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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 4**

of the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Mozambique for 2023 – Part 2

**Action Document for Skills for Employment**

**ANNUAL PLAN**

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

**1 SYNOPSIS**

**1.1 Action Summary Table**

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Skills for Employment OPSYS number: ACT-61711 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	Yes <b>e-Youth and Green Deal</b>
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Mozambique
<b>4. Programming document</b>	Multi-annual Indicative Programme for the Republic of Mozambique for 2021-2027
<b>5. Link with relevant MIP objectives / expected results</b>	The proposed action intends to contribute to MIP Priority area 2 ‘Growing youth’, more specifically to: <u>Specific Objective 4</u> : Enhanced opportunities for youth to obtain decent employment <u>Expected results 4.3 and 4.4</u> : Enhanced access to finance and capacities for start-ups and SMEs, with a particular focus on digital, renewable energy, green, and creative industries; and Boosted inclusive employability of youth by equipping them with labour relevant skills and accompanying their transition from school to work.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area, sectors</b>	Priority area 2 ‘Growing Youth’ – Enhanced opportunities for youth to obtain decent employment

<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: 8 (Decent work and Economic Growth) The Action will also contribute to SDGs: 1 (No poverty), 4 (Quality Education), 5 (Gender Equality) and 10 (Reduced Inequalities), 12 (Sustainable Consumption and Production, 13 (Climate Action).			
<b>8 a) DAC codes</b>	DAC code 1 - Secondary Education (Vocational Training) 113 DAC code 2 - Social Infrastructure & Services (Employment creation) 160			
<b>8 b) Main Delivery Channel</b>	Third Country Government (Delegated cooperation) – 13000			
<b>9. Targets</b>	<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			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" 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"/>
	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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	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"/>
		<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>

11. Internal markers and Tags				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 checked="" type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	/
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> X X <input type="checkbox"/> X	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line: 14.02122 Total estimated cost: EUR 15 000 000 Total amount of EU budget contribution: EUR 15 000 000 The Action contributes to the e-Youth Team Europe Initiative (TEI) also supported by AT, BE, FI, F, DE, IE, I, NL, PT, ES and SE for a total indicative amount of EUR 804 514 414 and to the Green Deal TEI also supported by AT, BE, DE, ES, FR, IE, IT, NL, PT, SE and the European Investment Bank for a total indicative amount of EUR 1 433 000 000.			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Indirect management</b> with the entities to be selected in accordance with the criteria set out in section 4.4.1			

## 1.2 Summary of the Action

Skills development in line with the needs of the labour market and a competitive private sector are fundamental enablers of decent work, productivity and inclusive and sustainable growth. However, in Mozambique, the low level of technical and vocational education (both in terms of quality and availability), the mismatch between skills and the needs of the labour market, as well as a lack of formal employment opportunities are major obstacles for youth employment. Obtaining employment is even more difficult for women, who so far have profited less from the creation of formal jobs and the structural transformation of the labour market, especially in male-dominated sectors. Additionally, for an economic transformation of the country towards a future-oriented, sustainable economy, it is necessary to identify the untapped potentials to create decent and green employment and income opportunities by greening traditional sectors and investing into nascent green sectors.

This Action will thus support Mozambican youth to reach their full potential to lead the socio-economic transformation of the country. The specific objective of this Action is to **enhance opportunities for Mozambican youth, with a special focus on women and people with disability, to obtain decent employment in selected economic sectors that support the green transformation**. These sectors include green sectors (e.g. renewable energies, sustainable agriculture, sustainable blue economy) and sectors important to harness the economic potential of the country with potential for greening (e.g. waste and water management, construction, transport and logistics). Both dependant employment (e.g. as an employee in a private sector company) and independent employment (self-employment) will be targeted through this action.

Implementation will mainly concentrate in the North (Nampula, Cabo Delgado) and in Provinces concerned by strategic corridors (namely the Provinces through which the Maputo, Beira and Nacala corridors cross – Maputo, Sofala and Nampula).

To achieve its objective, this Action will enhance the skills of youth and therefore their employability by developing active labour market measures and qualifications aligned to the labour market needs, in close collaboration with the Private Sector. It will also build the capacities of Technical and Vocational Education and Training (TVET) providers to offer better and more demand-oriented training. Marginalized youth, especially young women and men with disability, will be given access to skills development through alternative financing. Besides, it will also seek to increase the competitiveness and readiness of Mozambican start-ups, Micro, Small and Medium-Sized Enterprises (MSME) and young entrepreneurs, including through the development of the entrepreneurial ecosystem promoting the green, blue and digital transformation.

The Action is hence embedded in Priority area 2 “Growing Youth” of the Multi-Annual Indicative Programme (2021-2027), particularly in Objective 4 “Enhanced opportunities for youth to obtain decent employment”. It contributes to the expected result “boosted inclusive employability of youth by equipping them with labour relevant skills and accompanying their transition from school to work”. Synergies will be created with the Action VaMoz Digital that will promote digital skills and inclusiveness (EUR 10 million) and the Sustainable Blue Economy Action (EUR 35 million).

Furthermore, it contributes to the overall objective of the Team Europe Initiative (TEI) e-Youth, namely for Mozambican youth to reach their full potential to lead the socio-economic transformation of the country by harnessing their potential through education, employment and empowerment. It will also contribute to the TEI Green Deal, in particular its pillar on Green Economy and Governance through employment promotion in selected sectors in the green economy and/or conventional sectors with a potential for greening. Furthermore, the Action will actively seek for complementarities and synergies with the TEI Investing in Young Businesses in Africa (IYBA), which seeks to facilitate the conditions in which early-stage businesses and entrepreneurs in Sub-Saharan Africa can thrive – especially woman and young people – and thereby help create decent jobs.

The action will contribute to the realisation of the EU Gender Action Plan 2021-2025 GAP III, in particular to its thematic area of engagement “Strengthening economic and social rights and empowering girls and women” and “Addressing the challenges and opportunities of green transition and digital transformation”.

It will contribute to the achievement of SDGs 1 (no poverty), 4 (quality education), 5 (gender equality), 8 (decent work and economic growth), 10 (reducing inequalities), 12 (Sustainable Consumption and Production), and 13 (Climate Action).

## 2 RATIONALE

Mozambique remains one of the least developed and most unequal countries in the world, and rapid population growth is putting extra pressure on job creation and the provision of education and training services. Growing inequalities in Mozambique have a strong territorial component, with poverty concentrated in the Centre and North of the country. The rural economy is even poorer than national averages suggest: 98% of the households use biomass as fuel for cooking; 94% of the households don't have access to electricity and 57% of them have do not have access to safe water. Women and girls bear the main responsibility of fetching water and fuel. As such, they have little incentive to invest in higher value-added production or in their human capital, including better production technologies<sup>1</sup>.

