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ANNEX I

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Democratic Republic of Timor-Leste for 2022

Action Document for Skills Development for Employment and Resilience

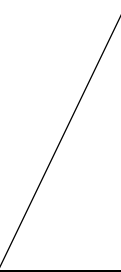
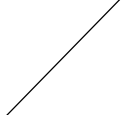
ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Skills Development for Employment and Resilience OPSYS number: ACT-60847 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	No
3. Zone benefiting from the action	Timor-Leste (Asia)
4. Programming document	Multiannual Indicative Programme for Timor-Leste for the period 2021-2027
5. Link with relevant MIP(s) objectives / expected results	The action will contribute to: Specific Objective 1.1: Promote green and sustainable economic diversification in Timor-Leste through private sector development, technical and vocational education training (TVET) for youth integration in the labour market. Result 1.1.2: Meet the specific needs of youth, particularly young women and girls, by increasing quality employment and entrepreneurship opportunities
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority Area 1: Green and sustainable economic recovery and development
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SGD8 Other significant SDGs (up to 9) and where appropriate, targets: SDG 1, SDG 2, SDG 4, SDG 5, SDG 9, SDG 10, SDG 12 SDG 13
8 a) DAC code(s)	Vocational training (DAC code 113)
8 b) Main Delivery Channel	International Organisations - 40000

9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		YES <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	
Connectivity @		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital connectivity energy		YES <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	

	transport health education and research	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020132 The Pacific Total estimated cost: EUR 6 million Total amount of EU budget contribution EUR 6 million			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1.			

1.2 Summary of the Action

This action is integrated in the objective of Priority area 1 of the Multi-annual Indicative Plan: promote green and sustainable economic diversification in Timor-Leste through private sector development, technical and vocational education training (TVET) for youth integration in the labour market.

The action aims to diversify the Timorese economy and widen the fiscal base through focusing on private sector development, namely by tapping into the potential of the agroforestry sector. A lack of skilled labour and high youth unemployment, particularly of young women, are major development challenges.

This action will therefore support Technical and Vocational Education Training (TVET) to increase the employability of young people, including women, in agroforestry sector to improve their livelihoods, productivity and competitiveness, while promoting a green and circular economy. This action will take into account the needs for skilled labour of small and medium enterprises to boost private sector growth.

The **Overall Objective** (Impact) of this Action is to promote green and sustainable economic diversification in Timor-Leste through private sector development, technical and vocational education training (TVET) for youth integration in the labour market.

The **Specific Objective** (Outcome) of this Action is to increase quality employment and entrepreneurship opportunities in agroforestry sector, for youth, particularly young women and girls, to meet their specific needs, while promoting a green and circular economy.

The **Expected Outputs** of this Action that contribute to the above overall and specific objective are:

Output Area 1: Create and develop an observatory of the Agroforestry Sector to identify the green and circular economy needs and opportunities for employment of the agroforestry sector in Timor-Leste;

Output Area 2: Improve the quality and inclusivity of the TVET through the development of processes and methodologies linked to the private sector demands and training offers;

Output Area 3: Increase the skills and competences of managers, trainers, and trainees of Agroforestry TVET organisations in Timor-Leste; and

Output Area 4: Youth and women integrated in the labour market and employment, using digital platforms and facilitation services.

2 RATIONALE

2.1 Context

This action is integrated in the objective of Priority area 1 of the Multi-annual Indicative Plan: promote green and sustainable economic diversification in Timor-Leste through private sector development, technical and vocational education training (TVET) for youth integration in the labour market.

One of the priorities of the Government in Timor-Leste is to diversify the economy and to do that it is necessary to give special focus on private sector development. This involves enhancing the small and medium enterprises sector, while also removing some of the binding constraints to private sector growth and improving infrastructure, increasing efficiency in the public sector, facilitating credit, and, in particular, building up skilled labour. The action provides a direct response to the growth priorities of Timor-Leste by supporting private sector development, job creation for youth and women and diversification of the economy. As Agriculture and Forestry are the biggest sources of economic activity for most of the Timorese population, and considering the previous support of the European Union in the country, this action will be focused on Agroforestry value chain.

Timor-Leste has faced multidimensional challenges on land use management, including deforestation, land degradation and poverty. The Agroforestry system is recognised as one of the viable options for balancing the socio-economic needs and ecological functions of the lands in Timor-Leste. The system has been practiced traditionally by farmers in the country; however, the lack of enough/updated knowledge and experience, limited institutional capacity, lack of funding and financial access, infrastructures, irrigation facilities, vulnerability to climatic hazards and unclear land ownership rights have created a challenge for the wide acceptance and implantation of agroforestry system in the country.

To address the lack of knowledge and experience and limited institutional capacity in agro-forestry and in green business creation and development, this action will identify sustainable paths and businesses in the agroforestry value chain, and consequently, will create new job profiles with a focus on green and circular economy. This will contribute for the improvement of the capacities and competences of youth and women for the creation and development of sustainable and green businesses that can contribute to the reduction of climate change impacts in Timor-Leste.

