoing to achieve the target. Common to all project implementation, the major constraint with this component has been the logistical difficulties of servicing the vast project area.

### **OUTPUT #4 (ILO), FINANCIAL SERVICES:**

This component was developed as a target outcome contributor to the overall project target of 12,500# jobs, partly because of its potential to do so as a self-employment strategy, but also because of the need to add number of youth beneficiaries who could not be reached through Component #5 (cooperatives) due to lack of time and budget. The job creation strategy under Output Component #4 involves training of pre-selected financial service providers to deliver savings and credit services to 1,000# existing/new target youth entrepreneurs by contracting them under performance-based contracts to deliver financial service sensitization training (including financial literacy education) followed by delivery of services. Financial Education Training includes educating youth on managing the financial risks associated with various types of enterprises including risks relevant to extracting too much funds by way of drawings for personal and family consumption needs. For existing youth entrepreneurs the aim is to use the component to both stabilize and/or expand existing enterprises. A mapping study was conducted in Parsa and Rautahat districts to find the active MFI's and cooperatives relevant to this component and 3 national MFIs and 3 local cooperatives were selected to

implement the component. Similarly, a baseline study was conducted on Financial education for the youth beneficiaries to develop standard and beneficiaries friendly training manuals and trained 21 trainers from selected 6 MFIs/cooperatives on financial education. Similarly, to launch new diversified financial product for the youth beneficiaries exposure visit has been organized for the key officials of the selected MFIs/cooperatives. The achievement made in the project under this component is approximately 667 youth women and men took/continued saving services out of total 1,474 that received financial education training. Similarly, all financial service providers have launched at least one new product for the youth in their organization. The new financial products are;

- Recurring Saving Product - Introducing first time and pilot test already started in Parsa by Nirdhan Uthan Bank.
- Maternity saving - Introducing first time and getting ready for pilot testing by Deprosc Bikas Bank
- SAJILO BACHAT (Easy Saving) - Introducing first time and getting ready for pilot testing by Chhimek Bikas Bank
- Group saving and loan- Introducing first time and getting ready for pilot testing by Suryodaya Saving and Credit Cooperative, Parsa
- Launching Mobile Financial Services (Door to door Revolving Rural Financial services for Micro Enterprises in Youth)- Introducing first time and getting ready for pilot testing by Arunodaya Saving and Credit Cooperative Cooperative, Parsa
- Youth Saving Product - Introducing first time and getting ready for pilot testing by Dibya Saving and Credit Cooperative, Parsa.

**OUTPUT #5 (FAO and ILO), COOPERATIVES and COMMUNITY ECONOMIC EMPOWERMENT:**

This has been the most challenging component for the project as information and data available from the DDC and Divisional Cooperative offices on cooperatives was inaccurate as many of the potential listed cooperatives were inactive while the youth membership of cooperatives in both of the project target districts was almost zero. Considerable time was therefore absorbed (and lost) in identifying a core portfolio of cooperatives. Additional to the portfolio that was also willing to extend membership to target youths, and then in designing responsive employment creation action programmes and identifying/contracting with service providers: this has also contributed to the need for a no-cost project time extension to complete activities.

The project has supported 60# of cooperatives, 31 in Parsa and 29 in Rautahat district. There are six implementing partners out of which National Cooperative Federation, a union of cooperatives all over Nepal which capacitated the executives in various soft skills by providing different organizational capacity building skills, success case replications, agro-enterprise development trainings and short term training including exposures inside and outside Nepal for the staffs, executives and general members of the cooperatives. In this way their managerial, leadership as well as organizational capacity has been enhanced to work meaningfully as social and economic development institutions of the disadvantaged groups of people in cooperative way. The cooperatives have been able to deliver services for economic development of their members and their enterprises such as loan, cooperative marketing, technical services and others. Another five service providers has provided short term farm/off-farm skills training to the general members of the cooperatives. Major occupational sector of the trained cooperatives members are Commercial vegetable production, Cattle and Buffalo raising, Piggery, Incense stick production, candle making, Dhakki production, goat farming, fish farming, Elephant foot yum (oul), poultry farming, Briquette production, hygiene Meat/dry meat shop, papad production, Duna tapari production and other agri business. The income tracking in this component may take from 6 months to 9 months and therefore, only employment is judged based on the expected income in the coming months. The achievement made in the project under this component is approximately 3,334 youth women and men have started their micro businesses through strengthening and reinforcement of the cooperatives out of total 4,189 that received training skills on different aspects. The majority of the employment under this component is commercial vegetable farming i.e. 1,386 (42%), second major occupation is cattle/buffalo/goat/piggery/poultry farming i.e. 1,238 (37%) and rest is fish farming, candle production, incense stick production, dhakki, duna tapari production etc.