Employment prospects for youth in the North are further affected by armed violence and insecurity. Although the general level of unemployment under the international standard definition used by the ILO is rather low in Mozambique (3.9% overall and 4.2% for women<sup>2</sup>), unemployment rates are higher in urban areas, especially among youth (21% of youth unemployed, with two thirds of them being unemployed for more than a year) and women. Around 80% of economic activity is carried out in an informal setting, a factor that contributes to the vulnerability of working conditions. Statistics on labor force in the country show persistent gender inequalities: 58% of men are employed in the agricultural sector, against 82% of women<sup>3</sup>, a sector where returns to labor are the lowest not only due to low production and productivity but also due to low prices of agricultural commodities as compared to manufactured goods. Furthermore, outside the agriculture sector, it is women who are employed as housekeepers, lower-income urban informal vendors and service providers such as for example cleaning and secretaries. This contributes towards a country's average of women's income being only 66.9% of men.<sup>4</sup> Socio-cultural factors contribute greatly to the discrimination and exclusion of women and girls from social, political and economic life and are locked out of economic opportunities resulting in an increasing feminization of poverty<sup>5</sup>.

Furthermore, the **creation of decent and green employment and income opportunities** in and through the private sector is increasingly seen as a priority by the Mozambican Government, as articulated for example in its Five-Year Plan (2020-2024). The adoption of measures that make the country more competitive, expand the level of production, professional education, professional training and on-the-job learning shall attract further investments and generate more jobs. A continued challenge in the TVET is the unequal presence of women, with analysis showing that women's enrolment is only of about 30%. Gendered stereotypes greatly influence choices of courses, leaving women absent from Sciences Technology, Engineering and Mathematics (STEMs) oriented courses. There is need for greater gender sensitive TVET policies, management, institutional procedures as well as tackling sexual harassment and bullying in TVET institutions<sup>6</sup>.

Job creation and economic diversification are key elements in Mozambique's development as recognised by the various national public policies. Mozambique's economic potential for attracting investments in agriculture, transport and logistics, fishing, renewable energy, etc., is enormous. However, the private sector is not involved in the definition and implementation of active labour market policies nor does sufficiently invest into trainings for youth, particularly women, to be able to develop into a skilled workforce (e.g. development of policies on cooperative training modalities, engagement in curricula development, acceptance of interns). There are not enough training and employment opportunities available to the approximately 500,000 young people who enter the labour market each year.

Additionally, the low productivity of micro, small and medium-sized enterprises (which hampers formal job creation and the improvement of working conditions and salaries) as well as the mismatch between employers' expectations and the skills acquired, through the TVET system, reduce the opportunities for youth's economic

<sup>1</sup> UNWOMEN (2021) Mozambique National Gender Statistics Assessment. Retrieved from:

<https://africa.unwomen.org/sites/default/files/Field%20Office%20Africa/Attachments/Publications/2021/12/Assessment%20of%20Mozambique%20National%20Gender%20Statistics%20System3009202101.pdf>

<sup>2</sup> [Mozambique | Data \(worldbank.org\)](https://data.worldbank.org/mz)

<sup>3</sup> INE (2016), Inquérito ao Orçamento Familiar 2014/15 - Relatório, Maputo: INE

<sup>4</sup> UNDP (2020) Human Development Report 2020. Retrieved from:

[https://www.google.com/search?client=safari&rls=en&q=UNDP+\(2020\)+Human+Development+Report+2020&ie=UTF-8&oe=UTF-8](https://www.google.com/search?client=safari&rls=en&q=UNDP+(2020)+Human+Development+Report+2020&ie=UTF-8&oe=UTF-8)

<sup>5</sup> Gender Action Plan III – 2021-2025 - Country Level Implementation Plan – Mozambique

<sup>6</sup> Ibid.

integration. Providing youth with the required skills for current and future decent jobs as well as entrepreneurship shall reduce social exclusion, which is a threat to themselves and society. In fact, public debates on the underlying factors of insecurity in the country's Northern region focus, fundamentally, on the lack of opportunities for the youth. Particular challenges affecting female-youth are to be addressed as higher illiteracy rates for women (49.4%) than for men (27.2%) with only 12.8% of girls enrolled finish the last year of education<sup>7</sup>. A challenge that is closely related with the high rates of child marriage (with around 50% of girls marrying before the age of 18) and teenage pregnancies. With the adequate skills, knowledge and opportunities, including access to sexual and reproductive health education and family planning, Mozambican youth will have a transformational impact on society and become drivers of inclusive and sustainable growth.

Over the last decade, the Government of Mozambique has been reforming its TVET system to enhance its quality and relevance, strengthen linkages with the private sector to respond better to their needs and establish the National Authority for Professional Education (ANEP); the State Secretariat for Youth and Employment (SEJE); and the State Secretary for TVET (SEETP). Mozambique's **National Employment Policy**, drawn up with the support of the International Labour Organization (ILO) in 2016, aims to improve coherence across existing employment programmes and strengthen decent employment creation through economic transformation. This policy constituted a strategic step towards an integrated and multidisciplinary approach to the problem of unemployment in Mozambique. It also supported progress towards gender equality through the inclusion of gender in its pillar VII which foresees the following three gender-related issues: (i) to expand training opportunities for women; (ii) ensure the elimination of discrimination and sexual harassment for women in employment and in the workplace; and (iii) encourage the employment of women in traditionally male jobs.

The **SEJE Action Plan for the Youth Policy (2020-2024)** to educate, employ and empower Mozambican youth, the Action Plan to revitalise Technical Professional Education from 2021 and the **Action Plan for Employment Policy 2021-2026** are also relevant political instruments that support the reform and improvement of the TVET and youth employment system.

The new **National Development Strategy (2023-2042)**, which is still in the making, identifies in its draft low qualified labour as an obstacle to development. With regard to skills development the draft strategy refers to quality and inclusion as well as gender equality in TVET and the need for cooperation with the private sector with regards to work-place experience and competence-based training.

In line with the **Global Gateway**, this Action will contribute to the transformation of education through creating and reinforcing connections with the private sector without jeopardizing the dimensions of inclusion, equity and quality that are set into SDG4. Skills development and employment promotion in green sectors and conventional sectors with high potential in terms of sustainable growth that should be "greened" lie at the heart of this Action. Besides, skilled youth, prepared for the future, will directly contribute to the enhancement of the investment and business climate.

The intervention will also contribute to the implementation of the **Gender Action Plan III country level implementation plan**, notably to its key thematic priorities: advancing equal participation and leadership; strengthening economic and social rights and the empowerment of girls and women; and addressing challenges and harnessing the opportunities offered by the green transformation and the digital transformation.

In line with the **Youth Action Plan in EU External Action 2022-2027**, this Action will contribute to (1) a meaningful engagement with youth, mainly women, by increasing their voice in policy and decision-making at all levels, (2) the empowerment of youth, mainly women, by addressing inequalities and providing young people with the skills and resources they need to flourish and achieve their potential; and (3) the establishment of a stronger connection with Mozambican youth fostering opportunities for young people to network and exchange with their peers.