In this sense, the action will support a green transformation of the economy, contributing for the implementation of Timor-Leste the economic recovery plan, after COVID-19, making it more diversified, greener, inclusive and human centred.

The action is in line with the Strategic Development Plan 2011-2031¹ and with the Government Post-COVID-19 Economic Recovery Plan² that provide appropriate policy and political framework for the partnership between Timor-Leste and the European Union. These priorities are also framed by the EU Strategy for cooperation in Indo-Pacific of 16 September 2021, that intends to work with Indo-Pacific partners to build more resilient and sustainable global value chains by diversifying trade and economic relations, and by developing technological standards and regulations that are in line with our values and principles. This action will tackle three of the seven priorities: sustainable and inclusive prosperity; green transition and digital governance and partnerships.

The EU Global Gateway Strategy of 1 December 2021 and the Regional Team Europe Initiative on Green-Blue Alliance between the EU and the Pacific are also embedded in this initiative. Flagship initiative for the Global Gateway, the Green-Blue Alliance includes key actions on sustainable management of natural capital aiming at developing a stewardship model that reconciles biodiversity, environmental protection and restoration, with sustainable development that favours economic growth and job creation, population well-being. This action will have a positive impact in sustainable development due to the focus on agriculture and forestry and on the skills development for a better integration of youth and women in the labour market.

In Timor-Leste there is high youth unemployment with very low levels of vocational skills and very deficient basic education. This situation is worse for women. Timor-Leste has one of the youngest populations in the world, with nearly 62% below the age of 25. While being an opportunity and an asset if it is invested in strategically, the young population increasingly exerts pressure on the economy as well as on social services and therefore, on peace and stability. In Dili, opportunities for higher education attract young people from the poorer rural areas, resulting in

¹ <http://timor-leste.gov.tl/wp-content/uploads/2011/07/Timor-Leste-Strategic-Plan-2011-20301.pdf>

² http://timor-leste.gov.tl/wp-content/uploads/2020/10/EN-PRE_screen.pdf

significant rural-urban migration. This presents a challenge for the estimated 19,000 young people who are looking to enter the workforce annually.

The context is particularly challenging for women, with 80% of female workers not being paid for their labour and most of the women in Timor-Leste being involved in informal jobs, with precarious working conditions³. Investments for the development of the youth sector should be treated as a matter of priority and considered highly strategic. Green jobs can offer new employment opportunities and help reduce negative impact on the environment, particularly in rural areas, where 80% of the population depends on natural resources for their livelihoods, therefore leading private sector initiatives and the youth towards socially sustainable economies.

TVET is a major instrument in support of employment and can also prepare youth for self-employment and jobs, contributing for a diversification of a sustainable economy. Through capacity building and exchange of knowledge, this action will improve the TVET quality, ensuring a proper connection between the needs and demand of the private sector with the training offers.

TVET will be the entry point to address labour issues and improve livelihoods, employability, productivity and competitiveness for young women and men, in all their diversity, with a clear focus on the environmental dimension of employment. Close and comprehensive coordination mechanisms between companies requiring workers (demand side) and public and private TVET providers (supply side) can facilitate swift adaptation of TVET to the needs of the economy. The TVET market thus becomes established as an adjustment mechanism between labour market supply and demand. This action will support the establishment of a demand-driven TVET system that takes into account the growing size of the youth cohort, economic growth, and flow of migrant workers.

The action will also support the integration of youth, women and unemployed people in the labour market, through the facilitation and support of digital platforms.

2.2 Problem Analysis

Several official documents explicitly recognise Government of Timor Leste's primary responsibility for establishing a training system that provides the skilled workers who are essential for a prosperous and equitable society, specifically increasing economic outcomes (and reducing poverty), productivity and domestic and foreign investment.

Specifically, the Government of Timor-Leste approved the Technical and Vocational Education and Training Plan 2011-2030 (TVET Plan)⁴ which supports the initiatives outlined in the Timor-Leste Strategic Development Plan 2011-2030 (SDP) and is consistent with the principles and methods of a sector-wide approach, ie. considering Timor-Leste's future in the context of economic development and diversification, infrastructure development and services, primary health care services, education and training systems, labour force development and the Human Capital Development Fund.

Workforce, skills development and TVET is crucial for the Timor-Leste economic growth and social wellbeing. TVET in articulation with the private sector can generate jobs and income in a country where 42% of the population lives below the national poverty line⁵. This is recognised in all relevant public policies and associated strategies and plans. Despite the lack of a comprehensive and recent evaluation, specific documents on the topic are abundant and some provide information and evidence of the progress that is happening in the country. This is the result of many factors, namely the Government commitment to the topic via the activity of several official agencies, the increased number of both training opportunities and professional providers, as well as an accumulated experience made up of a number of gradually better interventions. All this has been accompanied by some monitoring and evaluation, which also includes the analysis of quality.

