

Programme Title:	More and better jobs in Cabo Delgado province and Nampula province - Harnessing the opportunities of the New Economy in Mozambique
Country:	Mozambique

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II. Programme summary

Programme title:

More and better jobs in Cabo Delgado province and Nampula province - Harnessing the opportunities of the New Economy in Mozambique

Sectorial area of intervention and policy objectives

Inclusive economic growth for poverty eradication

 Create opportunities for decent jobs and secure livelihoods.

 Create better government policies and fair and accountable public institutions.

 Promote inclusive and sustainable business practices.

Joint programme summary:

The proposed programme seeks to contribute to improved articulation between stakeholders to promote sustainable livelihoods for young people (both male and female) and female-headed households, through adjusting economic policies and strategies to generate sustainable employment. The proposal acknowledges that Multi-National Enterprises (MNEs), and extractive industries (EI) in particular, represent an opportunity which is far from being exhausted in terms of the absorption of local labour and the integration of local small and medium sized enterprises (SMEs) in their value chains to the benefit of local economies.

For a small economy like Mozambique, the ongoing and expanding development of the EI sector should have a positive and transformative impact on socio-economic development and for governance. Youth employment and extractive industries represent two of three "signature" issues for the UN in Mozambique, a choice derived from a perceived urgency to tackle poverty-related issues like social exclusion and economic disparities a contribution to conflict-prevention whilst at the same time strengthening the role of the UN as a trustworthy partner between government, business and labour organizations and civil society.

The development challenges that the proposed programme will address are the current low impact of MNE on wealth and job creation, particularly in the natural resource extraction sector in Mozambique. While investment in EIs contributes positively to increasing GDP and government revenue, the effect on broader based prosperity has so far been marginal for three reasons: Firstly, many of the jobs created in and around EI mega-projects have not directly resulted in employment opportunities for young Mozambicans. For example, in 2010 the five main mega-projects combined only created an estimated 3,800 direct jobs and Government approved private investments with an estimated value of US\$3.4 billion in 2011 are projected to create a mere 33,871 new jobs – an equivalent cost of US\$ 1,385 million per direct job. The challenge is that the majority of these jobs are highly skilled and specialized whereas the vast majority of young Mozambicans can only offer low-skilled or un-skilled labour, with women falling largely in the latter category.

Secondly, national firms often fail to supply MNEs with local content. "local content" generally refers to the purchase locally of goods and services that are relevant to specific industrial infrastructures and value

chains. As a positive first step, the Ministry of Mineral Resources recognized the policy challenges during the consultations leading to the design of draft regulations relating to the local content strategies of mineral investors. Although the development of local content strategies is expected to be implemented in mining concessions, the enforcement of this policy tool may be confronted with a weak manufacturing sector and industrial policies and strategies that are acknowledged by Government and partners to be in need of urgent upgrading to conform to the present socio-economic and technological challenges. For example, the value of locally purchased goods and services in 2011 stood at \$350 million, a figure that pales compared to the multi-billion dollar investments made by MNEs in the same year.

Thirdly, and related to the above, local SMEs remain excluded from the benefits related to the extractive industries since business (small supplier, big buyer) linkages and value-chain development, which could maximize employment creation and local transactions, are far from being made a reality. For example, several thousand people will need to be resettled to develop the Afungiproject in Palma District in Cabo Delgado Province, but the environmental and social impact assessment study commissioned by the investor makes no reference to livelihood creation or to the affected communities.

The proposed programme will address these development challenges through promoting and facilitating the development of gender-sensitive employment policies, work force skills, and the productive capacity of SMEs and business linkages in partnership with selected MNEs operating in the provinces of Cabo Delgado and Nampula.

The proposal envisages the following end-of-programme-outcomes:

- I. Outcome 1: MNEs in the extractive industries comply with local content policies, environmental friendly sustainable business practices, and apply gender and age sensitive recruitment policies to hire nationals.
- II. Outcome 2: An improved and more egalitarian workforce with vocational skills and competencies have improved employability opportunities in Extractive Industries firms and in SMEs operating in value chains feeding into the EI sector.
- III. Outcome 3 National/Local SMEs capitalize on supply chain/value chain opportunities and provide environmentally sustainable services and products to extractive industries
- IV. Outcome 4: Decision makers, national and internationally, have better access to data for formulating job creating measures and strategies in relation to Extractive Industries.

Duration:

Friday, January 30, 2015 to Monday, May 29, 2017

UN Lead Agency:

International Labour Organization (ILO)

UN Participating Organizations:

UN Women (UN Women)

United Nations Development Programme (UNDP)

United Nations Industrial Development Organization (UNIDO)

Local Partners:

The ILO has been working in Nampula provinces to empower women to participate in economic development through training and gaining access to credit. More than 100 Women's Associations were trained by The Institute for Small and Medium Enterprises (IPEME) and the National Institute for Employment and Vocational Training (INEFP) with the ILO support.

The ILO has coordinated the preparation of the present proposal at the specific request of the Mozambican Minister for Labour in order to address the challenges of job creation and skills shortage in provinces affected by the operations of extractive industries. ILO has worked closely with Workers and Employers organizations to identify their organizational needs in Nampula and Cabo Delgado provinces ILO has been

working in partnership with the following counterparts:

At Central level:

- Ministry of Labour
- Ministry for Planning and Development
- Ministry of Mineral Resources
- Ministry of Industry and Commerce
- Ministry of State Administration
- Youth League
- Trade Unions
- Employers organizations
- Multinational Enterprises

At Local Level:

- Provincial Governments of Nampula and Cabo Delgado (specifically the Provincial Directorates of Labour)
- Delegations of INEFP in Nampula and Cabo Delgado
- Women Associations
- Women's Microfinance institutions

Through its decentralization and local economic development projects, UNDP has helped establish sub-national institutions and develop their capacities in several provinces with a particular focus on Cabo Delgado, Nampula and Gaza. It has supported the establishment of local economic development agencies as public-private partnerships to promote the development of SMEs by improving access to markets, equipment, marketing, incubation, information and training provision and government liaison. Other key institutions at sub-national level are the provincial and district Governments civil society forums, and consultative councils at district level. For the proposed programme key partners will be:

At Central level:

- Ministry of Labour
- Ministry of State Administration
- Ministry for Planning and Development
- Ministry of Mineral Resources
- Ministry of Environment
- CSOs

Local Level:

- Provincial Governments of Nampula and Cabo Delgado (with particular focus on the Directorates of Planning and Finance and Mineral Resources)
- Provincial Local Economic Development Agencies (ADELs) in Nampula and Cabo Delgado
- Districts Governments in Nacala Porto and NacalaVelha (with a particular focus on District Services for Economic Activities)
- Nacala Port Municipal Government
- CSOs

Based on evidence that increased business productivity contributes effectively to poverty eradication and the achievement of other development goals, UNIDO is fulfilling a mandate to promote inclusive and sustainable industrial development as a path to the eradication of poverty namely economic deprivation, social inequality and environmental degradation.

In Mozambique, UNIDO is strengthening Government capacity in relation to standards, metrology, certification and testing which are all vital for SME development and for improving competitiveness, UNIDO has been working in partnership with the following counterparts:

At Central Level:

- Ministry of Industry and Commerce
- Ministry of Energy
- Ministry of Education

- Ministry of Environment
- Ministry of Planning and Development
- Ministry of Tourism
- Pedagogic University
- The Business Forum for Environment
- The Confederation of Industrial Associations

At Local Level

- Provincial Government of Nampula
- Provincial Delegations of the Pedagogic University Nampula
- LEDAs Associations
- District Consultative Committees
- Communities, CSOs and representatives of special interest groups
- Provincial Governments of Nampula and Cabo Delgado;
- Provincial Directorates of Planning and Finance in Nampula and Cabo Delgado;
- Provincial Directorates of INEFP in Nampula and Cabo Delgado;
- Provincial Directorates of IPEME in Nampula and Cabo Delgado;
- Provincial Directorates of Mineral Resources in Nampula and Cabo Delgado;
- Provincial ADEL (LEDAS) in Nampula and Cabo Delgado;
- Districts Administrations of Nacala Porto and NacalaVelha;
- SDAE (Districts Economic Activities Services in Nacala Porto and NacalaVelha);
- Nacala Porto Municipality.

III. Programme budget

Total amount requested from the SDG-F:
1 500 000.00

Total contribution through matching funds:
1 500 000.00

Aggregate amount requested and broken down by Agency:

Name of Agency: International Labour Organization (ILO)	Amount: 750 000.00
Name of Agency: United Nations Development Programme (UNDP)	Amount: 400 000.00
Name of Agency: United Nations Industrial Development Organization (UNIDO)	Amount: 350 000.00
Name of Agency: UN Women (UN Women)	Amount: 0.00

Aggregate matching funds amounts and broken down by source:

Short explanation of strategy:

The ILO will contribute to the proposal by using 600,000 USD from its core funding. The ILO will also receive in the coming months the final approval for a proposal for US\$1.6 M from the Korean International Cooperation Agency (KOICA) for a project which will support the national technical and vocational system to better respond to the demand for skilled labour in and around extractive industries in the Province of Cabo Delgado. The project will start before the end of 2014 and will last 3 years.