The Action will be complementary to the Action VaMoz Digital that promotes digital skills and inclusiveness (EUR 10 million), the investment promotion and value chain upgrading initiatives under the Sustainable Blue Economy Action (EUR 35 million) and to the call for proposals that will be launched under the programme ResiNorte - Resilience for the North (EUR 15 million) that will contribute to enhance social cohesion and reinforce peace and stability through the humanitarian-development-peace nexus in the three Northern Provinces (Niassa, Cabo Delgado and Nampula). One of the objectives of the call is to enhance inclusive economic opportunities and resilient livelihoods for the Northern communities with a focus on youth, woman and displaced and host communities. In particular, while VaMoz Digital will enhance digital skills for youth and for micro entrepreneurs through the Tech Hubs (most likely established in the same provinces where the

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<sup>7</sup> Ibid.

proposed Action will be implemented), this Action will promote digitally enabled entrepreneurship through reinforcing job digital skills. Finally, it envisaged that a future project in Support to Entrepreneurship will include a component dedicated to promote innovation and use of digital technologies.

## 2.1 Context

## 2.2 Problem Analysis

Although the development of skills of Mozambican youth and their employment can contribute to the sustainable socio-economic development of the country, as well as to the realisation of the demographic dividend, studies point to alarming youth unemployment figures, which are even worse for female-youth, are due to the discrepancy between the skills and the labour market: 21% of youth is unemployed, with two thirds of them being unemployed for more than one year<sup>8</sup>. In rural areas, the unemployment rate is low, however, youth enters agriculture mostly due to a lack of alternatives. Also, stimulating the non-extractive production industry shall contribute to the diversification of the economy, the creation of jobs and the reduction of the vulnerability of the economy.

### **Legal and Regulatory Frameworks:**

The legal framework of training and youth employment policies is robust and progress has been achieved in the qualification system for youth employment and the inclusiveness of Mozambican productive sector. However, Mozambique still lacks regulations to implement the legislative framework, in order to increase the responsibility of the private sector in improving skills; create incentives and opportunities for micro, small and medium-sized enterprises (MSMEs) to hire youth; disseminate the Regulation of Pre-vocational Traineeships (Dec 2021) and activate the Mozambican Fund for Vocational Education (FNVE), which could greatly contribute to reversing the chronic underfunding situation of the sector. Additionally, there are some overlapping and duplication of SEJE and SEETP mandates that require better coordination. Furthermore, gender-related issues challenges the education sector's ambitions towards the advancement of women. For instance, more structural problems that affect the quality of girls' education, including staff capacity (teacher / student ratio), improvement of teaching and learning, the improvement of infrastructures and the adaptation of secondary general and technical-professional curricula to their development needs. Constraints in the business environment in the business development and limited access to finance and technical assistance are factors preventing the creation, survival and growth of companies, the self-employment of youth through entrepreneurship and the job creation in the private sector. Finally, there is an absence of effective dialogue platforms between key public and private stakeholders (including the youth), and other entities facilitating the placement of youth in traineeships.

### **Mozambique Economic structure:**

Although the Government has approved PRONAE (National Program to Industrialize Mozambique) in 2021, to promote, modernize, and increase competitiveness in various industries, the Mozambican economy is still highly dependent on the extractive sector and builds on a resource-driven economic growth model, while at the same time, it is one of the countries most vulnerable to climate change. Mozambique's strong economic performance of annual 7.2% growth over the past decade has been fueled by foreign direct investment in agriculture and infrastructure. Awareness of the necessity to adapt to climate change, to reduce the environmental impact of economic activities, as well as of the potentials of a *more sustainable and green economy*, are still in a nascent stage in Mozambique. In 2022, the Government approved the PAE (Economic Acceleration Stimulus Package) including fiscal and economic stimulus measures to create the appropriate environment for key sectors of the economy to thrive, through the attraction of greater investment and the creation of new jobs, ensuring an improvement in macroeconomic stability and the sustainability of the fiscal system. Efforts are indeed needed to place the private sector at the centre of the country's economic transformation, in order to promote the diversification of productive activities, beyond capital-intensive projects linked to the oil and gas sector and low-productivity subsistence agriculture, and enhance opportunities for their expansion. In parallel, the main drivers of inclusion should be strengthened, such as better quality of service delivery.

### **Business environment:**

Improving employability of the workforce alone cannot significantly improve the employment situation of Mozambican youth. The demand side of the labour market should also be strengthened. More and better jobs need to be created to absorb the growing and better educated labour force, and more productive work is needed to enable workers to obtain a sustainable livelihood and lift them out of poverty. Another necessary element is to increase the productivity and therefore earnings in traditional sectors in household farms and non-farm self-employment,

<sup>8</sup> World Bank 2018: Jobs Diagnostic Mozambique, Volume 1

where most Mozambicans work and will continue to work in the foreseeable future. In addition, inequalities and gender disparities are to be considered in a country where more than three quarters of economically active Mozambicans are involved in small and informal businesses and 60% of whom are women.

The overall business environment and investment climate needs to be improved. Initiatives have been undertaken to streamline the process of starting a business in Mozambique. The government has introduced reforms to simplify business registration and reduce the time and cost associated with the process. The introduction of a one-stop shop for business registration aims to facilitate the registration process and expedite business establishment. Moreover, the government and financial institutions have been working to improve the credit environment and increase access to financing. Efforts have been made to establish credit bureaus and promote mechanisms for collateral registration to facilitate lending. Nevertheless, access to finance remains a major challenge, especially for micro, small and medium enterprises. Mozambique's entrepreneurial ecosystem is characterized by sectors such as agriculture, tourism and energy. With its rich natural resources and growing industries, there are opportunities for entrepreneurs to innovate and contribute to the country's economic development. However, firms as well as (potential) entrepreneurs lack access to public and private services that could help them increase their technical skills and business competences, access to information and networks, as well as access to finance to become more competitive and grow their businesses. While business associations (e.g., Mozambique Chamber of Commerce), incubators and accelerators (e.g., IdeiaLab) do exist, their service offer remains inadequate, especially in terms of available spots, and oftentimes focuses on/around Maputo.

All of these challenges are particularly true for women entrepreneurs whom usually have smaller businesses and employ fewer people, have higher demands at home (i.e. caring for the family) and face discrimination and unequal access to networks and information.<sup>9</sup> While women are not limited in their entrepreneurial endeavors from a legal perspective (Women, Business and the Law Mozambique, 2021), a recent report on Mozambique's entrepreneurial environment (TechnoServe, 2021) shows that women-owned enterprises are often overlooked as clients and/or suppliers. This is due to being on average smaller and less well-connected as well as to inherent biases of potential partners. This further poses challenges for access to finance and to markets and thus business growth.