However, the TVET system is still far from materialising its full potential due to a number of diverse and persistent challenges, among others: funding and lack of financial resources, low quality and qualification of teachers and trainers, curriculum adequacy and shortage of equipment, the mismatch "market needs vs skills imparted", fragmented Government efforts along with the unsatisfactory access and availability of quality education and training opportunities, in particular in the rural areas and for the agriculture and forestry sectors. Challenges are also present

³ <https://iwda.org.au/timor-leste/>

⁴ Included in Annex

⁵ <https://iwda.org.au/timor-leste/>

both at up and downstream of TVET itself, for instance the increase education and training demand related to demographics, low economic growth and the associated unemployment, together with the unresolved gap between the policy and the implementation of the plan.

This action on skills development and TVET for agriculture / forestry will focus in some of the challenges of the TVET system that are recognised and identified in the TVET plan. The main problems will be addressed and the activities being implemented in the actions will facilitate the linkages between the offer of the training centers and the needs of the private sector and improve the quality of the TVET.

Furthermore, this action will contribute in the future to tackle climate change in the country. The strengthening of skills and capacity of youth and women in agro-forestry value chains will facilitate the creation of new green and circular businesses that might have a positive impact on climate change mitigation. Businesses created in agriculture and forestry can contribute for the development of sustainable and green initiatives that can reduce the Greenhouse Gas emissions and the environmental footprint.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Government Organisations

Coordinating Ministry of Economic Affairs, Ministry of Trade, Commerce and Industry, SEFOPE - Secretary of State for Vocational Training and Employment, INDMO - National Institute of Labour Force Development, Trade Invest and FEFOP – Fund for Employment and Vocational Training

These organisations are responsible for the development of the TVET in Timor-Leste and will be the main beneficiaries of the action. They will have a clear responsibility on the implementation and follow up of the action. The activities identified in this action are in line with their mandate.

Private Sector

Business Association of Timor-Leste Women (AEMTL), Chamber of Commerce and Industry Timor-Leste, Private sector actors in the agroforestry sector: MSME's and cooperatives and associations.

These organisations are crucial for the implementation of the action. They will need to be involved and participate actively in the project, to identify clearly the competences and skills needed for the to perform a trade or occupation in the labour market.

Training Organisations

TVET institutions offering courses in the agroforestry sector and accredited training centers

The training organisations will be beneficiaries of the action and will need to implement the methodologies, practices, orientations and programmes being developed with the support of the project. Directors, Trainers and Trainees of Training organisations will benefit from the training programmes created to acquire practical competencies, know-how and attitudes for the labour market.

Rural families and women

Rural families and women, will be the beneficiaries of the short term training courses to rural families. The main objective is to identify opportunities and to develop competencies, know-how and skills to create their own activity or self-employment and increase the income of rural families.

Youth and women

Youth and women will benefit from support to their integration in the labour market and employment, as well as trainings to increase their skills and competences to be able to perform one activity in the labour market.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** (Impact) of this Action is to promote green and sustainable economic diversification in Timor-Leste through private sector development, technical and vocational education training (TVET) for youth integration in the labour market.

The **Specific Objective** (Outcome) of this Action is to increase quality employment and entrepreneurship opportunities in sustainable agro-forestry, for youth, particularly young women and girls to meet their specific needs, while promoting a green and circular economy.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objective (Outcomes) are:

Output Area 1: Create and develop an observatory of the Agroforestry Sector to identify green and circular economy needs and opportunities for employment of the agroforestry sector in Timor-Leste;

Output Area 2: Improve the quality and inclusivity of the TVET through the development of processes and methodologies linked to the private sector demands and training offers;

Output Area 3: Increase the skills and competences of managers, trainers, and trainees of Agroforestry TVET organisations in Timor-Leste; and

Output Area 4: Youth and women integrated in the labour market and employment, using digital platforms and facilitation services.

3.2 Indicative Activities

Activities Related to Output 1: Observatory of the Agroforestry sector to identify the green and circular economy needs and opportunities for employment of the agroforestry sector in Timor-Leste created and developed

Activity 1.1 – Development of a strategic and sustainable agroforestry roadmap and value chain analysis, with a focus on gender.

Activity 1.2 – Mapping of professional profiles of the sustainable agroforestry roadmap with the support of the private sector.

Activity 1.3 – Creation of a working group, with stakeholders of the agroforestry sector including CSO representing women and groups in more vulnerable situations, for the implementation of the strategic roadmap.

Activities Related to Output 2: Quality and inclusivity of the TVET through the development of processes and methodologies linked to the private sector demands and training offers improved

Activity 2.1 – Revision and update of the training offers and professional profiles according to the strategic and sustainable Agroforestry roadmap.

Activity 2.2 – Dissemination of the TVET methodology and processes in the training centres oriented for the sustainable agroforestry value chain.