**OUTPUT #6 (FAO and ILO), YOUTH-LED PROJECTS for YOUTH EMPLOYMENT:**

This project component was activated via an open call for proposals from local youth and their organizations/ sponsoring organizations. Target of this component is 1,000 youths to be employed. Project has made contracts with 9 service providers for training of 1,140# youth in agri-enterprise and non-agri enterprise development.

With the support of 9 Service providers, altogether 1,140 youths were trained on various agri and non-agri enterprises out of which 720 got employed either in self employment or wage employment. 530 youths got self employed under various agri-enterprises like Vegetable farming, Poultry farming, Goat keeping, Piggery, Dairy enterprise and 190 youths got employment under various non-agri occupations like garment fabrication, hand embroidery, candle and incense stick production, bamboo stick production, beautician, Barbour and mobile repairing. About 170 youths got wage employment and 550 youths got self employed and counselling for the remaining is ongoing by the service providers. The youths who went through the non-agri trainings, they are earning about NRS 2,000 to NRS 3,000 per month and supporting their family with the income.

**OUTPUT #7 (ILO), YOUTH-LED PROJECTS for YOUTH EMPOWERMENT:**

There are 16 implementing partners in this component to conduct various youth empowerment activities in the project districts. The project supported 34 youth led initiatives out of which 22 initiatives have been completed. Most of the initiatives are related to awareness raising and involvement of youth's. The youth's have been mobilized in all sector to address their current issues as well as critical issues of the country like deforestation, global warming, speech competition, cultural show, cricket competition, awareness against HIV AIDS etc.

Two youth groups are newly formed to mobilize them on economic and social empowerment and developmental activity on the thought that it may "depoliticalize" the youth wings and/or create cohesive environment between them at district level which will ultimately support in peace building process as they represent the members of major political parties in the districts. In each district, youth wings of political parties were mixed up to form a group then oriented on local economic development and later they were involved in the youth empowerment activities.

**Progress against key indicators in the UNPFN Monitoring and Evaluation framework**

To briefly revisit the project strategy, the main emphasis of the project is quick-impact job creation either wages or self employment for the target groups using various proven, quick-impact job creation approaches. Component#1 is designed to involve the vulnerable youth in productive assets creation/maintenance and injecting wages and procurement cash into reviving fragile local economies with a multiplier long term impact and already exceeded the target. The employment created through this component has helped in community recovery through short term employment for the local youths. Similarly, components #2-6 of the project outputs is opportunity creation for 12,500# youth beneficiaries and so far 10,557# beneficiaries got self/wage employment and progress is on track to achieve its target, as well as some space for creative youth empowerment projects driven by local youth and their organizations. Under the youth empowerment component, 34 types of different youth empowerment activities being designed to implement through 16 local youth organization and so far 22 activities have been completed. The project has covered and focuses the major programme within most conflict affected communities but there is too much difficulties to tally the name of conflict affected beneficiaries of the project with the list of conflict affected people recorded. Few of the project beneficiaries also mentioning that they have already received compensation package from government but the name is not mentioned in the conflict affected list received from Local Peace Committee of the district. Similarly, Few beneficiaries are also not willing disclose their identity as conflict affected.

"The youth wings of political parties at the district level were brought together to form a group and to support the youth empowerment activities. District level youth group representing from each major political party was

formed and registered at the District Administrative Office (DAO) to implement youth empowerment projects/campaign in organized way. This has increased mutual understandings among the youths of various political parties and led to peaceful environment in the district. This is an example of peace building through youth empowerment where youth can be untied to work together and address the common issues at the local level. "