#### **Education and Skills development:**

Mozambique faces a skills gap at various levels of the education system (girls go to school for about 2.7 years, boys for 4.5 years), including sectoral technical skills, largely related to the precariousness of the general state budget for TVET. In addition to the lack of infrastructure and equipment, there are chronic difficulties at the level of management of TVET centres. Despite the reform of vocational education and training in Mozambique, which was initiated in 2006, creating pathways into training and employment even for primary education drop-outs, the national vocational training policy is not sufficiently oriented to the needs of the labour market and does not offer a broad spectrum of diversified qualifications, marked by its lack of labour-market orientation. Digital skills are also lacking for both youth and MSMEs to be able to adapt to new standards and technology, exploit market opportunities as well as being critical enablers for a green, blue and circular economy. In the case of female youth, challenges to access to education and digitalization are exacerbated. According to UNESCO, only 32,6% of the total students enrolled in secondary vocational education are girls<sup>10</sup>. Furthermore, Mozambique has one of the world's lowest level of cell phone ownership (46 % of women, 56 % of men) and internet access (17 % for women and 27 % for men) and this affect the digital literacy of women.<sup>11</sup>

#### **Exclusion of marginalized groups:**

Women have so far benefitted less than men from improvements and transformation of the labour market in Mozambique. Women are less likely to enter higher paying non-agricultural sectors, with domestic tasks being mentioned as the main reason. Additionally, there is unequal access to education and women enter the labour force with a skill disadvantage. Most growing sectors, such as transport and logistics are male-dominated and companies have difficulties to deliver on their objective to have a more diverse workforce. Also, companies managed by women more often face obstacles such as social norms and differences in terms of resources, assets and networks. Another group extremely marginalized are (young) people with disabilities: they often leave school very early and fail to find employment, with discrimination and stigmatization further limiting their access to the labour market.

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

<sup>9</sup> <https://www.win-moz.org/home>

<sup>10</sup> <https://unevoc.unesco.org/home/Dynamic+TVET+Country+Profiles/country=MOZ>

<sup>11</sup> Gender Action Plan III – 2021-2025 - Country Level Implementation Plan – Mozambique

The main Stakeholders of this Action will be the Secretary for State for Youth and Employment (SEJE), and its umbrella institutions namely: National Institute for Employment (INEP), Alberto Cassimo Institute for TVET and Employment Studies (IFPELAC) and National Youth Institute (INJ). Further government stakeholders will be the State Secretariat responsible for Technical and Vocational Education (SEETP), overseeing the national TVET authority and governing the whole sector, the Ministry of Industry and Commerce (MIC), mainly via the Institute for the Promotion of SMEs (IPEME), as well as other ministries (e.g. labour, transport, agriculture, environment, energy in line with specific sectors selected).

The Action will seek active partnerships with the private sector, also through the Confederation of Economic Associations of Mozambique (CTA), the Mozambique Chamber of Commerce and the Association of the European Chamber of Commerce (Eurocam) which will be crucial partners in mobilizing private sector companies and to ensure their active participation in the implementation of activities. The private sector has a key role to play as potential employer: on the one hand, private firms, especially MSMEs will benefit from support to improve their competitiveness and create new jobs for youth, on the other hand, the experiences and needs of the private sector are important to take into account to improve the demand-orientation of TVET and Employment Policy. Public-private dialogue in selected sectors will be actively promoted.

Other main stakeholders will be Technical and Vocational Education and Training institutions and public and private employment services in the target provinces as well as Civil Society Organisations (CSOs) – who are important actors to influence policies through evidence-based advocacy, and raise awareness on rights (notably on decent work) and promoting access to services particularly for woman marginalised groups – and local authorities. The Mozambican network of the persons with disabilities’ associations and other organisations (such as women CSOs) will be actively consulted and involved in the intervention.

Finally, coordination will be ensured with several Development Partners active in the sector such as World Bank, UN agencies and EU Member States, to avoid overlapping, create synergies and leverage support to sustainable jobs and employment creation in Mozambique.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is: **Support Mozambican youth to reach their full potential to lead the green and socio-economic transformation of the country.**

The Specific Objective (Outcome) of this action is:

1. Enhance opportunities for Mozambican youth, particularly for women and young people with disability, to obtain decent employment.

The Outputs to be delivered by this action contributing to Outcome 1 (or Specific Objective 1) are:

- 1.1 Improved offer of labour-market oriented training supporting the green and circular transformation;
- 1.2 Enhanced capacities of Start-ups, entrepreneurs and MSMEs leading to increased competitiveness (with a focus on women-led Start-ups, entrepreneurs and MSMEs);
- 1.3 Alternative financing for training and apprenticeship opportunities for marginalized youth (with a focus on women and young people with disabilities);
- 1.4 Improved Employment Policy and gender-sensitive insertion of youth in the labour market.

#### 3.2 Indicative Activities

##### **Activities related to Output 1.1: Improved offer of labour-market oriented training supporting the green transformation**

- Conduct a gender-sensitive skills gap analysis in selected economic sectors supporting the green transformation. Define new and update existing qualifications in these sectors, actively involving ANEP and the private sector;
- Create sectorial committees / advisory councils between public and private sector and other relevant partners at local level with gender-equal representation, to improve training delivered, in line with market labour needs;

- Develop occupational standards and learning paths, according to international references and practices in close collaboration with the private sector, including in the delivery of training;
- (Further) Develop / adapt and implement qualification measures in sectors promoting a green transformation;
- Support qualification measures that are accessible for school drop-outs or people with low qualifications, young mothers, people living with disabilities and other marginalized groups;
- Improve capacities of training centres, including digital transition (school management, teachers training, requalification of infrastructures, equipment, connectivity, partnership agreements with the private sector, development of pedagogical resources, gender-sensitive training curricula, including job-specific digital skills, and training schedules etc.);
- Develop approaches unlocking the potential for opportunity-driven training and upskilling measures for MSMEs to engage in value chains, with focus on women-led MSMEs;
- Support certification of selected training centres to become internationally accredited bodies.

**Activities related to Output 1.2: Enhanced capacities of Start-ups, entrepreneurs and MSMEs leading to increased competitiveness(with a focus on women-led Start-ups, entrepreneurs and MSMEs)**

- Increase the competitiveness of the private sector via upskilling and on-the-job training of employees (including digital modalities), amongst others, in green competences to foster innovation, particularly for female-led enterprises, based on European and international sectoral benchmarking;
- Develop advisory offers for Human Resource Development in companies with regard to Occupational Safety and Health, Gender Diversity Management, improvement of core processes and interoperability of management, production, innovation and sales systems;
- Create partnerships with lead companies (supplier development, green and inclusive business models)
- Increase support to young entrepreneurs, with a focus on women and marginalized youth, through access to business development services (incubators, accelerators, training and mentoring technical assistance, and access to funding) with a focus in green and digital areas;
- Support SME certification and enhance their market access in the selected economic sectors through Technical Assistance in support to MSMEs specifically to help them grow and increase competitiveness;
- Provide technical / advisory assistance and lend support to MSMEs, private sector organizations (CTA, Eurocam, Mozambican Chamber of Commerce) and public sector (MIC - Ministry of Industry and Commerce, IPEME - Institute for Promotion of SME's) for the reduction of gender-based barriers in the business environment (particularly in skills development and employment in male-dominated sectors).

**Activities related to Output 1.3: Alternative financing for training and apprenticeship opportunities for marginalized youth (with a focus on women and young people with disabilities)**

- Offer scholarships and financial support for training and apprenticeships, with a focus on work based opportunities, in accredited training entities, private companies, local administration and civil society organisations;
- Provide access to information, professional orientation and market insertion – with the support of civil society organisations;
- Adapt training facilities to deliver training to young people with disabilities (including the infrastructure rehabilitation, acquisition of new equipment, pedagogical resources and software);
- Acquire and equip Mobile Employment Units to reach youth living in remote areas;
- Inclusive and improved financial instruments (including innovative financial instruments) to enhance MSMEs competitiveness and capacity to provide employment.
- Awards for MSMEs that stand out in job creation for women and people with disabilities.