UNDP will contribute with 500,000 USD of Core funding to the implementation of the project. The Agency has US\$ 500,000 in core resources for support to the implementation of the National Decentralization Plan, and the National Programme for Decentralized Planning and Finance in target provinces.

Through its Global and Regional EI initiatives, UNDP has secured a further US\$ 500,000 to align the country mining vision with the African Union mining vision which includes the development of an implementation plan for the Mineral Resources Policy and Strategy and support to local economic development and inclusive business opportunities related to extractive industries in the target provinces.

Project design and resource mobilization efforts are currently underway by UNDP for a 2 year project to support the governance in relation to extractive industries for sustainable human development. This is likely to be funded by UNDP core resources and EU funds to the tune of approximately USD 2,000,000. UNIDO's (regular budget) contribution to the programme shall be in the form of specialized technical assistance, e.g. facilitators and trainers, rental of vehicles and premises, and support of other expenses related to technical missions and events pertinent to the components of the proposed programme. The cost of such (in-kind) co-financing, estimated in US\$ 400,000.

Name of source: ILO	Amount: 600 000.00
Name of source: UNDP	Amount: 500 000.00
Name of source: UNIDO	Amount: 400 000.00

Aggregate amount requested and broken down by UNDG Harmonized Budget Category

	SDG-F Budget	Matching Funds
Staff and other personnel costs	470 000.00	40 000.00
Supplies, Commodities, Materials	20 000.00	170 000.00
Equipment, Vehicles and Furniture including Depreciation	20 000.00	115 000.00
Contractual services	240 000.00	240 000.00
Travel	70 000.00	50 000.00
Transfers and Grants Counterparts	660 000.00	690 000.00
General Operating and Other Direct Costs	20 000.00	120 000.00
Total Programme Costs	1 500 000.00	1 425 000.00
Indirect support costs (not to exceed 7%)		75 000.00
Grand TOTAL	1 500 000.00	1 500 000.00

IV. Programme description

Background and rationale:

Despite an average GDP growth of 7.4% in real terms for the past 4 years, economic development has not

generated enough economic diversification, job growth, better inclusion of women in the labour market, or social development to create wealth and lift millions of Mozambicans out of poverty. The current structure and drivers of growth has not provided a basis for rapid and decent job creation. The Mozambican economy has undergone little structural transformation, with still the vast majority surviving on low productive agriculture and with a very small industrial sector. Hopes are placed on the emerging mega-projects in mining and petroleum to be engines of transformation and a source of rapid development. But the capital intensive nature of these investments and insufficiently developed local labour market and business environment risk that little of these projects will generate local jobs and income for particularly the fast growing young population.

Despite efforts to eradicate poverty and inequality, to promote sustainable and inclusive transformation remains a key development challenge for Mozambique requiring continued and concerted effort by government, development partners and the private sector to find innovative interventions and approaches in areas where employment opportunities exist.

Within this context, the full extent of the benefits of highly increased foreign direct investment (FDI) to the local economy in Mozambique are not yet realized due to prevailing challenges associated with the business environment, availability of qualified local skills, and productive capacity which limit the quality and consistency of local sourcing. Challenges associated with economic and industrial statistics, business registries and databases, marketing and procurement, add to a lack of competitiveness in SMEs affecting particularly those which match FDI's and MNEs requirements.

Local suppliers do not have access to information and consulted on the opportunities for supplying goods and services to MNEs and extractive industries, limiting the development of the capacity to supply the quality and quantity of goods required. Furthermore, the provincial and district authorities in the target provinces are not equipped to provide business services and technical support to local SMEs to enable them to respond to supply chain and procurement opportunities. Moreover, the current production technologies and capacities of national and provincial based SMEs do not meet the requirements of MNEs operating in the extractive industries.

This creates a pervasive vicious cycle where MNEs have a negative perception of the potential capacities of local SMEs to perform in supply-chain and procurement processes. This precludes opportunities for growth and investment in SMEs development, and therefore reinforces the miss-match between supply-chain requirements and SMEs real capacities to deliver. Ultimately, local communities and villages are disconnected from the opportunities that MNEs and SMEs could provide within a better functioning business development model. Power dynamics are both the outcome and the justification for increased vulnerability and exclusion of a large segment of the local population. Complex institutional, social and cultural dynamics perpetuate exclusion from economic opportunities on the basis of gender, age, and ethnicity. This divide will only grow unless coordinated efforts and investments are devised to increase the matching of MNEs' requirements and SMEs' capacities to deliver. Only joint and cross-cutting efforts have the potential to help transform discriminatory processes by addressing institutions, legislations, policies, behaviors, norms and attitudes .

The above is particularly relevant for EIs given their size, their growth, their contribution to Mozambique's economy, and their untapped opportunities in terms of decent job creation, value addition, and gender empowerment. The size and magnitude of EIs in the country is such that any process aiming at enhancing social inclusion and sustainability should regard this sector as an avenue to a nation-wide structural transformation.

The UN in Mozambique, the government authorities, and all the partners involved in the current proposal, firmly believe that one of the keys for the future of the country lies in the ability to transform the economic

developments and opportunities into inclusive and job creating growth. Part of the solution be to transform Mozambique's current residual role in global value chains (GVCs), by enhancing the policy and economic environment in EIs, by strengthening the dialogue and the collaboration between MNEs and local SMSs, by adopting and enforcing clear environmental and social safeguards and adhering to the principles of green economy, by increasing local (age and gender) participation and empowerment in economic development (and thus social development), by strengthening corporate social responsibility principles, by enabling the improvement of workforce's skills and competencies to perform in a competitive market, and to enable local and national authorities to drive the process of change in partnership with the private sector. Other sectors, such as agriculture and light industry, may profit from an enhanced connection with the regional and world markets brought about by a reformed business environment in the EIs. But they will also benefit from a better mainstreaming of Human Rights principles within anchor sectors such as EIs.

As stated in the Mozambique's Macroeconomic Study (2014), the UNCT and its partners believe that the current opportunities could be transformational and represent a unique chance for Mozambique to realise its development goals with its own resources noting, however, that there is a time bound window to capture these benefits, driven by current market conditions.

Finally, from a HR perspective, EIs have traditionally been an area of concern and of active engagement by the UNCT in Mozambique, but also globally. In fact, research undertaken during the development of the Guiding Principles on Business and Human Rights concluded that: 'The extractive sector - oil, gas and mining - utterly dominates ... reported abuses' in that the "extractive industries account for [the] most allegations of the worst abuses" and that the sector is "unique because no other [sector] has so enormous and intrusive a social and environmental footprint.'

Intended beneficiaries and geographic area of intervention (see below appropriate section)

- SMEs, business owners/managers,
- Local government, communities and representatives of women, youth and other groups requiring special attention,
- The labour force of SMEs with a focus on female labour,
- Cabo Delgado and Nampula provinces.

Priority the Government attaches to the problem and the key public policies in place:

The Government of Mozambique explicitly acknowledges the socio-economic development challenges presented above and has declared the sustainable development of extractive industries to be the foundation of its national mineral resource policy. The policy is focusses on facilitating close linkages between mining projects and the local economy and ensuring that the revenues generated from the country's resource wealth contribute to the expansion of the financial, human, social and physical capital stock of the country.

The Government is currently reflecting upon aspects of its expected resource wealth within the context of its Vision 2025 policy instrument and is analyzing the delicate balance of investment versus consumption of its future revenues. This review includes analyses of how these decisions impact poverty alleviation and economic development, including investments in infrastructure and human capital, such as health and education. The Government is also fully aware of the overarching guiding principle of the Natural Resource Charter stating that '[t]he development of a country's natural resources should be designed to secure the greatest social and economic benefit for its people.'

The mineral resource development policy and strategy framework is anchored to the third national Poverty Reduction Action Plan (PARP) which in turn seeks to achieve the country's development vision for 2025. The Agenda 2025 provides a broad strategy framework that explicitly references the promotion of

employment and self-employment and equal opportunities in access to work, the development of human capital, the revitalization of the private sector with an emphasis on promoting good quality work. In turn, the PARP provides a more specific framework for government efforts to reduce poverty in Mozambique, namely to combat poverty by way of building the human capital of the country, and has designed a roadmap for the country's transition to a green economy model, where a comprehensive valuation of natural capital, development of, and investment in green jobs, are part of its central pieces.