Activity 2.3 – Creation and implementation of a follow up system to assess the integration of the trainees, women and men, in all their diversity, in the labour market.

Activity 2.4 – Support the Accredited Training centers with the development of a business plan.

Activity 2.5 – Analyses of Financial models for the sustainability of the training centres.

Activities Related to Output 3: Skills and competences of managers, trainers, and trainees of Agro-forestry TVET organisations in Timor-Leste increased

Activity 3.1 – Creation of a Training Itinerary for the Trainers Development Program.

Activity 3.2 – Organisation of training courses and exchanges for the Trainers Development Program.

Activity 3.3 – Development and Implementation of an Institutional Management Improvement Programme

Activity 3.4 – Creation of an inclusive programme to develop the soft and entrepreneurial skills of the students and trainees.

Activity 3.5 – Development of entrepreneurship skills programme.

Activity 3.6 – Purchase and preparation of mobile units to train women and youth in rural areas.
Activity 3.7 – Implementation of short term training courses to rural families to diversify the economy linked to agro-food value chain.

Activities Related to Output 4: Youth and women integrated in the labour market and employment, using digital platforms and facilitation services

Activity 4.1 – Creation of a digital platform with offer and demand of employment opportunities.
Activity 4.2 – Development of an APP integration of job offers and service demands from the private sector.
Activity 4.3 – Facilitate the creation of offices in the training centres to give guidance and support to the integration of students/trainees in the labour market.

3.3 Mainstreaming

Environmental Protection & Climate Change

This action provides a direct response to the growth priorities of Timor-Leste by supporting private sector development, job creation for youth and diversification of the economy. The support of the project will be focused on training related to the development of agroforestry sector which will contribute to the promoting of green, circular and sustainable economic diversification through private sector development.

The training offers and profiles will take into account the creation of decent jobs and increased productive capacity in more environmentally friendly production cycles with potential for development and sustainable production and consumption patterns, focusing on the agroforestry sector.

At the same time, these support the implementation of the external component of the European Green Deal as they will increase Timor-Leste's resilience to climate change and contribute to ecosystem preservation.

The Strategic Environment Assessment (SEA), Environmental Impact Assessment (EIA), and the Climate Risk Assessment (CRA) shall not apply to the proposed Action, as it is a capacity building action, with potential positive impact on environment.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the action will have specific activities with women as main target and that gender will be mainstreamed throughout the different components and stages.

In Timor-Leste women are more likely than men to be in vulnerable employment, which tends to lack stable income and benefits. Gender segregation is also found in technical and vocational training programs. The project will implement a specific activity directed to women, giving them training to develop their competences and skills for the creation of their own economic activity for diversification of economy and creation of new income possibilities. Also, the action will facilitate women's participation in the training being supported by the project and their integration in the labor market.

The agro-forestry sector will be the focus of this action and can contribute to enhance women's economic and social empowerment. The short term training provided by the mobile units in rural areas can promote behavioral change in the community and family dynamics enhancing women participation to the labour market, their property rights and inheritance.

The collection of sex-disaggregated data as part of the project's monitoring systems provides an opportunity to monitor the project's engagement across groups and to tailor interventions to promote gender equality and women's empowerment. The action will contribute to the implementation of the Gender Action Plan - GAP III, and, particularly, to its thematic area of engagement "Addressing the challenges and harnessing opportunities offered by the green transition and the digital transformation". GAP III indicators will also be privileged to ensure the project's contribution to the GAP III can be effectively measured.

Human Rights

The action will indirectly address issues of human rights and social protection through the promotion of decent work and creation of employment opportunities for women and youth in rural areas. This action will apply the working principles of the human rights based approach (HRBA): applying all human rights for all, meaningful and inclusive participation and access to decision-making, non-discrimination and equality, accountability and rule of law for all, and transparency and access to information supported by disaggregated data.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. Nevertheless, even if people with disability are not a main target of this action, the project will take into account their needs and will integrate them in the training courses as much as possible, to ensure a proper integration of people with disabilities in the labour market. Specific awareness and sensitisation actions to the private sector will be developed to facilitate the integration of people with disability in the labour market. Disaggregated data by disability status will also be privileged whenever possible to make more visible the situation of PLWD in Timor-Leste.

Democracy

The action takes place within the context of decentralised decision making and increasing autonomy for provincial authorities in planning and implementation of skills training programmes. The impact of improved and sustainable economic development will re-enforce democratic principles and governmental accountability. It also supports the participatory models of sector governance that involve private sector representation and will work towards involving civil society representatives in management bodies, including youth and women organisations.