**Activities related to Output 1.4: Improved Employment Policy and gender-sensitive insertion of youth in the labour market**

- Increase and ensure inclusivity of sectoral / national public-private dialogue platforms and partnerships, including civil society (with focus on women and people living with disabilities organizations), to match skills with employment opportunities and improve transition from education and training to work;
- Enhance labour market-orientation of TVET and Employment Policy through technical advice to partner organisations (e.g. SEETTP and SEJE) on their strategy and in consultation with civil society;
- Develop and implementing Active Labour Market Instruments and policies with the advice of private sector and civil society and informed by the results of a sector-specific gender analysis;
- Promote peer-to-peer exchanges to collect lessons learned and good practices between actors of the TVET and employment system;

- Promote the anchoring / scaling up of successful approaches and pilot measures in TVET and employment promotion;
- Provide (sectoral) information on the green transformation as well as necessary training for companies and training providers on green sectors;
- Advise partner organisations on the development of career pathways (e.g. certification, accreditation);
- Promote awareness-raising campaigns and provide support to the revision of specific legislation and regulation to improve employability of young people with disabilities and the marginalized youth – with the involvement of civil society organisations;
- Requalification of selected employment centres (training of employment staff, buildings, resources, equipment, ICT, platforms and databases) including definition of marketing and business plans.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

This Action will aim to promote the concept of a circular economy as an alternative production and consumption model for promising economic sectors in Mozambique aiming also at presenting opportunities for economic development, job creation and building new enterprises for the youth. The action will furthermore focus on selected sectors that support the green transformation of the economy. This can encompass both sectors of the green economy and conventional sectors with a potential for greening services, products and business models. It is also relevant to mention that Team Europe Initiative 'e-Youth' (which aims to unleash Mozambican youth potential through education, employment and empower) is developed alongside the Team Europe Initiative 'Green Deal', which aims to better prepare Mozambique's society as a whole to adapt to climate-induced events, contribute to climate change mitigation and reap the fruits of a green growth and energy transition in a health-promoting biodiverse environment. This specific Action will contribute to both TEIs by stimulating the mobilisation of youth and entrepreneurs for a greener and smarter society.

#### **Outcomes of the SEA screening**

No need to carry out a SEA screening. This Action will aim to promote the concept of a circular economy as an alternative production and consumption model for promising economic sectors in Mozambique aiming also at presenting opportunities for economic development, job creation and building new enterprises for the youth. The action will furthermore focus on selected sectors that support the green transformation of the economy. This can encompass both sectors of the green economy and conventional sectors with a potential for greening services, products and business models.

#### **Outcomes of the EIA (Environmental Impact Assessment) screening**

No need to carry out a EIA screening as this Action aims at promoting skills and employment in green sectors and conventional sectors with high potential in terms of sustainable growth that could be "greened".

#### **Outcome of the CRA (Climate Risk Assessment) screening**

No need to carry out a CRA screening. The Action will seek to take advantage of the opportunities that lie in a transformation of Mozambique towards a greener economy, towards a future oriented economic transformation, sustainable economy, by identifying the untapped potentials to create employment and income opportunities when greening traditional sectors (such as transport/logistics or construction) and investing into green sectors (such as waste management/circular economy or renewable energies).

#### **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 gender equality is a significant objective. The action will be implemented through gender sensitive and transformative approach, recognising the different needs of young women in comparison to young men in education and employment. Where possible, activities will include specific actions to address the root causes of gender-inequalities, namely in what concerns the financial and economic empowerment of young women.

By actively addressing social norms that hinder women on the labour market, and contributing to women economic empowerment, this action will contain some gender-transformative elements. The Action will promote the social and economic rights/empowerment of girls and women and the strengthening of their voice and participation as equals in economic life and access to economic resources, fostering their self-confidence and motivation. The intervention should result in improving the participation of women in vocational education and have a positive impact on their integration into the labour market. Some specific measures:

- ✓ The action will be informed by results from the gender analysis and assessment of women's needs, vulnerabilities and strengths;
- ✓ The action will ensure strong partnerships with women-led organizations and other organizations representing marginalized groups;
- ✓ All indicators will be disaggregated by gender;
- ✓ In the Project Manual should be defined the principles and measures that favor the equality referred to;
- ✓ Criteria for positive differentiation will be used in the terms of reference for support for the creation of self-employment, and 50% of women should be covered through them (e.g. additional enhancement of proposals that include the creation of more jobs for women; additional enhancement of economic activities that ensure relevance to women);
- ✓ The organisation of training actions will be gender-sensitive (e.g. schedules should take into account the need to reconcile personal and professional life, and support schemes may be organised for young mothers who go through the award of a support allowance to nannies to care for dependent minors during the training hours);
- ✓ Vocational guidance materials and the training of Trainers should include gender-sensitive topics.

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### **Human Rights**

The proposed action will abide by the 'do no harm principle' to avoid unintended negative impact in terms of human rights and will be implemented following the rights-based approach working principles (all rights, participation, non-discrimination, accountability and transparency). The proposed action will develop the capacities of the stakeholders as 'rights-holders' to claim their rights and 'duty-bearers' to meet their obligations. Since the action targets vulnerable segments of the economy, it will pay special attention to ensuring that rights are consolidated and when possible expanded.

### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the inclusion of persons with disabilities is a significant objective and that the intervention contributes to promoting, protecting and ensuring the full and equal enjoyment of all human and fundamental rights of all persons with disabilities and promote respect for their inherent dignity, in line with the UN Convention on the Rights of Persons with Disabilities. By including, where possible, young persons with disabilities in qualification measures, and supporting their labour market integration, the action can contribute to promote their economic and social inclusion and empowerment.

### **Reduction of inequalities**

According to the World Bank<sup>12</sup>, during the last two decades the Mozambican economy has grown at a considerable rate, without poverty reduction keeping pace. Instead, while wealthier segments of the population, especially in urban areas, gained from economic growth, inequality rose and Mozambique remains one of the most unequal countries in the world. Therefore it is necessary to render growth more inclusive, through achieving higher labour productivity which should result in better-paying jobs and better remuneration, which are considered key to poverty reduction. Several dimensions that drive (in)equality will be taken into consideration in this action:

- a) From a sectoral perspective, supporting selected economic sectors will contribute to a structural transformation of the Mozambican economy through a shift to more productive sectors which are in a nascent stage, and increasing productivity in traditional sectors.
- b) In a spatial dimension, the action will be implemented in the Northern (Cabo Delgado and Nampula) and Central region as well as in the southern region (Maputo Province). Special focus will be put on regional corridors (Maputo, Beira, Nacala) and will therefore contribute to reach a more (regionally) balanced growth and ensure that growth impulses are benefitting local communities along the corridors.

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<sup>12</sup> World Bank 2021: Jobs Diagnostic Mozambique, Volume 2: Jobs Strategy Policy Note: [World Bank Document](#)

- c) Looking at target groups, the action will focus particularly on vulnerable groups. A focus on youth, especially women and including people with disabilities will ensure more inclusive growth and contribute to reducing inequalities. In order to reach marginalized youth with little previous education, the action will also aim at supporting training and employment measures that are accessible for school drop-outs or people with low qualifications (in terms of entry requirements and (opportunity) costs) and strengthen corresponding career development paths.