Recently the UN and the World Bank jointly supported the Government of Mozambique in successfully organizing an employment conference in Maputo entitled "NATIONAL DIALOGUE ON EMPLOYMENT - JOB CREATION IN A NEW MOZAMBICAN ECONOMIC CONTEXT". Attracting and managing FDI in the extractive industries to maximum national benefit in terms of both economic growth and employment creation featured prominently in the discussions at the conference. The conference concluded that:

"The business environment and regulation is currently skewed in favour of Foreign Direct Investments (FDI) and mega projects in the extractive industry sector, which are not necessarily creating jobs for the local population"

and subsequently made the following recommendations with regards to foreign direct investment:

"Attract the most job-creating Foreign Direct Investments

- FDIs are mostly in mega projects (65%), but small projects have more impact on job creation. Reverse the trend to redirect efforts to attract FDI towards smaller projects which are more labour intensive.
- Due to the low availability of skilled personnel there is a tendency of foreign companies to hire foreign labour. If foreign labour is hired, it should be for real need and for a determined period of time. It should be mandatory for companies to take responsibility for skills development of Mozambican workers. This should be part and parcel of a local content policy.
- Local Content Policy and Regulation should be more concerned with job creation rather than the ownership of businesses.
- Encourage the positive contribution of multinationals to employment, investment in skills and training provision and socio economic development.
- Ensure that multinationals comply with international standards and national laws including labour laws, occupational, health and safety standards and regulations.
- Enhance the negotiating capacity of the Government to deal with multinational companies with a view to strengthen their contribution towards job creation, making use of collaborative public and private approaches.
- Facilitate and improve the capacity of local firms to take up supply contract opportunities including brokering and match-making between large companies and smaller local firms."

Recommendations,

National Dialogue on Employment, 27-28 March 2014, Maputo

The conference served also as consultative forum for the elaboration of the UN Joint Programme that is the base for the current proposal.

Relation of the proposed Joint Programme to existing national planning and policy instruments:

- ENDE - National Development Strategy (2015-35): the ENDE seeks to specifically respond to the challenges of FDI particularly in the EI sector to improve the living conditions of the population through the structural transformation of the economy, and the expansion and diversification of the productive base.

The proposed programme is directly relevant in supporting Government in achieving this aim;

- National Decentralization Policy and Strategy: The programme will assist the local government to implement this strategy that decentralizes responsibilities, competencies and resources to Provincial, District and Municipal Governments and seeks to strengthen local Government capacity and consolidate citizen participation in the development process;
- Rural Development Strategy: the programme will align with this 20 years strategy which focuses on the rural development and aims to increase competitiveness, productivity, diversification, human capital

development, innovation and new technologies;

- PARP - Action Plan for Poverty Reduction (2011-15): Employment (both demand and supply side) is one of the three pillars of the Government's five year plan defining the main strategies to reduce poverty in the country. The employment of women is particularly emphasized as a result of the perceived existing gaps, and recognition of the positive role that a gender specific investment in skills development could have for the entire economy and society. From 2016 the PARP will be an integrated component of the Government's Five Year Plan (PQG) which will be approved by the new Parliament following elections in October 2014
- Mineral Resource Development Policy and Strategic Framework: The programme will work closely with the Ministry of Mineral Resources to align its activities with the policy and strategic framework particularly in relation to human resources development, concession of operational licenses and the participation of Mozambique in EI transparency initiatives;
- Mozambique Corporate Social Responsibility Policy: the UN provided inputs to the elaboration of the recently approved policy. The policy focusses on EI and how companies can contribute to the development of the local communities where they are operating. The programme will support the establishment of a conceptual framework to align the actions of the companies with government development objectives and an M&E framework/mechanism. The private sector (including EIs), trade unions and employer's federations were consulted and involved in the process that led to the CSR Policy. This provides for a fertile ground of existing exchanges and tripartite dialogues between key actors for the current proposal
- National Programme for Decentralized Planning and Finance: an integrated platform aiming to improve the capacity of district governments to effectively and efficiently manage public resources. The programme will support the integration of local economic development and local employment in provincial and district strategic and operational planning instruments in an inclusive and participative way
- Roadmap and Action Plan to the Transition to Green Economy: UN provided inputs to the development of this strategic and programmatic document approved in 2013. This sets the principles and priorities for the first phase of the transit, underlining the need for a detailed study on Green Jobs/employment opportunities in key sectors, in particular in EI.
- PES (Annual Operational Plan) and State Budget: Communities most affected by the EI operations will receive additional funds through the state budget. The programme will assist local authorities to manage these new funds to create employment opportunities in local communities.

Summary of ongoing or recently completed efforts in the area and the principal local, national and international actors involved in the issue

Transforming natural resource capital into human and social capital, whilst minimizing the negative impacts and maximizing benefits for human development is probably THE major challenge facing Mozambique today and will require well thought-out, evidence-based policy interventions based on the principles of open, democratic and transparent governance.

A key role for the UN is to promote a human-rights based approach to inform and guide this evolving debate and vision for Mozambique's long-term national resource revenue investment strategy. The UN possesses proven capacity in the critical programming areas related to Mozambique's long-term sustainable development and resource wealth management, including: the protection of vulnerable groups; the promotion of good governance, with a special focus on transparency and participation; the promotion of gender equality and women's empowerment, support to long-term planning for economic diversification and industrialization; and environmental issues, including disaster risk reduction.

Another of the key roles for the UN is to contribute with high quality upstream policy advice, which will help guide the Government in its work to develop policy related to extractive industries. An increasing sphere of specialized knowledge relevant to the extractive industry is being developed within the wider UN family. The UN, through its experience in Mozambique and in other countries, and with its specialized knowledge, has a comparative advantage in responding to Government requests for support on

strengthening its policy and regulatory framework to foster successful engagement and management of its resource wealth.

Cognisant of the catalytic impact of the extractive industries sector on national development, the UN system in Mozambique took the initiative to assess and analyse its potential role and contribution. In 2011, the issue of Extractive Industries was chosen by the UNCT as a “signature issue”, for joint policy and advocacy work at country level.

In 2012, a Task force produced the One UN Position Paper on Natural Resource Management and Extractive Industries in Mozambique, setting standards and a code of conduct for the UN for engaging with private sector partners, as well as identifying five areas of comparative advantage for the UN in Mozambique in the context of extractive industries:

- Reducing Social Harm and Protecting Vulnerable Groups;
- Promoting Good Governance – with a Special Focus on Transparency and Participation;
- Support to Long-Term Planning for Economic Diversification and Industrialization;
- Promoting Local Governance and Local Economic Development;
- Environmental Issues.

Within this document, the UN presented to its partners the Policy and Ethical Framework that will guide the UN in its positions vis-à-vis EIs. The document, well received by Government counterpart institutions, the private sector, and CSOs, contains the founding principles that underlie the current joint programme proposal, namely:

“The UN Guiding Principles on Business and Human Rights provide a clear and internationally recognized framework to assess the actions of companies and the Government of Mozambique in proactively seeking to minimize social harms, and to remedy those harms when they do occur. This policy framework mandates that all businesses, regardless of their size, sector, location, ownership, or structure, must be held accountable for human rights infringements. Mozambique must pay particular attention to the rights and needs of, as well as the challenges faced by, individuals from groups or populations that may be or are at heightened risk of vulnerability and marginalization, such as those communities that are resettled. In addition, the Government must ensure that it enforces existing laws that directly or indirectly regulate business respect for human rights.

While the Government of Mozambique and the extractive industries must ensure that social harms are minimized, they must also ensure that social investments are maximized so that Mozambique can meet its broader social and economic goals.”

In 2013, the UNCT published a second landmark joint document entitled: “Natural Resource Management and Extractive Industries in Mozambique: A United Nations Study”. In this second joint initiative, the UN presents its clear position on the risks, challenges and opportunities that lie behind the development of EIs in Mozambique. Echoing the World Bank position, the study states that:

“New, large discoveries and elevated investor interest in EI have been touted as “game changing” for Mozambique. From being one of the world’s poorest, the country may graduate from the low- to the middle-income group and drastically reduce its aid dependence in much less time than previously expected.. . But economic growth is not the same as economic development, and as found elsewhere huge, windfall revenues do not automatically constitute a “passport” to sustained improvements in living conditions for everyone in the country. Mozambique is facing a series of difficult, yet crucial decisions in the near future. These include choosing between different development models, by determining the degree of state involvement and control over the EIs. They also include deciding whether to embark on an industrialization process spurred by these industries, or to promote the EIs as an export-oriented sector. These decisions will determine whether the massive resource wealth of Mozambique is translated into a sustained “blessing”, a missed opportunity, or in the worst case even a reversal of recent human development gains in the country. EIs projects will affect Mozambique in a number of ways, many of which will be closely connected. The main channels through which EIs can benefit the Mozambican population are revenues, employment, over effects and linkages. However, aside from generating significant revenue

for the State, the EIs may also have a series of serious negative impacts, including in the economic, social and environmental, and governance areas. There are significant uncertainties and risks related to the exploitation of these resources, and the examples of resource-rich countries that have failed to successfully manage their extractive resources outnumber by far those few who have succeeded.

Experience from other countries has shown that some basic principles are essential to achieving a successful outcome from EI. These include, among others, strengthening of institutions and legal frameworks to ensure good governance, and promoting transparency and accountability to limit corruption issues and mismanagement of resources. Ensuring broad participation in decision-making processes can help reduce frictions between local communities and companies, and facilitate mutually beneficial solutions.”