Conflict sensitivity, peace and resilience

The project will indirectly contribute to conflict sensitivity, peace and resilience. In Timor-Leste there is high youth unemployment with very low levels of vocational skills and very deficient basic education. Timor-Leste has one of the youngest populations in the world, with nearly 62% below the age of 25. While being an opportunity and an asset if it is invested in strategically, the young population increasingly exerts pressure on the economy as well as on social services and therefore, on peace and stability. The opportunities for the development of competences and skills and integration in the labour market will benefit youth that will have better living conditions and employment opportunities.

COVID-19

The COVID-19 pandemic has considerably exacerbated socio-economic shortcomings in Timor-Leste. The action will contribute for a transformational and sustainable recovery of the economy and will take into consideration the Government's post-COVID Economic Recovery Plan (ERP). Namely the action will support the creation of new productive and decent jobs, through the improvement of the training quality and identification of new, green and sustainable businesses in the agroforestry value chain, building back better.

Other considerations if relevant

- Economic growth, decent work and poverty reduction (SDG1, SDG8) are foreseen under the outputs to create and develop an observatory to identify the needs and opportunities for employment of the agroforestry sector in Timor-Leste.
- The quality of education (SDG4) will be raised across each of the outputs and specifically improving the quality of the TVET through the development of processes and methodologies linked to the private sector demands and training offers.

- Gender equity (SDG5) is addressed through enrolment of girls and women on training courses, entrepreneurship programmes and supporting the integration of youth and women in the labour market and employment.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Planning, processes and systems	Low financial resources for TVET organisations to invest in for the quality of training.	H	H	Support the training centers in the elaboration of a business plan to clearly identify the strengths, opportunities, threats and weaknesses and opportunities for development Assess possibilities of increasing the financial resources of FEFOP
People and the organisation	Low interest of the training centers managers in the action	L	H	Creation of a programme to develop the management skills of the training centers managers
External environment	Low interest of the private sector in the identification of new profiles	M	M	Involve the private sector in the value chain strategy and promote the linkages between the private sector needs and the training centers offer.
People and the organisation	Low private sector engagement in the action in TVET system	M	H	Involve the private sector in the identification of the value chain economic activities and demonstrate the benefits of adequate profiles for the business development Assess possibilities of the private sector involvement in the support and financing of future training actions
People and Organisation	Lack of qualification of the trainers to implement the curricula of the new identified profiles	H	H	Create a mobility training programme for trainers to update their qualifications according to the new curricula
Planning, processes and systems	Delays in the revision of the curricula and new job profiles	M	M	Create a process for the revisions of the curricula, with a clear identification of the stakeholders involved

Planning, processes and systems	Lack of clear definition of responsibilities among actors involved in TVET	M	M	Definition of the responsibilities and mandate of stakeholders involved in TVET system.
People and the organisation	Lack of interest of the trainees in creation of their own job	M	M	Use role models to show the impact of entrepreneurship and business creation and search for technical and financial support activities
External environment	Having qualified trainees leaving the country to participate in mobility programmes or migrating	M	M	Development of a platform of integration in the labour market with the opportunities for employment and support
People and organisation	Difficult access to rural areas to provide trainings	M	M	Acquisition of mobile units to train women and rural families in activities to create alternative options of income.
People and organisation	Low participation and registration of young women in training courses	H	H	Sensitise and promote the integration of women and girls in training courses as an opportunity for their competencies development and integration in labour market
External Environment	The needs of the private sector are not correctly identified and the subjects or graduates do not match its needs.	H	H	Involvement of the private sector in the action from the beginning, by participating clearly in the identification of development opportunities and training needs.
People and the organisation	Missing linkages between employers and employees.	H	H	Creation of a digital platform that connects the needs of the private sector with the trainees

Lessons Learnt:

There are a few donors supporting TVET in Timor-Leste. Australia, JICA (Japan International Cooperation Agency), ADB (Asia Development Bank), KOICA (Korea International Cooperation Agency) and USAID (United States Agency for International Development) are active in sectors related to tourism, agriculture and entrepreneurship. Portugal is supporting a nursery and training through “Quinta Portugal”. FAO (Food and Agriculture Organisation) and a number of religious institutions are also present.

It is necessary to connect all the stakeholders supporting the TVET in the country to understand the main difficulties and challenges of the sector. Coordination and communication between the different stakeholders will be crucial for a successful implementation of this action to avoid duplication of activities and to create ownership of the action among the main beneficiaries and target audience.

This action should be focused in the creation of employment opportunities and job offers in Timor-Leste to contribute for the diversification of the economy, in a green and sustainable way. It will be necessary to develop an entrepreneurship programme to create alternatives to migration to other countries.

3.5 The Intervention Logic

The underlying intervention logic for this Action is to promote economic diversification in Timor-Leste by connecting the private sector needs and demands to the technical and vocational education training offer, to support youth and women integration into the labour market is connected to the Government of Timor-Leste Technical and Vocational Education and Training Plan 2011-2030 (TVET Plan) and the framework of TVET methodology and processes.