### Democracy

Interventions under this Action are of a participatory nature. The goal is to empower youth and promote access to decent work through greater opportunities to achieve their potential. By supporting the training-employment transition to achieve a decent wage or to obtain an income from self-employment, this Action shall greatly contribute to increasing the participation of the youth in the economy and promoting their fundamental social empowerment to civic participation in political life.

### Conflict sensitivity, peace and resilience

While this Action focuses on supporting the improvement of skills for employability and the strengthening of partnerships between training providers and the private sector to increase employment, its implementation is directly related to increasing social cohesion and in that sense applies a conflict-sensitive approach. The lack of economic opportunities and high unemployment rates, especially among the youth in the province of Cabo Delgado, is widely cited as a source of resentment that fuels widespread complaints related to perceptions of social exclusion and discrimination. By being outside the formal labour market, youth are subject to all the ensuing constraints, namely poverty and social vulnerability, which often results in marginalisation and insecurity.

It is important that training and employment initiatives carefully consider how they contribute to broader economic opportunities and sustain livelihood opportunities for marginalised and vulnerable communities, particularly the working poor, informal workers, and the bottom 40% of the income distribution. In addition, the Action combines a long-term approach (e.g. building human capital, and state policy capacity) and short-term interventions to support people's income generation. These efforts need to be informed by the conflict-dynamics; as such, the interventions will be based on the analysis of conflict trends in the North, and follow a conflict sensitive, "do no harm" oriented and inclusive approach.

### Disaster Risk Reduction

N/A

### Other considerations if relevant

N/A

## 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
1 – External environment	Slow economic growth and lack of labour demand from the private sector	Medium	High	Address the competitiveness of the private sector through specific outputs. Select economic sectors with high employment-relevance and potential. Promote close cooperation with private sector to identify skills needs and ensure demand-orientation.
	Increased attacks by non-state armed groups negatively impacting programme implementation and	Medium	High	Continuous assessment during the project cycle, evaluating potential impact and rapidly undertaking required revision of interventions.  Involve private sector in all phases of the Action and security assessments. Work with private sector to ensure responsible business

	presence of the private sector in the region			conduct, including social and environmental safeguards.
	Poor digital infrastructure	<b>High</b>	<b>Medium</b>	Provision of IT equipment to TVET centres. Provision of data bundles for beneficiaries of online trainings, assess basic digital literacy and promote access to suitable device as entry requirement for certain activities.
2 – planning, processes and systems	Lack of political will and effective articulation / coordination between SEETP, SEJE and the Private Sector	<b>Medium</b>	<b>High</b>	Capacity development of partner organisations. Set up of coordination mechanisms and facilitation of public-private dialogue to improve coordination amongst all. Reinforcement of coordination between donors, namely within the scope of the TEI
	Lack of commitment from private sector to translate economic gains into better salaries and working conditions	<b>Medium</b>	<b>High</b>	For public-private cooperation projects, agreeing on targets including both job creation and improved working conditions for employees. Specific measures targeting the qualitative dimension of employment (e.g. Gender Diversity Management, Occupational Safety and Health). Qualitative aspects of employment / decent work will be taken into account in the monitoring system. Awareness-raising on ILO core labour standards for companies.
3 – people and the organisation	Lack of political commitment to implement regulations of existing legislation that promotes employment	<b>Medium</b>	<b>High</b>	Capacity development of partner organisations. Advice on participatory policy making processes taking into account the interests of relevant stakeholders. Adopt a multi-level approach and cooperating with diversified partner structure (e.g. non-formal, formal TVET system and private training providers)
	Lack of interest from the private sector to establish sustainable Public-Private dialogue and partnerships	<b>Medium</b>	<b>High</b>	Awareness raising and liaising with private sector partners to ensure strong results-orientation of dialogue formats. Promote an opportunity-driven approach to work on topics with a specific relevance for and interest of the private sector.
	Gender inequalities undermine women's access to the opportunities created by the Action	<b>High</b>	<b>High</b>	MoU with beneficiary entities should impose gender parity as a mandatory condition for support to be granted by the Action. Women beneficiaries of the Fund for the promotion of small initiatives and projects will be given priority.

### Lessons Learnt:

The EU and its Member States (with emphasis on Germany, Italy, Portugal and Sweden) have been Mozambique's main partner in supporting TVET and professional insertion policies. There are diverse interventions, from infrastructures (construction, renovation and expansion) to equipment and equipping, training of managers and trainers (technical and

psychopedagogical), institutional training and transversal and gender matters. It should be noted that the World Bank also plays a crucial role in the TVET sector (MoZSkills Project), supporting the Government. This Action will directly build upon lessons learned from EU-funded projects in Mozambique such as +EMPREGO, VET Toolbox II “Skills for Transport” and Women’s Entrepreneurship for Africa (WE4A).

Some of the lessons learned are:

- Employability must be at the heart of all interventions focusing on training for youth’s economic inclusion.
- The business fabric is fragile and the capacity of companies to promote decent jobs low. The failure rate of Start-ups is very high. Interventions should strengthen the abilities of MSMEs to increase their productivity and, consequently, the capacity to maintain and create jobs.
- Companies show reluctance to accept trainees. It is therefore crucial to involve the private sector in active employment measures and increase the number of paid traineeships by supporting companies with the associated costs (insurance, scholarships, protective material, etc.).
- Interventions should build broad alliances and reach out to various stakeholders. Resources from the private sector should be leveraged to improve the capacity of TVET institutions to deliver services, as public institutions have few resources to manage activities and processes.
- Work must be done both on demand and supply side by increasing companies' competitiveness and need for skilled labour, on the one hand, and investing into skills development of youth and especially women in a market-oriented way, on the other hand.
- Engaging the private sector not only in the dialogue, but also as beneficiary or partner significantly increases the engagement of the private sector in such initiatives.
- The appropriation of methodologies and instruments by the public TVET and employment institutions is fundamental for their sustainability.
- Standards of quality and certifications processes need to be widely disseminated and adopted, both in training and employment entities as well in MSMEs.
- Develop and reinforce the quality and quantity of teachers; promote partnerships amongst TVET centres and private sector; and strengthen the implementation of TVET centres business plans to ensure their sustainability.
- Consistently support self-employment (financing and Technical Assistance). Monitoring and follow-up need to be ensured of self-employment measures.
- Dissemination of the job/traineeship opportunities offered by companies is important.

### 3.5 The Intervention Logic

In order to enhance opportunities for Mozambican youth, particularly for women, to obtain decent employment, the Action will work both on the **demand side** of the labour market and the **supply side** of TVET and employment institutions. It will do so by increasing the competitiveness of Start-Ups, entrepreneurs and MSMEs, supporting the green transformation and raising quality standards (through training and advisory services, quality certification), and, on the other hand, promoting the necessary support to the **supply side** by developing qualification measures in cooperation with the Private Sector, building capacities of TVET staff and implementing these qualifications to the benefit of the target group (training programmes, non-formal, opportunity-driven short courses and formal short courses and upskilling). To guarantee that women and marginalized youth will benefit from the program, the action will include training and apprenticeship opportunities for this target group with alternative financing. The action will furthermore support the **matching** of the better skilled youth with increasing labour demand and enhance **framework conditions** on the labour market through improved employment policy.