The existence of a series of reference documents, endorsed by the UNCT for the whole UN system at country level, has made it easier for UN agencies to start working collectively or individually in fulfilling the priorities set out for the UN. It has also formed the basis of important UNCT decisions related to a code of conduct for the UN in Mozambique when engaging with the private sector in EIs. In this context, the UN has conducted policy research on the revenue and social development implications of extractive industries and, in particular, on natural gas exploitation, and is currently conducting an assessment of the health implications of investments in extractive industries in Tete Province (WHO, UNICEF, UNFPA). The UN has also conducted various capacity building initiatives, such as a recent training for human rights actors and extractive industries in relation to the UN principles on business and human rights. In addition, ILO is conducting research on the employment implications of investments in extractive industries and organizing, with UNDP, a conference on employment in this context. The ILO, UNDP and UNIDO are also working on the development of a joint programme on employment generation in the context of extractive industries.

It is crucial for the UN in Mozambique to continue building its capacity in the area of extractive industries for human development, and promoting a coordinated, inter-agency policy approach. UNDP has supported the Ministry of Justice and the Mozambican Human Rights League to jointly publish the first national report on Business and Human Rights that was presented in Maputo at the beginning of September, 2014. The report specifically contains a section on HR and extractive industries, and it is expected that the proposals will help address some of the specific issues highlighted in the report, as well as allowing for additional data to be generated for the second national report on businesses and HR in Mozambique.

It is important to highlight that this work, spearheaded by the UNCT, has been grounded in participatory processes that have involved the Government of Mozambique at its different national, provincial and district levels, private sector representatives, research institutes, and representatives from selected communities and villages. Special attention has been given to amplifying the voices/views of vulnerable or excluded groups such as ethnic minorities, women and young girls and boys in a dynamic dialogue between right-holders, duty-bearers, and constituents. As a result, the UNCT firmly believes that the adopted Position Paper and the priority interventions and methodologies proposed to achieve the ultimate outcomes, are the result of a large degree of consensus between the parties involved in a blend of high level conventions and guidelines with local level opportunities, priorities, and risks.

The UN has a clear comparative advantage with regard to supporting micro, small and medium sized enterprise (MSMEs) to grow and expand at provincial and district level, through its support to decentralized governance and local economic development. UNDP has helped strengthen the capacity of sub-national institutions in participative planning, public financial management, plan implementation and monitoring in several provinces with a particular focus on Cabo Delgado and Nampula. UNDP has also supported the establishment of local economic development agencies as public-private entities to promote the

development of SMEs by improving access to markets, equipment, marketing, incubation, information and training provision and government liaison.

UNIDO's has provided ongoing support to the National Institute for Standards and Quality (INNOQ) responsible for implementing ISO certification and standards, the Institute for Small and Medium Enterprises (PEME) for the implementation of business development services (CORe) and business incubators, and the Directorate for Support to the Private Sector (DASP) which coordinates the business registries e.g. One Stop Shops (BAU). This is complemented by support to the Centre for Investment Promotion (CPI) to implement an inclusive and sustainable mechanism for business linkages and generation of local content.

Within the context of EIs, UNDP has been supporting the Mozambican government and people in the current dialogue and playing a key policy advisory and capacity development role to ensure that a nationally owned vision is truly participatory and informed by internationally agreed best practices and international human rights standards with a view to establishing a cohesive national vision for the sector that captures the interests, views, and human rights of affected communities and civil society. As part of this support it has recently conducted a debate with NGOs and Think-Tanks working on EI issues, exploring linkages between social and environmental issues, aiming to identify entry points for a greater impact on the ground. This will, in turn, provide the overall framework through which natural resources can be managed and revenues from this sector allocated and utilized. The African Union's African Mining Vision constitutes an important platform in this regard. As the only African-owned initiative on mining backed by all African Heads of State, it sets out an aspiration for mining to catalyze broad transparent, equitable and sustainable growth and socio-economic development.

Relation to ongoing activities in the field: innovation and /or complementarity of the JP with on-going/planned interventions

Following a request from the Minister of Labour in 2012, the ILO initiated interventions in the two targeted provinces to provide people with skills in order to take advantages of new investment projects. The project, funded by the Government of Norway aims at strengthening the vocational training system to develop employment skills with a particular focus on women. Vocational training courses have been realized in the areas of hospitality, construction and welding. Before the end of the 2014 the ILO will start a new project funded by KOICA in Cabo Delgado.

The KOICA funded project will benefit, directly or indirectly, 5,000 individuals, 50% of whom will be women. Some 1,000 people will receive training, or other services from the programme, who, in turn, will also build capacities of others in the community to use improved techniques and practices. The Project will strengthen the capacity of 100 national and local officers, representatives of employers and workers organisations, and INEFP staff.

UNIDO is currently implementing a sub-contracting partnership exchange programme with the CPI, and is assessing the potential business linkages between the community of Tupito-Moma and the Irish heavy sands company, Kenmore; a one stop shop (BAU) pilot project has been successfully tested in Nampula and this will be replicated under this proposed programme in Nacala in coordination with the Ministry of Industry & Commerce. Resource efficiency and cleaner production activities will build on the experience of previous audits, trainings and awareness-raising events implemented together with MICOA and MITUR.

UNIDO expects to test synergies and complementarity among ongoing projects in order to promote verifiable inclusive economic growth within the geographic focus of the programme. To this effect, the project for promotion of youth employment through business linkages, which is implementing the UNIDO-owned linkages platform known as SPX (Subcontracting and Partnership Exchange), will use its list of

profiled and bench marked firms, mostly SMEs, for mainstreaming Resource Efficiency and Cleaner Production practices in the production process of relevant value chains covered by this programme, such as agro-processing, construction and tourism.

Additionally, through up-scaling activities initiated under the project for Promotion of Economic Activities in Ilha de Mozambique and Mussoril Districts in Nampula, UNIDO will strengthen and expand the network of BAUs (Balcões de Atendimento Único) in Nampula Province from the current three to at least five, which includes the provision of equipment and training of personnel in areas leading to simplified business registration, business information and extension of other public services indispensable to business such as tax collection, social security and utilities. These programmes will be the main sources of synergies and collaboration for UNIDO:

1. Private Sector and Quality Promotion Programme (Competir com Qualidade), €5,100,000 funded by the EU and the Government of Austria;
2. Promotion of Economic Activities in Ilha de Mozambique and Mussoril Districts in Nampula Province with , US\$884,500 provided by the Portuguese Government;
3. Mainstreaming resource-efficiency and cleaner production (RECP) in Mozambique's accommodation sector and its supply chain, €442,486 funded by the Government of Austria; and
4. Promotion of Youth Employment through Business Linkages, US\$ 297,500.

To strengthen coordinated, equitable and integrated services at decentralized level, UNDP has been consolidating decentralized, participatory planning and budgeting processes and strengthening civil society participation in development policy dialogue. This has more recently included strengthening the economic development component of local strategic development plans and supporting inclusive finance and market projects in direct response to the opportunities presented by FDI and MNE. Interventions to develop national capacity for green human development are also prioritized by UNDP in Nampula and Cabo Delgado provinces and districts. Synergies with ILO and UNIDO have been identified in the integration and budgeting of EI and employment related issues in local governance processes and consultations with local actors through the use of the national, provincial and district dialogue platforms, such as consultative councils, or the creation of integrated provincial and district business centers to facilitate local businesses and entrepreneurship.

UN WOMEN at the global level is committed to supporting national partners in fostering the potential of the extractive sector to contribute to women's economic empowerment and gender equality. Accordingly, in the context of its work aimed at improving the availability and use of data and information to guide planning, resource allocation and monitoring of gender equality commitments in relation to women's economic empowerment, climate change adaptation and extractive industries, UN WOMEN has supported the Women's Directorate in Cabo Delgado to extract the policy lessons of a the study on the gender implications of mega projects in Cabo Delgado. It is expected that the study will inform policy and decision making by all stakeholders involved in the sector to promote an increased contribution to women's empowerment and gender equality from the extractive sector.

Contribution to achieving the MDG(s), other international commitments on the issue at national level UNDP contributes to most of the MDG's through promoting an enabling environment for sustainable social economic development which this includes intervention to support poverty reduction, democratic governance (strengthening democratic processes and institutional capacity at national and sub-national level) environment, climate change and DRR, gender, HR, human development and the promotion of south-south cooperation. ILO is firmly engaged in promoting decent work and full and productive employment for all. This takes the shape of supporting African Union Member States in the implementation of the Ouagadougou Plan for Action on Employment Creation and Poverty Eradication that has been ratified by Member States. ILO is also promoting at global level "tripartitism", social dialogue between

Government, Trade Unions and Employers to ensure that basic principles and rights at work are enforced and applied through standards, conventions, guiding principles, and directives. ILO is also firmly involved in creating global knowledge, best practices, and training curricula in areas such as gender equality in the workplace, technical and vocational training, green job creation, corporate social responsibility, value-chain, youth and women's employment, and MSMEs' development.

The current programme will both contribute to and benefit out of the Global Initiative on Green Job (http://www.ilo.org/global/topics/green-jobs/projects/WCMS_213842/lang--en/index.htm), and as such it will access all resources and state of the art research and policy on Green Jobs Promotion. The programme will become part of the Global Green Job Network (internal to ILO), and a part of the The Green Jobs Initiative. This later is a partnership established in 2007 between the United Nations Environment Programme (UNEP), the International Labour Organization (ILO), the International Trade Union Confederation (ITUC), and the International Organization of Employers (IOE). It is expected that programme's results will be shared amongst Network's and Initiative's members for abroad audience on achievements and lessons learnt.