The creation and development of an observatory of the Agroforestry Sector, will identify the green and circular economy needs and opportunities for employment of the agroforestry sector in Timor-Leste through development of a strategic inclusive and gender-responsive agroforestry roadmap and value chain analysis, mapping of professional profiles of the agroforestry roadmap with the support of the private sector. The implementation of the strategic roadmap will be led by of a working group, with stakeholders of the agroforestry sector. This will contribute to the green economic diversification and growth as well as to the environmental protection and reduction of the climate change impact in Timor-Leste.

The quality of TVET System will be increased by the revision and update of the training offers and professional profiles according to the strategic and sustainable Agroforestry roadmap⁶; by the dissemination of the TVET methodology and processes in the training centres oriented for the agroforestry value chain and by the creation and application of follow up system for the trainees in the labour market. The sustainability of the training centers will be assessed through the elaboration of business plans as well as the identification of financial models for their sustainability, namely through FEFOP.

The skills and competences of managers, trainers and trainees will be improved and contribute for the quality of the TVET in Timor-Leste. The action will create a training itinerary for the trainers development program and will organise training courses and mobility's for the trainers development program. The managers of the training centers will participate in an Institutional Management improvement programme created and developed with this action. The entrepreneurial skills will be fostered through an entrepreneurship programme for trainees, women and men, in all their diversity, to stimulate the creation of self employment or enterprises and diversification of the economy in a sustainable and green way.

The integration of youth and women in the labour market is one of the outputs of the project. The project will provide mobile units, with facilitators, to train women and youth in rural areas, to increase their skills and competences for the development of an activity that can contribute to increase their income and to improve their living conditions. To facilitate the integration in the labour market, the project will create a digital platform with offer and demand of employment opportunities and training courses available and will develop an APP to connect the training offer with the private sector demand. Furthermore, the project will support the creation of offices in the training centres to give guidance and facilitate the integration of students/trainees in the labour market.

⁶ Draft Agroforestry Strategy in Annex

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest.

New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results Chain - Main Expected Results	Indicators	Baseline	Targets	Source of Data
Impact (Overall Objective)	To promote green and sustainable economic diversification in Timor-Leste through private sector development, technical and vocational education training (TVET) for youth integration in the labour market.	Unemployment rate for the youth disaggregated by sex	To be defined	To be defined	Government Statistics
Outcome (Specific Objective)	To increase quality employment and entrepreneurship opportunities in sustainable agro-forestry for youth, particularly young women and girls to meet their specific needs, while promoting a green and circular economy.	<p>Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU, disaggregated for digital skills and sex</p> <p>% of students who have benefited from vocational education and training / skills development and other active labour market programmes leading to jobs; disaggregated by sex (GAP III indicators)</p>	Base Line: 0	Target: 2000 Equally distributed for boys and girls	Project evaluation and Statistics from SEFOPE for Vocational training

Output 1	1. Observatory of the Agroforestry Sector to identify the green and circular needs and opportunities for employment of the agroforestry sector in Timor-Leste created	1.1 Status of observatory operating procedures: created, operationl. updated	0		Project progress reports
		1.2 Status of working group, with stakeholders of the agroforestry sector procedures and operation: created, operational	0		Agroforestry Sector Observatory report
	1.1 Strategic and sustainable agroforestry roadmap and value chain analysis developed, with a focus on gender	1.1.1 Strategic agroforestry roadmap elaborated	0		1.1.1 Project progress reports
		1.1.2 Number of value chain analysis related to agroforestry identified	0		1.1.2 Agroforestry Sector Observatory report
	1.2 Mapping the professional profiles of the agroforestry roadmap with the support of the private sector.	1.2.1 Number of professional profiles of the agroforestry roadmap identified	0		1.2.1 Agroforestry Sector Observatory report
	1.3 Working group, with stakeholders of the agroforestry sector (including CSO representing women and other groups),for the implementation of the strategic roadmap created	1.3.1. Working group created	0	1	1.3.1 Agroforestry Sector Observatory report and Project progress reports
		1.3.2. Number of members of the working group by sex	0		1.3.2 Agroforestry Sector Observatory report
		1.3.3 Percentage of actions of the roadmap implemented	0		1.3.3 Agroforestry Sector Observatory report
Output 2	2. Quality and inclusivity of the TVET through the development of processes and methodologies linked to the private sector demands and training offers improved	2.1 Status of TVET development of processes and methodologies; used, transferred, disseminated	0		Project progress reports
	2.1. Training offers and professional profiles according to the strategic and	2.1.1 Number of training offers and professional profiles according to the	0		2.1.1 Agroforestry Sector Observatory report