For that, the Action will work to ensure that all the stakeholders stay engaged and committed and that Government takes ownership of the initiative and will work simultaneously on the enabling environment for skills development and employment, and on the preparation of youth to increase their opportunities for decent employment, entrepreneurship and become drivers of innovation.

The **underlying theory of change for this Action** is that:

**If** the political and economic environment is conducive to inclusive economic growth; **If** training and employment policy measures are reinforced and gender-sensitive; **If** new and existing active labour market instruments are developed and implemented; **If** public-private dialogue and coordination mechanisms are promoted; **If** an inclusive entrepreneurship ecosystem is available; **If** demand-orientation of TVET and employment system are enhanced; **If** training institutions and employment-support services are capacitated; **If** skills of young people are improved (equally for female, male and marginalized groups); **If** alternative financing for training and apprenticeship opportunities for marginalized youth is available; **If** entrepreneurs are willing and able to invest in the expansion of the business; **If** there is general labour demand from private sector and willingness to employ skilled youth (female, male and marginalized youth), **then**, the employment opportunities for Mozambican youth, particularly for female and marginalized youth, will be enhanced in specific economic sectors, with a focus on green, blue and digital transition.

The Action will not only target quantitative employment effects at the outcome level, but also qualitative objectives: young women will be particularly targeted by implementing all activities in a gender-sensitive and, in some cases, gender-transformative way, to contribute to the economic empowerment of women; and young people with disabilities will be also particularly targeted as the Action will include specific support to the this target-group, including adaptation of TVET facilities, specific training equipment and resources, training of trainers and specific measures to improve their employability.

Structural measures, such as the anchoring of successfully piloted qualification measures in the TVET system, are included to guarantee that effects will not be limited to the direct beneficiaries of the action, but that changes will persist in the long run and will be brought to scale. This way, improved employment opportunities for the Mozambican youth in selected economic sectors, as targeted in this action, will contribute to the Mozambican youth being able to reach their full potential to lead the socio-economic transformation of the country.

### 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 (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	<b>Support the Mozambican youth to reach their full potential to lead the socio-economic transformation of the country</b>	<ul style="list-style-type: none"> <li>- SDG 8 Unemployment rate (youth) (disaggregated at least by sex and disabilities)</li> <li>- SDG 8.6.1 Proportion of youth (aged 15-24 years) not in education, employment, or training (disaggregated at least by sex and disabilities)</li> <li>- SDG 4.3.2 Gross Enrollment Rate in TVET (disaggregated at least by sex and disabilities)</li> <li>- Proportion of informal employment in non-agriculture employment, disaggregated at least by sex</li> </ul>	1 2 3 4	1 2 3 4	1 2 INE / MITESS) 3 (SEJE / INE) 4	<i>Not applicable</i>
<b>Outcome 1</b>	Enhanced opportunities for Mozambican youth, particularly for women and young people with disabilities to obtain decent employment	<ul style="list-style-type: none"> <li>1.1 # of young people (15-35) that have found employment or self-employment</li> <li>1.2 # of young people (15-35) that have improved their situation (income increase / working conditions)</li> <li>1.3 # of private sector stakeholders confirming the demand-orientation of the adopted products</li> </ul>	1.1 1.2 1.3 1.4	1.1 1.2 1.3 1.4	<ul style="list-style-type: none"> <li>Progress reports for the EU-funded intervention</li> <li>Final report for the EU-funded intervention</li> <li>Final evaluation of the EU-funded intervention</li> </ul>	<ul style="list-style-type: none"> <li>There is a generally positive development of labour market demand</li> <li>Private sector is willing to expand and invest, and translate gains from increased competitiveness in new staff hiring and better working conditions / incomes</li> <li>Interest from public and private actors to engage in a long term dialogue</li> </ul>

		<p>1.4 # of young people (15-35) having successfully completed a qualification measures</p> <p><i>1.1, 1.2 and 1.4 disaggregated by gender, and people with disabilities</i></p> <p><i>1.1 and 1.2 can additionally be disaggregated by employment in companies supporting a green transformation</i></p> <p><i>1.2 can be disaggregated by # of young people with income increase to enable reporting to TEI Indicator</i></p>				
<p><b>Output 1</b></p> <p><b>Relating to Outcome 1</b></p>	<p>1.1 Improved offer between training offer and labour market needs supporting the green transformation</p>	<p>1.1.1 # of gender-sensitive qualification measures in sectors promoting a green transformation that have been developed or adapted in cooperation with the Private Sector</p> <p>1.1.2 # of TVET staff (teachers, school management) who have completed a training in delivery of labour-market-oriented TVET</p> <p>1.1.3 # of young people (15-35) enrolled in new or adapted TVET offers</p>	<p>1.1.1</p> <p>1.1.2</p> <p>1.1.3</p>	<p>1.1.1</p> <p>1.1.2</p> <p>1.1.3</p>	<p>Progress reports for the EU-funded intervention</p> <p>Final report for the EU-funded intervention</p> <p>Final evaluation of the EU-funded intervention</p>	<p>TVET actors dispose of the financial, organizational and didactical means to implement the offers in their institutions.</p> <p>General labour demand from private sector and willingness to employ skilled youth</p>

		<i>1.1.2 and 1.1.3 disaggregated by gender and people with disabilities</i>				
<b>Output 2 relating to Outcome 1</b>	1.2 Enhanced capacities of Start-ups, entrepreneurs and MSMEs leading to increased competitiveness	<p>1.2.1 No. of enterprises supported having improved their competitiveness</p> <p>1.2.2 Increased # of young people and/or MSME accessing inclusive financial services and instruments</p> <p>1.2.3. No. of owners of MSMEs and start-ups confirming that the new or improved advice and support services from actors in the entrepreneurship and start-up ecosystem are useful for improving their competitiveness</p> <p><i>1.2.1, 1.2.2 and 1.2.3. disaggregated by gender and people with disabilities</i></p>	1.2.1  1.2.2  1.2.3	1.2.1  1.2.2  1.2.3	<p>Progress reports for the EU-funded intervention</p> <p>Final report for the EU-funded intervention</p> <p>Final evaluation of the EU-funded intervention</p>	<p>Political and economic environment conducive for growth of companies</p> <p>The private sector is willing to invest in cooperation projects that focus on the economic participation of youth</p> <p>Sufficient number of Start-ups. Entrepreneurs and MSMSEs interested in supporting the green transformation</p>
<b>Output 3 Relating to Outcome 1</b>	1.3 Alternative financing for training and apprenticeship opportunities for marginalized youth (with a focus on woman and young people with disabilities)	<p>1.3.1. # of vulnerable young people that have benefitted from a scholarship, paid internship or apprenticeship opportunity</p> <p>1.3.2. # of vulnerable young people (15-35) having successfully acquired a qualification</p> <p>1.3.3. # of teachers/trainers trained in specific pedagogical</p>	1.3.1 1.3.2 1.3.3 1.3.4	1.3.1 1.3.2 1.3.3 1.3.4	<p>Progress reports for the EU-funded intervention</p> <p>Final report for the EU-funded intervention</p> <p>Final evaluation</p>	<p>The private sector is willing to contribute or co-fund training and apprenticeship opportunities for vulnerable youth</p>