UNIDO is mandated by the member states to accelerate the industrialization of developing countries, as a contribution to reducing poverty. UNIDO's mandate is being exerted through Sustainable and Inclusive Industrial Development (ISID) that is based on the following thematic priorities: (1) Poverty reduction through production (contributing to MDG1, MDG3 and to the growth of the productive sector); (2) Trade Capacity Building (contributing to MDG8 and to participation in international trade); (3) Energy and environment (contributing to MDG7 and safeguarding the productive and efficient use of resources, protecting the environment).

Alignment to UNDAF principles

The programme is aligned to UNDAF Outcome 2:

"Vulnerable groups access new opportunities with special focus on decent employment to improve their income and quality of life" and more specifically to the following outputs:

Output 2.1: Selected Micro, Small and Medium Enterprises (MSMEs) in 5 poorest provinces adopt market and value chain-oriented management and business practices

Output 2.2: MSMEs in the five poorest provinces have access to effective market models and information systems

Output 2.3: Selected MFIs provide increasingly inclusive micro-financial products in line with the needs of vulnerable groups

Output 2.4: MITRAB and key Ministries have the know-how to operationalize gender sensitive decent employment policies and strategies in coordination with other relevant stakeholders

The joint programme will contribute simultaneously UNDAF Governance outcomes, notably :

Outcome 6: "Strengthened democratic governance systems and processes guaranteeing equity, rule of law, and respect of human rights at all levels",

Outcome 7: "Quality of participation of civil society representatives improved in selected provincial Development Observatories, selected District Consultative Councils, and APRM National Forum", and

Outcome 8: "Government and civil society provide coordinated, equitable and integrated services at decentralized level".

It should be noted that for the UNCT in Mozambique. Gender is a cross-cutting, priority theme that is mainstreamed in each of the 3 UNDAF pillars. As such, it is not singled out in any outcomes, but rather considered within each pillar.

Inclusion of a sustainability perspective (sustainability of results and environmental sustainability) Promoting green growth seeks to ensure sustainable human wellbeing on the basis of policies that recognize the need to protect the ecological, social and economic environment. Existing development models have been shown to be corrosive to the environment, while failing to eliminate poverty, raise living

standards or ensure future prosperity.

For Africa, the priority is to harness natural capital to improve human security – employment, adequate supplies of food and water, access to health services – and deliver broad-based economic prosperity, as well as to ensure that the resource base will be there for the use and well being of future generations. Mozambique is among the world’s most vulnerable countries in terms of natural disasters and climate change. Large-scale exploitation of extractive, natural resources can lead to irreversible negative environmental impacts and erosion of the resource base. A large majority of the population depends on natural resources for their livelihoods, and will be directly and severely affected by any negative effects resulting from extractive industry. Air, soil and water pollution from human activities, in particular mining and transport; deforestation and land degradation; loss of bio-diversity; increased carbon dioxide emissions and changes to arable land are among the many issues that may result from extractive industry activities in Mozambique. Negative environmental impacts from the extractive industry may reverse development achievements and impede the profitability of other sectors and means of livelihoods, such as forestry, fisheries and agriculture. It is therefore of key importance to predict, prevent and mitigate adverse environmental effects stemming from the extractive industry. Taking this into account it is to adopt a risk reduction approach to EI development (climate proofing EI investments and sound strategic and land use planning) and a cautionary approach (so it does not increase the vulnerability of local communities, but instead can contribute to improving their resilience).

Mozambique is committed to a sustainable development approach, its principles serving as guidance to past and current plans such as the Government’s Five-year Plans (PQG) and Poverty Reduction Strategies (PARP). National discussions, catalyzed by the preparatory work for the Rio+20 Conference, have resulted in the development of Mozambique’s Roadmap Towards a Green Economy which was launched in Rio de Janeiro by the President of Mozambique, representing a commitment by the country to adopt a green economy framework, and presents a timetable to undertake the detailed work required for a successful transition during the period 2012-2014. More specifically the inclusive formulation and implementation of strategies and actions plans demands for stronger partnerships, integrated long-term planning and equity in resource allocation.

Furthermore, the proposed program is based on the ILO approach to “sustainable enterprises” based on the 3 pillars of sustainability (environmental, economic and social). Sustainable enterprises seek to promote decent work for men and women equally and they are at the heart of sustainable development efforts locally, nationally and globally. The legitimate quest for profit by businesses must be accompanied by, on the one hand, a respect for fundamental principles and rights at work and, on the other, the sustainable use of natural resources. Sustainable enterprises, in other words, are enterprises that measure success and sustainability not only through increased revenues and profits, but also through social and environmental concerns (the triple bottom line).

The UN in Mozambique is at the heart of the sustainable development debate through its engagement in the extractive industries to ensure that extraction is based on sustainable business practices and social and environmental safeguards that are within the broader sustainable development agenda and that EIs activities contribute to processes of globalization that have strong social and environmental dimensions in addition to economic.

The agencies promoting the current proposal firmly believe that the policy framework in place is a good starting point to promote environmental and social sustainability but the ‘sustainable enterprise’ approach is a proven good practice that will boost environmental, economic and social sustainability. Moreover, the real “game-changer” in the proposal, in terms of sustainability, is an open, structured, coordinated, recurrent dialogue between all the actors involved. Communities, local governments, and the private sector have, in the past and during recent dialogues, showed willingness to collaborate in a positive

manner. Participatory local development plans facilitated by the UN, are an example of where environmental and social sustainability concerns have been integrated into local concerted visions and activities. Finally, tripartitism is the signature methodology of ILO, and building upon a century of experience in such field, local governments, employers' federations, and trade unions are already actively engaged in Mozambique to further a socio-environmental sustainability agenda that will help in translating national commitments into local policies and action plans. Local Economic Development Initiatives (LEDAs, see below), are an example of local and endogenous initiatives that are already actively promoting socio-economic-environmental sustainability within local initiatives and that will provide a fertile ground for the activities proposed within the current proposal.

The sustainability of results is therefore guaranteed not just by the matching fund component and by the existing political will on the topic, but also by the fact that the programme will use existing local-level mechanisms for public-private dialogue, interaction and development such as those already mentioned. However, the project will explicitly target a broadening of local partnerships and participation to ensure a positive discrimination towards women and youth's representatives.

In observation of the National Environmental Policy (Council of Ministers Resolution 5/95), UNIDO together with National Cleaner Production Center, the Business Forum for the Environment (FEMA), and in partnership with the Government of Mozambique (MICOA, MITUR and MIC), has been disseminating case studies depicting leading companies from the local market, which adhered to the implementation of cleaner production and resource efficiency recommendations after accepting to be exposed to (RECP project) environmental audits. As result, SMEs are more aware and increasingly demanding to benefit from similar audits and training in numbers which, though positive, are becoming challenging in terms of human and financial resources. This situation makes it increasingly pertinent to identify additional sources for funding and human capital to ensure structured actions to promote environmental sustainability in the manufacturing and industrial sector in Mozambique, and in parallel further contribute to the promoting the competitiveness of SMEs and new job creation.

Gender and women's empowerment analysis

Research worldwide has shown that extractive industries are yet to contribute to women's empowerment and gender equality. In Mozambique, the participatory research on Mega Projects and Gender by the Provincial Directorate for Women and Social Action in Cabo Delgado corroborated this finding. Historically, women and young girls tend to be more disadvantaged economically and exposed to the many risks inherent to extractive sector operations. According to the World Bank, it is rare to find extractive industries with women constituting 10% of its workforce in spite of evidence that they take better care of equipment, better enforce health and security standards which are vital elements for business efficiency. Women are also known for better spending their income from their jobs which is important for the economy and for the well-being of their communities. The lack of relevant skills, limited capacity to access to the EI value chain and role stereotyping are among the main obstacles to women's ability to leverage the economic opportunities which the EIs represent for their empowerment. Therefore, targeted skills development and support to entrepreneurship among women and policy incentives for companies are important strategies to gradually bridge the job gap between women and men in the extractive sector and related value chain.

In addition, given the traditionally male dominated environment found in EIs, an increased access by women to economic opportunities available in these sectors, and their progressive empowerment through increased representation in trade union groups, employer's federations, participatory coordination mechanisms, and skills development, will have a multiplier and role-modeling effect in complementary economic sectors and dynamics of social change.

Guiding principles for successful joint gender programming (such as national ownership, HRBAP, and broad participation) have been considered not just for the preparation of the current proposal, but also in

previous UNCT interventions concerning the EIs. The sectors being so clearly dominated by unfair power dynamics, the inclusions of women associations and women representatives has posed particular challenges despite an overall sense of urgency for addressing structural mechanisms perpetuating exclusion and subordination.