	sustainable Agroforestry roadmap created, revised and updated	strategic Agroforestry roadmap created, revised and updated			
	2.2 TVET methodology and processes in the training centres oriented for the agroforestry value chain created or changed	2.2.1 Number of processes and methodologies created or changed	0		2.2.1 SEFOPE Report
	2.3. A follow up system to assess the integration of the trainees, women and men in all their diversity, in the labour market created and implemented	2.3.1 Follow up system of trainees in the labour market	0	1	2.3.1 Agroforestry Sector Observatory report
		2.3.2 Percentage of students who entered the job market (disaggregated by sex and disability status)	0		2.3.2 Agroforestry Sector Observatory report
	2.4. Accredited Training centers with the development of a business plan supported	2.4.1. Number of Training centers in the process	0	10	2.4.1 Project progress reports
		2.4.2. Number of business plans completed	0		2.4.2 Project progress reports
	2.5 Financial models for the sustainability of the training centres analysed	2.5.1 Report on the proposal of financial models	0	1	2.5.1 Project progress reports
Output 3	3. Skills and competences of managers, teachers, and trainees of Agroforestry TVET organisations in Timor-Leste increased	3.1 Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU, disaggregated for digital skills and sex	0		Agroforestry Sector Observatory report
	3.1 Training Itinerary for the Trainers Development Program created	3.1.1 Training Itinerary for the Teachers Development Program	0	1	3.1.1 Project progress reports
		3.1.2 Number of training multipliers trained in Timor-Leste (disaggregated by sex)	0		3.1.2 SEFOPE Report

	3.2 Training courses and exchanges for the Trainers Development Program developed	3.2.1 Number of trainers who participated in the itinerary training (disaggregated by sex)	0		3.2.1 SEFOPE Report
		3.2.2 Number of trainers who participated in the exchanges Development Program (disaggregated by sex)	0		3.2.2 SEFOPE Report
	3.3 Institutional Management Improvement Programme developed and deployed	3.3.1 Institutional Management Improvement Programme developed	0		3.3.1 Project progress reports
		3.3.2 Number of participants in the program to improve the management of TVET centres offering training in the agroforestry sector (disaggregated by sex)	0		3.3.2 INFORDEPE Report
	3.4 Inclusive programme to develop the soft and entrepreneurial skills of the students and trainees created	3.4.1 Programme to develop the soft and entrepreneurial skills of the students and trainees	0	1	3.4.1 Project progress reports
		3.4.2. Number of participants (disaggregated by sex, age and disability status)	0		3.4.2 Project progress reports
	3.5 Entrepreneurship skills programme developed	3.5.1 Number of the students and trainees who participated entrepreneurial skills programme (disaggregated by sex, age and disability status)	0		3.5.1 SEFOPE Report
	3.6. Mobile units to train women and youth in rural areas bought and prepared	3.6.1 Number of the mobile units to train women and youth in rural areas bought purchased and available for training	0	4	3.6.1 Project progress reports

		3.6.2. Number of participants (disaggregated by sex, age and disability status)	0		3.6.2 Project progress reports
	3.7. Short term training courses to rural families to diversify the economy linked to agroforestry value chain. implemented.	3.7.1 Number of short term training courses to rural families to diversify the economy linked to agro-food value chain created.	0		3.7.1 Agroforestry Sector Observatory report
		3.7.2 Number of participants in the short term training courses to rural families (disaggregated by sex and age).	0		3.7.2 SEFOPE Report
		3.7.3. Number of small businesses created by the course participants (disaggregated by sex and age)	0		
Output 4	4. Integration of youth and women in the labour market and employment facilitated by the use of digital platforms and support	4.1 Status of implementation of planned integration actions in the labour market (digital platform, APP and guidance offices): created, developed and updated	0		Agroforestry Sector Observatory report
	4.1. Digital platform with offer and demand of employment opportunities. created.	4.1.1 Digital platform with offer and demand of employment opportunities	0	1	4.1.1 Project progress reports
		4.1.2 Number of employment opportunities registered	0		4.1.2 Agroforestry Sector Observatory report
		4.1.3. Number of trainees and unemployed people registered in the platform (disaggregated by sex and age and qualification)	0		4.1.3 Agroforestry Sector Observatory report
		4.1.4. % of people who got the job using the platform (disaggregated by sex, age and disability status)	0		4.1.4 Agroforestry Sector Observatory report
	4.2 APP for integration of job offers and service	4.2.1 APP with integration of job offers and service demands from the private sector	0	1	4.2.1 Project progress reports

	demands from the private sector developed	4.2.2 Number of job offers and service demands registered	0		4.2.2 Agroforestry Sector Observatory report
		4.2.3. Number of trainees and unemployed people registered in the platform (disaggregated by sex and age and qualification)	0		4.2.3 Agroforestry Sector Observatory report
		4.2.4 Number of trainees and unemployed people registered in the APP (disaggregated by sex and age and qualification)	0		4.2.4 Agroforestry Sector Observatory report
	4.3 Creation of offices in the training centres to give guidance and support to the integration of students/trainees in the labour market facilitated.	4.3.1 Number of offices in the training centres to give guidance and support to the integration of students/trainees in the labour market created	0		4.3.1 SEFOPE Report
		4.3.2 Number of students who receive guidance to integrate into the labour market (disaggregated by sex, age and disability status)	0		4.3.2 SEFOPE Report

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is **66 months** from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁷.