		<p>methods and equipment's addressed to young people with disabilities</p> <p>1.3.4.# of young women who have received financial education and/ or technical/advisory assistance</p> <p><i>All indicators disaggregated by gender and people with disabilities</i></p>			of the EU-funded intervention	
<p><b>Output 4</b> <b>relating to</b> <b>Outcome 1</b></p>	<p>1.4 Improved Employment Policy and insertion of youth in the labour market</p>	<p>1.4.1 # of sectoral/national public-private dialogue formats that have taken place</p>	1.4.1	1.4.1	Progress reports for the EU-funded intervention	Continuity of staff and political will to finalise initiated processes
		<p>1.4.2 # of products for the implementation of a demand-oriented TVET and employment system developed</p>	1.4.2	1.4.2	Final report for the EU-funded intervention	Public and private sector actors are aware of the necessity to work together
		<p>1.4.3 # of companies, TVET providers and other partner organizations having participated in designing or implementing measures to support the transition from education and training to the labour market</p>	1.4.3	1.4.3	Final evaluation of the EU-funded intervention	General labour demand from private sector and willingness to employ skilled youth
		<p>1.4.4 # of young people (15-35) having participated in new or improved offers to support their transition from education and training to the labour market</p>	1.4.4	1.4.4		
		<p>1.4.5. Extent to which the partner country's labour</p>				

		market policy is informed by sector-specific gender analysis(GAP III Indicator)1.4.4 disaggregated by gender and people with disabilities				
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## 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 **60 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 in duly justified cases.

### 4.3 Implementation of the Budget Support Component

N/A

### 4.4 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 measures<sup>13</sup>.

#### 4.4.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with entities, which will be selected by the Commission's services using the following criteria:

- Technical competences in the areas of Technical and Vocational Education and Training (TVET) and in the Employment sector through the implementation of projects in Mozambique.
- Longstanding expertise using the integrated approach of employment promotion, combining activities to foster and better match the supply and the demand side of the labour market.
- Established presence in the target provinces, including logistical and management capacities, ability to quickly deploy the project team and start activities. **Two different entities will be selected to ensure geographical/provincial expertise and presence.**
- Administrative capacity and experience in project management in the field, and of working closely with both public and private partners and support them in the implementation of the project.
- Proven results achieved successfully under previous implementation of programmes in the areas of TVET and Employment.
- Expertise and demonstrated experience in working with youth, women or people with disabilities.
- Added value to the implementation of the e-Youth and Green Deal Team Europe Initiatives.

The implementation by these entities entails all activities described in section 3 (more specifically to Specific Objective "enhance opportunities for Mozambican youth, particularly for women, to obtain decent employment"), contributing to Outputs 1.1. Improve match between training offer and labour market needs supporting the green transformation; 1.2. Increase the competitiveness and access to financing of Start-ups, entrepreneurs and MSMEs; 1.3. Implement alternative financing for training and apprenticeship opportunities for the most vulnerable young people; and 1.4. Improve Employment Policy and insertion of youth in the labour market.

<sup>13</sup> [www.sanctionsmap.eu](http://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.

If negotiations with the envisaged entities fail, that part of the action may be implemented in indirect management with another entities using the same criteria as mentioned above. If the entities are replaced, the decision to replace it needs to be justified.

#### 4.5. Scope of geographical eligibility for procurement and grants

N/A

#### 4.6. Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.4	
<b>Objective 1: Enhance opportunities for Mozambican youth, particularly for women and young people with disability, to obtain decent employment</b> composed of	15 000 000
<b>Indirect management with entrusted entity 1 (Specific Objective 1)</b> - cf. section 4.4.1	8 500 000
<b>Indirect management with entrusted entity 2 (Specific Objective 1)</b> - cf. section 4.4.1	6 500 000
<b>Audit</b>	0
<b>Evaluation</b>	0
<b>Totals</b>	15 000 000

#### 4.7 Organisational Set-up and Responsibilities

For the overall coordination, strategic guidance and high-level supervision of progress of this Action implementation a **Steering Committee** will be set-up and meet on a bi-annual basis.

The Steering Committee will be chaired by SEJE and the EU Delegation. The Secretariat will be ensured on an alternate basis by each implementing entity.

It will be composed of representatives from:

- Mozambican institutional partners and political stakeholders such as SEJE, SEETP, ANEP and the Ministry of Industry and Commerce (IPEME);
- The EU Delegation;
- The Implementing Partners;
- Private sector, through business associations such as Confederation of Economic Associations of Mozambique (CTA), the Commercial Association of Beira (ACB), Mozambican Association for Renewable Energy (AMER) and a small number of selected partner companies of this Action;
- Youth and Women organisations such as Associação Coalizão da Juventude Moçambicana, Impact Network for women entrepreneurs and and the National Association of Young Entrepreneurs (ANJE) shall represent the target group.
- Selected EU Member States contributing to the TEI e-Youth are also invited to part in the steering committee as observers.

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 and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

## 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 (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

Indicators measuring employment outcomes will require surveys among beneficiaries in order to collect baseline and final data. Qualitative aspects of employment shall be taken into account for both indicators. Surveys fall under the responsibility of the implementors and may be conducted either directly by the implementing organisation, or through their partner institutions or service providers. Output indicators can mostly be monitored by the implementing organisations (and their partner institutions) based on project implementation information and documents. The monitoring system shall involve partner institutions and stakeholders and build on existing resources where possible to build capacities of local partners for monitoring and facilitate learning. All indicators are formulated in a way they can be aggregated across different implementors by the European Union. Indicators of the TEI e-Youth have been considered where suitable, so that the monitoring system of this Action will also inform the monitoring of the Joint Intervention Logic of the TEI e-Youth and contribute to the aggregated results reporting on the Global Europe Results Framework indicators.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex.

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).

### 5.2 Evaluation

Having regard to the nature of the Action, a final evaluation will be carried out for this Action, via independent consultants contracted by the Commission. The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision) to inform EU future interventions on skills and employment for the Youth.

The Commission shall inform the implementing partner at least 2 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 evaluations will assess to what extent the action is taking into account the human rights-based approach and how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

The evaluation report 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.

### 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.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, 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

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

<b>Action level (i.e. Budget Support, blending)</b>		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
<b>Group of actions level (i.e. top-up cases, different phases of a single programme)</b>		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#): <Present action> <Other action(s)>
<b>Contract level</b>		
<input checked="" type="checkbox"/>	Single Contract 1	Indirect Management with Member State Agency
<input checked="" type="checkbox"/>	Single Contract 2	Indirect Management with Member State Agency
<b>Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)</b>		
<input type="checkbox"/>	Group of contracts 1	<foreseen individual legal commitment (or contract) 1> <foreseen individual legal commitment (or contract) 2> <foreseen individual legal commitment (or contract) #>