Potential public-private partnerships synergies

ILO has been working to establish Public Private Partnerships for the management of training centers in Cabo Delgado province. The discussions with the multinational enterprises in Pemba and with the Governmental Institute for Employment and Vocational Training (INEFP) are already at an advanced stage. ILO has already planned a workshop on alternative models for management of public institutions and the role of private sector. In addition ILO will assist in developing a framework for PPPs between the interested multinational enterprises and INEFP at national level.

Furthermore, ILO will work with the Employers' Confederation (CTA) to develop further Public-Private Partnerships with IPEME, the Institute for the Promotion of Small and Medium Enterprises.

The Local Economic Development Agencies (LEDAs) are a participatory economic and social development initiative involved in the production of local economic knowledge and tools that promote:

- i. The empowerment of local communities by taking full advantage of socio-economic opportunities created by territorial resources and knowledge;
- ii. The articulation of local economic actors around a joint development plan that focuses on cooperation, synergies, linkages and coordination as essential success factors;
- iii. The training of community representatives and regional networks that mobilize segments of production chains and regional markets and advocate for public policies to encourage inclusive development;
- iv. The development of entrepreneurship, cooperatives, micro-small-medium enterprises, and public-private partnerships.

LEDAs objectives are to help communities and territories to develop endogenously, emphasizing the strengthening and sustainability of economic activities and cooperation between groups and social and productive ventures.

UNDP through its programs PNPFD and ART-PAPDEL, has been supporting the empowerment of LEDAs as a key instrument for the implementation of Mozambique's "Rural Development Strategy". LEDAs in Nampula and Cabo Delgado Provinces have enabled the integration of local economic development strategies in the broader District Strategic Development Plans in 9 districts. LEDAs have furthermore supported the production of marketing brochures reflecting the main territorial value chains and business opportunities at district level.

At provincial level LEDAs have a similar role as the District Business Service Centers (CSN) in the promotion and facilitation of local business.

In a recent seminar co-organized by Government and UNIDO in Pemba, aiming at identifying business linkages and partnerships for the northern provinces of Mozambique, the Minister of Planning and Development reaffirmed the the Government's commitment to dialogue with the private sector for dissemination of business opportunities arising from large projects and increasing national and foreign direct investment. The Minister mentioned that investments approved between 2009 and 2013 for Northern Mozambique alone represented c. \$ 5 billion, which would create more than twenty thousand jobs for the provinces of Cabo Delgado, Niassa and Nampula, particularly in the agriculture, forestry, tourism, infrastructure and hydrocarbon sectors, further resulting in opportunities for the consolidation of the national SME sector.

In addition, the programme will take advantage of District Consultative Committees, a component of the decentralized governance structure that has been facilitated by UNDP. These Committees comprise representatives from local government, local communities and civil society and meet at least twice per

year to discuss the district's annual operational plan and budget and to monitor plan implementation and budget execution. The programme will take advantage of these decentralised and participative structures to coordinate activities, investments and monitor results.

Additionally, the research community (universities and private research institutes) has also been largely involved in recent debates and impact evaluation in the area of natural resources management and poverty alleviation. Partnership with these institutions is deemed essential to continue building local capacities towards effective program sustainability in the sectors related to EIs.

Mainstreaming of gender and women's empowerment:

The programme's main target groups are young men and women who are either job seekers and/or emerging and existing entrepreneurs. The programme seeks to create at least 1,500 direct jobs and 1,500 indirect jobs of which at least 50% will be for women and at least 25% for young men and women. The programme seeks to support at least 250 SMEs to start-up and/or develop and expand of which at least 35% will be run by female entrepreneurs.

In terms of programme management, the recruitment of a gender specialist is foreseen to assist agencies to take gender issues into account at all stages of programme implementation. . In performing this task the gender specialist will be guided by the UN WOMEN Country Office which will also facilitate access to state of the art knowledge on gender and EI from across the globe through its established network. The harmonized gender marker, which was endorsed by the UNCT, will be used to assess the programme gender sensitivity from design through to implementation, monitoring and evaluation. This will include enhancing the capacity of the implementing agencies to apply it.

The prospects of economic opportunities streaming out of the extractive industry boom opens a wide range of opportunities for the empowerment of women. However as indicated by various studies, women are not fully benefiting from such opportunities.

UN agencies are already involved in a Joint Programme to promote the economic empowerment of women and increase the livelihoods of vulnerable groups. The promotion of gender equality and the empowerment of women are central to the mandate of the agencies and intrinsic to its development approach.

Gender equality and women's participation "are important for effective action on all aspects of sustainable development," as reflected in General Assembly Resolution 66/288. Gender equality, rooted in human rights, is increasingly recognized both as an essential development goal on its own and as vital to accelerating sustainable development overall.

Gender equality is grounded in international human rights, norms and standards. The fulfilment of women's and men's civil, cultural, economic, political and social rights is central to the UNDP human development framework and is vital to achieving sustainable development. UNDP prioritizes gender mainstreaming as the main strategy to achieve gender equality. The UNDP approach to gender mainstreaming is a dual one: UNDP supports the empowerment of women and girls through gender-specific targeted interventions and also addresses gender concerns in developing, planning, implementing and evaluating of all policies and programmes.

In general the programme will promote women's empowerment by placing women and women's organizations as key participants and beneficiaries of programme interventions, by strengthening existing structures in order to improve women's access to decent jobs and ownership of business. Improved availability and use of data and information to guide planning, resource allocation and monitoring of gender equality commitments in relation to women's economic empowerment and extractive industries is one of the key UNCT priorities. Thus, the establishment of gender sensitive interventions will be supported with availability of data and implementation of baseline studies that will enlighten/update the existing

factors affecting the status of women and will assist in the refinement of existing strategies to improve women's access to more and better jobs. Evaluation of impacts will be assisted with recourse to data disaggregated by gender and the use of gender markers methodologies.

Programme Outcomes, Outputs and specific targets have been broken down to allow for specific consideration to be given to gender empowerment during the implementation. The active involvement of the gender machinery, women in business associations and associations of women in programme related policy making interventions and as beneficiaries of the interventions. Representatives of women associations are already included in the District Consultative Committees and their participation will also be guaranteed by the programme's advisory committee. It is estimated that at least the 10% of programme funds will specifically be spent on gender related or gender mainstreaming activities within the budget that each agency will manage.

Gender-sensitive recruitment of trainees, when appropriate, and mainstreaming of gender-sensitive modules and awareness in the managerial and vocational training modules shall be implemented with the assistance of gender experts. It is expected that the commitment and engagement of beneficiaries will increase as the empowerment component is effectively integrated in the proposed activities.

Sustainability:

Environment and climate change issues have been considered throughout the development of the Joint Proposal, but also, given the very nature of EIs, they were the focus of previous joint policy positions by the UNCT in its dialogue with partners and government counterparts. Following the recommendations presented by Mainstreaming Climate Change Adaptation into Development Planning, the proposal has considered entry points, mainstreaming, and implementation challenges during the identification of proposed activities.

Initiatives already tabled by the UNCT and its partners provide suitable entry points that specifically address the socio-environmental sustainability aspects of ongoing and prospected activities in the EI in Mozambique. The case for mainstreaming climate change adaptation has been discussed widely during national dialogues and policy development initiatives not only during the discussions leading to the 2012-2015 UNDAF (where this dimension is captured as an area of particular focus), but also in the context of the development and implementation of several CC and DRR initiatives, and in particular, during the development and subsequent approval in 2012 of the National Strategy for Adaptation and Mitigation of Climate Change, currently being implemented. The case for mainstreaming environment and climate change has again been widely discussed in the context of the development of the Roadmap and the Action plan for the Transition to a Green Economy (approved respectively in 2012 and 2013), where discussions of EI related issues were central. Again, other examples where socio-environmental sustainability has proven to be a good entry point for inter-ministerial and inter-agency dialogues are the development of the Land Use Law, the National Strategy for Decentralisation, the Poverty Reduction Strategy, The Guidance Note for United Nations Engagement with the Extractive Industry in Mozambique, the One UN Policy Note on the Role of the UN with Regards to Natural Resource Management and Extractive Industries in Mozambique, the Impact Evaluation of LNG new plants in Mozambique's Rovuma Basin, etc.

All previous participatory dialogues have already tabled the issue of climate change adaptation and constituted suitable entry points upon which leveraging the current proposal and its priority interventions. They also constitute a strong signal of a unanimous view amongst partners for environmental risks, opportunities, and challenges related to EIs.

To seize the opportunities from new industries, services and jobs, is fundamental to sustainably harness the country's ecological infrastructure upon which the majority of the people depend for their livelihoods.

Mozambique's natural capital includes fertile soils, abundant water resources, dense forests, marine and fisheries stocks, wildlife, outstanding landscapes, and significant solar, wind, bioenergy and hydro power-generation potential. All together the country has a diverse capital endowment capable of providing multiple revenue streams across various sectors. Furthermore, if well managed, renewable natural resources will outlast the non-renewable to ensure that both present and future generations, across different geographies and social groups, will be able to enjoy better lives. A diverse asset base is an excellent starting point for a resilient and competitive economy.