4.3.1 Indirect Management with a pillar assessed entity

This action may be implemented in indirect management with one or more entity/ies, which will be selected by the Commission's services using the following criteria:

- Specialisation in providing VET technical assistance and having all the expertise required for the delivery of the results expected under this project, including experience applying a human rights based approach and gender mainstreaming.
- Specific expertise in the sectors covered by this action and capability to ensure coordination with other Organisations dealing with these topics.
- Focus on expanding development of skills and employment opportunities with the aim of fostering sustainable development and strong experience in delivering gender and inclusiveness of VET programmes.
- Proven experience operating coherently at all levels from VET orientations and strong track record of connecting the public sector to private companies.
- Capability to offer integrated solutions combining institutional, managerial and entrepreneurial capacities simultaneously at government, institutional and enterprise levels.
- Experience with other programmes in the field of skills development and integration in the labour market.

The implementation by this/these entity/ies entails stronger results on all objectives and outputs of this action.

⁷⁷ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case, due to circumstances outside of the Commission's control, it is not possible to implement the action in indirect management with a pillar-assessed entity/ies described under section 4.4.1, the alternative implementation modality will be direct management (procurement).

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
All outputs	5,900,000.00
Indirect management with a pillar assessed entity/ies	
Evaluation – cf. section 5.2 Audit – cf. section 0	100,000.00
Totals	6,000,000.00

4.6 Organisational Set-up and Responsibilities

The governance of the proposed Action will be assumed by a Project Steering Committee (PSC), which will be composed of senior representatives of all the Ministries involved in the TVET system and other relevant stakeholders, including business associations. EU Member States or other donors may be invited. Representatives from private sector business associations and women and youth groups may also be invited to join the PSC meetings. The PSC will be co-chaired by the MCAE (Coordinating Ministry of Economic Affairs) and the EU Delegation. The involvement of MCAE in the PSC will ensure the strategic guidance to the project, while facilitating the coordination and communication among all the stakeholders from both public and private sectors.

The PSC will provide strategic direction and oversight of the project implementation. The PSC will meet every six months to review the progress and performance of the Action and approve the workplans and progress reports. The implementing partner will serve as the Secretariat to the PSC meetings.

The Implementing Partners will recruit a Project Coordinator who will lead the project implementation in the field. Eventually 2-3 local staff should be recruited to support the Project Coordinator to deliver the project activities under the Action. The Project Coordinator and her/his team will assume day-to-day coordination,

information sharing and communications with the key stakeholders. It will serve as the focal point of the project, linking with the Implementing Partner headquarters.

Detailed terms of reference (TORs) of the PSC and the Project Coordinator shall be further developed by the implementing partner in full consultation with EU Delegation and Timorese partners.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Initial indicators and baseline and target data are included in the logical framework matrix. The implementing entity is advised to set up an internal Project Implementation Monitoring System (PIMS) to monitor and report the progress and performance of the project during the entire span of the project implementation. At the outset, the implementing entity will review the indicators and modify the baseline and target data during the inception phase of the project (first three months of project implementation). Then, a Performance Measurement Framework (PMF) will be set up during the inception phase. This PMF will include the annual workplans and semi-annual reporting processes that will capture the results achieved and lessons learned. Progress reports should be prepared and submitted to the PSC two weeks prior to the PSC meetings. Each progress report should provide an accurate account of activities implemented, results (outputs and outcome) achieved, difficulties encountered, and mitigating measures adopted. The results (outputs and outcomes) should be measured by the corresponding indicators used in the logframe.

Performance indicators, as per the logframe of the project will be monitored and reported on in each progress report along with the PIMS. The local office of the implementing entity is responsible for the collection of the data and reporting of the results. Key stakeholders should be actively encouraged to participate in the data collection and results reporting exercise. The implementing entity should monitor the project progress, performance and results through its internal PIMS on a continuing basis.

Indicators shall also be disaggregated by sex. All monitoring and reporting shall assess how the action is taking into account the human rights based approach and gender equality.

5.2 Evaluation

Having regard to the importance of the action, a final evaluation may be carried out for this action via independent consultants contracted by the Commission.

The final evaluation would be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account the assessment of the results expected to be achieved with the project implementation..

The Commission shall inform the implementing partner at least two months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination . The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

All evaluations shall assess to what extent the action is considering the human rights based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention⁸ (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Intervention
<input checked="" type="checkbox"/>	Single Contract 2	Audit
<input checked="" type="checkbox"/>	Single Contract 2	Evaluation
<input type="checkbox"/>	Group of contracts 1	

⁸ [Ares\(2021\)4450449](#) - For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including 'action' and 'Intervention' where an 'action' is the content (or part of the content) of a Commission Financing Decision and 'Intervention' is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention](#).