To secure decent wage-earning jobs for such large numbers of people represents a considerable challenge. Therefore, the ability to protect the environment and the ecosystems will be fundamental not only to sustain the industry, secondary jobs, or MSMEs, but also the livelihoods of the communities in surrounding areas, ensuring that poverty and food insecurity don't grow for the vulnerable populations. Employment creation programmes will involve close coordination with the entities responsible for environmental protection, aiming at correct land-use planning to protect and promote the communities at same time, encouraging the deployment, consolidation and development of Micro, Small and Medium Enterprises in Mozambique, together with local authorities at a provincial and district levels. Therefore the Joint Programme will focus on, with regards to environmental sustainability:

- Strengthen Human capital development programmes (vocational training institutes, universities, research establishments) by inserting a climate change perspective;
- Ad hoc and recurrent capacity building initiatives aiming at the public sector, the private sector, and civil society organizations (CSO) to ensure environmental, regulatory and reporting compliance to already existing National Policies and Guidelines on climate change adaptation and natural resource management;
- Full-cost accounting to capture social and environmental externalities;
- Strengthening contract negotiation (local & national) by using international standards as an entry point;
- Strengthen land use planning capacity and mainstream environmental activities within existing Local Development Plans.

Based on the above, measurable outcomes proposed in the area of environment sustainability are:

- Number of Human Development Programs strengthened by inserting a mainstreamed environment sustainability component,
- Number of Local Development Plans that have mainstreamed an environment sustainability component.
- Quality of discussions, information and data generated on environment sustainability that feed within EIs contract negotiations, licenses renewal, feasibility studies, and impact evaluation studies.

The programme will be implemented in partnership with Governmental institutions. This will strengthen technical capacity for continuity in the longer term. Governmental institutions will be encouraged to include follow up activities initiated by the programme in their annual plans and budgets to ensure sustainability. It is important to stress that the District Governments already receive a budget allocation of c.\$400,000 per year employment generating activities. Moreover, the three provinces most directly affected by extractive industries receive a yearly budget allocation based on the value of mineral production in the province. The programme will help develop stakeholder capacity to better plan and use these resources. The fact that the government is already providing local governments with budgetary allocations based on production in the EI sector, the fact that a good part of the work to be undertaken has already been translated into policy, the fact that local participatory coordination mechanisms already exist, and the fact that this programme specifically targets institutional capacity building at national and decentralized levels, are all elements that will facilitate a smooth exit strategy upon completion.

Given the very nature of the sectors under consideration (EIs), the programme is partially vulnerable to risks arising from climate variability and change. In particular, changes in climate change in the areas

identified for the project have already determined different seasonality patterns, labour migration, re-settlement, and a shift in peoples' management of their livelihoods. In particular, agricultural activities and fisheries, the principal forms of subsistence in the selected intervention areas, are particularly vulnerable to climate change. Over exploitation of forestry resources, land erosion, and illegal trading of natural resources have also been identified as additional risks that will have to be considered as the programme unfolds. The over-exploitation of some natural resources in the selected areas is already a direct consequence of the depletion of livelihoods that were previously prevalent (ie. fishermen's willingness to retain under sized fish; need to put more and more land into agricultural land because land-erosion and climate change have diminished agricultural outcomes, etc.). Thus the development of alternative forms of livelihood through the development of SMEs linked to EIs is at the core of the proposed programme. Yet the reversal of negative climate change outcomes will require a timeframe much longer than that being proposed by the current programme. Thus some of the aforementioned risks will threaten people's livelihoods for the years to come.

The EI sector is greatly expanding in Mozambique. For instance, the LNG new megaproject is the second largest in the world and could boost GDP per-capita from 650 USD in 2013 to 4,500USD in 2035, creating 700,000 additional jobs of which only 15,000 directly generated by the industry (the remainder being indirect and induced). The UNCT position and the feasibility studies conducted show the potential that EIs have to move the country from economic growth to economic development and structural transformation. Specific risks have also been clearly identified, and among those, the fact that the new exploitation of natural resources in green areas, even if carefully managed, can have unplanned effects on the ecosystem in place, as well as on the livelihoods of the population directly affected. We believe that those risks have been thoroughly considered and leveraged against the benefits. And yet, the UNCT is conscious that unforeseen outcomes could arise and will need to be addressed in a proactive and coordinated fashion.

Public-private partnerships:

A wide range of actors are intervening in areas relating to the development issues that arise from extractive industries in Mozambique ranging from international and national NGOs, bi-lateral development programmes, the private sector and civil society and community based organizations. Whilst this creates opportunities for partnerships it also requires stronger coordination and planning mechanisms.

The programme strategy for partnering with these actors to implement this project will entail:

- Collaboration among relevant UN agencies and donors for mutual information sharing and coordination of activities and, where appropriate, joint implementation of projects
- Potential collaboration through resource mobilization from donors
- Information sharing and the commission of studies, training or advocacy work through international, national and local civil society organizations
- Reliance on, and strengthening of, networks of local governmental and non-governmental institutions and civil society organizations at the sub-national level.

The proposed programme will complement and build on what already exists by building on, strengthening and, where considered necessary by key stakeholders, supporting changes to existing mechanisms, institutions and processes. For instance, existing mechanisms for inter-sectorial coordination will be strengthened through technical and organizational support. At the local level (province and district), the programme will build on existing structures and institutions, including those supported through UNDP interventions supporting local governance and local development, such as consolidating decentralized participatory planning and budgeting mechanisms, strengthening civil society participation in the development policy dialogue, as well as local economic development and inclusive finance and market projects. The project will aim to strengthen linkages between existing national and sub-national processes

and institutions, so that the outcomes of consultations undertaken at the local level find their way into plans drawn at the national level.

It is a firm intention of the programme that the private sector and its beneficiaries will actively participate in monitoring and evaluations during the programme cycle. The explicit mechanism for dialogue and partnership between public and private sector is the Tripartite Dialogue, already commonly adopted in Mozambique between employer's federations, trade unions and government authorities.

Civil society participation:

Representatives of the civil society have been consulted during the preparation of this proposal. In particular Employers' and Workers' organizations have participated in programme design since the very beginning. During a mission to Pemba (capital of Cabo Delgado Province) a focus group was organized incorporating members from local trade unions and business associations. The ILO will report on a quarterly basis to the national social dialogue body (CCT). The CCT and its provincial branch will monitor the implementation of the programme and will participate in regular field visits.

Moreover, the programme will support Provincial and Local Governments, the private sector, civil society and communities through the establishment of inclusive working groups (WG) at all territorial levels, with a view to discussing and identifying, in a consensus-based manner, local economic development potentials and value chains related to extractive industries, developing action plans and integrating these into local strategic and operational planning instruments (PEP, PEDD, PESODs and PESOPs). These groups and platforms such as Development Observatories, Consultative Councils and others will be involved in the monitoring of local plans and strategies. Effective monitoring will require the provision of training for CSO representatives and vulnerable groups on advocacy, budget issues, GBR/SME national planning tools in the context of extractive industries, inclusive growth and job creation, among others.

UNIDO's experience of interacting with the private sector has been business related CSOs and this approach will be maintained for the current programme. This will include organisations like the local delegation of CTA, the Associação Cabo Delgado em Movimento (Cabo Delgado) and Association ACIANA (Nampula). Furthermore these organizations participate actively in the Programme Management Committee and in M&E. Further mobilization of the community at large will be achieved by using beneficiaries from managerial and vocational training courses and business linkages at MSME level, to create champions and conduct motivational and awareness seminars in schools and at CSO events.

Experiences from the GELD project showed that women's participation in local decision-making platforms can be increased and the transformation of gender norms at community can be accelerated with the involvement and commitment of key community and opinion leaders, providing adequate information in appropriate forms and the mobilization of men as partners in the processes. The project will seek to ensure that women and women's organizations participate in Local Consultative Councils and have enhanced capacity to have their priorities and needs addressed .

Significantly, a participatory structure for local governance is already well established in Mozambique in part due to previous efforts and interventions of UN agencies. District Consultative Committees are well established across the whole country and their role is recognized and institutionalised in legal and policy documents. Members of CSOs, communities and special interest groups are represented in local policy and development debates, have a voice, vote on the allocation of annual investment resources, and participate in the review of annual budget expenditures. Within these structures, local authorities and CSOs already conduct, on regular basis, open dialogues with communities on issues such as the impact of development plans, labor rights, environmental and social challenges, and future priorities. The programme will use these structures and processes to oversee the implementation of activities.

Justification of the Joint Programme modality:

Mozambique is a Delivering-as-One country with a common development framework (UNDAF) for all agencies. UN Mozambique has created Development Results Groups (DRG) where agencies contributing to common outcomes and outputs work together in a coordinated manner to ensure coordinated effort to maximize result effectiveness and resource impact. The preconditions for a UN joint approach are therefore already established and facilitate a common UN approach to development issues. Furthermore, the proposed programme is fully aligned with the UN position paper on EI released in 2012. The United Nations Policy Framework proposes a twofold policy approach to guide policy and programmatic interventions of the UN system in Mozambique with regard to natural resource management and the extractive industries, namely to minimize social harms and maximize human development including through social investments.

The proposed programme concept note contributes directly to MDG 1 on poverty, food security and employment. This MDG remains far from being achieved in Mozambique and there is a real opportunity to strengthen the employment dimension of the poverty reduction strategy through a focus on extractive industries. The proposal therefore responds to the slow progress and concerted effort to move on this particular goal. The emergence of a new economy and steady economic growth create opportunities to respond to increasing inequality, stagnant levels of poverty, and growing urbanization. The UN in Mozambique with local development partners has helped consolidate views on the next generation of the post 2015 development goals (the SDGs under which this proposal is submitted). Feedback confirms that employment creation is high on the agenda and will be prioritized by the government as confirmed in the national employment conference.

Subsequently, the UN in Mozambique has decided to increase its added value by developing a broader employment promotion programme “More & Better Jobs in Mozambique” of which this proposal is a component. The evidence based advocacy and policy advice component of this broader employment programme seeks to support the government in following up on the recommendations of the employment conference and will advise government on goals, targets and indicators for the next SDGs along with concrete employment creation activities on the ground.

The 3 agencies are currently working together under the Outcome 2 of the UNDAF in the implementation of the ONE UN Fund programme to promote women’s economic empowerment and increase livelihood for vulnerable groups in Nampula Province.

Regions of intervention:

The programme will focus efforts in the provinces of Nampula and Cabo Delgado where EI activities are considerable in intensity and effort. The selection criteria include requests from the Ministry of Labour and the Ministry of Mineral Resources, and the recommendations of the “National Dialogue on Employment for Job Creation in a new Mozambican economic context” held in March 2014. Furthermore, there are considerable opportunities for leveraging private sector funds from multi-national enterprises complementing the SDGF funds and matching UN funds, and there is immense potential for public-private-partnership around concrete economic and business development opportunities for Mozambican firms in the value and supply chains feeding into the anchor EI firms.

As in previous projects that have collaborated with the Ministry of Labour and INEFP, the Government will make resources available for implementation. In particular, the programme will use the INEFP training centres, trainers and equipment, and vehicles for field visits. The INEFP offices will be available when required. The programme will, in general, benefit the population of the Provinces of Cabo Delgado and Nampula and young men and women who are either job seekers and/or emerging and existing entrepreneurs, in particular. The programme seeks to facilitate the creation of at least 3,000 new jobs of

which at least 50% will be for women and at least 50% for young men and women. The programme seeks to support at least 250 SMEs to start-up and/or develop and expand of which at least 35% will be run by female entrepreneurs.

The benefits and costs from the rapid growth of the extractive industries are often unequally distributed, increasing the potential for conflict at different scales. The programme's approach will be to empower women and men in affected communities and the civil society organisations representing them, by providing access to objective information that will contribute to realistic expectations and enable them to protect and articulate their rights and interests and to maximize the benefits of economic growth. At the same time the programme will support these groups and strengthen their capacity to participate more meaningfully and effectively in the the development planning and monitoring processes.

The population of Nampula and Cabo Delgado Provinces totals 6.74 million, with 4.88 million in Nampula and 1.86 million in Cabo Delgado. Women account for 51% of the population.

The latest data (2012) suggests that the unemployment rate in Cabo Delgado and Nampula is 17.4% and 25.5 % respectively with around 90% of people employed in the extremely low productive agriculture sector. In Cabo Delgado, only 6.4% of the workforce receives a salary, whilst 63.1% are self-employed and 30.7% work without remuneration at all. Similar percentages are found in Nampula Province with a slightly higher number of people (41.3%) working without remuneration. The self-employed are mainly in micro and small enterprises in the informal sector. Only 6.1% and 7.8% of the workforce in in Cabo Delgado and Nampula respectively work in non-agricultural related activities. The gender differentiation in employment in the 2 provinces is relatively small (81,7% of men and 78% of women in Cabo Delgado while in Nampula the men with a job are 70,9% and the women are 67,9%). However, the data shows a large majority of women working in the agricultural or informal sector with extremely low productivity, a higher level of insecurity and lack of basic social protection.

Formal employment is nearly exclusively provided by the State and a large majority of the population is highly dependent of natural resources for their livelihoods and income generation. Moreover, there is very little experience and awareness of formal employment procedures and expectations. Waged employment is only reported by approximately the 4% of households, and this is mainly due by a lack of investments in employment generating opportunities, limited capacity/skill generating interventions for human resource development, and lack of professional training.

Resource extraction currently accounts for about five percent of GDP, a contribution that is set to at least double by 2017 on the back of recent discoveries of coal and gas deposits. Although the expansion of the production base for coal and gas has recently slowed down as a result of a slump of world market demand, the mid-term and long-term growth outlook remains robust.

Natural gas has been discovered in two main areas in Mozambique, the Mozambique Basin in the South and the Rovuma Basin in the North. The gas fields in the Rovuma Basin are divided into one area onshore and six areas offshore. The exploration of these gas fields is led by Anadarko from the United States and ENI from Italy.

It is estimated that the identified volumes of natural gas make it viable to construct six plants for processing liquefied gas. Anardako plans to initially construct two LNG trains with the capacity to process five million tons of gas each. The two initial LNG processing facilities will be built on-shore on the Afungiproject site, close to the town of Palma. If the LNG plants are constructed, total investment is estimated to reach at least 18 billion USD by 2018, the earliest starting date for production. To put this investment into perspective, the total GDP of Mozambique in 2012 was approximately 14.3 billion USD.

Although extractive industry investments contribute positively to a country's economy through increasing GDP and government revenue, the effect on broader based wealth and job creation in Mozambique has so far been limited. For example, while the Mozambican Government approved private investments of an estimated US\$3.4 billion in 2011 alone, including 261 new businesses, these investments are projected to create a mere 33,871 new jobs – an equivalent 'cost' of 1,385 million USD per direct job. Also, by 2010, the five main "mega-projects" combined had only created an estimated 3,800 direct jobs. The picture is further blighted by the fact that the employment that has been created involves jobs for highly qualified and specialized candidates. This effectively disqualifies the vast majority of the Mozambican labour force in a country where the literacy rate is still only 49.6 percent and the labour-force is largely un-skilled (also see chapter 3 for a profile of the average job seekers in the target market). To close this skills gap, foreign investors are therefore entitled to fill up to 30% of all vacant jobs with specialized foreign workers during the construction phase of a given project.

The figures cited above tend to be exclusive of the temporary jobs for general labour generated during the construction stage. Also, these statistics do not reflect the indirect and induced employment creation impact of large scale mining projects.

Yet to be systematically documented, though, is the extent to which temporary employment has made a lasting contribution on poverty alleviation. Likewise, the scientific basis for the calculation of the indirect or induced employment creation impact is often problematic. Not least, these estimates tend to discount the negative job creation impact of mining projects, for example in cases where the local fisheries or tourism industries are affected by exploration and extraction activities.

Nearly 88% of the economically active population of Cabo Delgado province is engaged in agriculture, forestry, fishing and extractive activities, while 9% percent work in the tertiary sector and the remaining are engaged in secondary sector activities. Access to financial services is scattered and basic and access to insurance schemes, in particular climate-indexed schemes for climate dependent sectors (eg agriculture and fisheries), are virtually inexistent. Poor infrastructure renders the problem of access to finance disproportionately higher in rural areas as opposed to urban settings. Access to productive resources such as land and agricultural inputs is insecure, and based on collective principles that disincentivise personal investments.

Most rural women in the selected provinces work in agriculture and play a crucial role in growing food crops and generating income for their families. Yet they have little access to, or control over, productive resources. Although the 1997 Land Law affirms that women should enjoy equal access to land, many women are unaware of their legal rights and those rights are not enforced in practice. At the same time, the number of female-headed households is rising rapidly. These women have limited land to farm and limited food security, and are highly vulnerable. A study by the Department of Women and Social Action on gender and mega-projects revealed that there is little participation by women both in the labour force of EIs or their value chains.

In both provinces, the level of education is extremely low, with more than 80% of the economically active population having no level of education. Illiteracy is high particularly among women, with some districts displaying a 92% female illiteracy rate. Low levels of education attainment directly hamper the school-to-work transition, and is due to a number of factors that include poor availability of education facilities, poor quality of the education system, limited availability of teachers and professional, technical, vocational and educational training, high drop-out rates due to food security issues pushing both young boys and young girls to be economically active at early ages to help with household chores, and high rates of teenage pregnancy and early marriage that negatively affects young girls. Their future is even more precarious as their livelihoods can be severely affected by a changing climate.

The seasonality component of economic activities performed in the two provinces is an important element to be taken into account, with artisanal fishing and subsistence agricultural being performed at particular periods of the year that are often affected by extreme weather events.

Medium size enterprises are very few and principally owned by men with, by contrast, micro-enterprises in the informal sector with very low revenue, mainly owned by women.

According to the Mining Law, local authorities enforce Environmental Audits for EIs. These audits are defined as a tool for systematic, documented and objective management and evaluation, of the functioning and organization of the management system and the environmental control and protection processes. They also require periodic Environmental Impact Assessment, a tool for preventive environmental management, which consists of prior qualitative and quantitative identification and analysis of beneficial and harmful environmental effects resulting from a proposed mining activity.

Extractive industry activity in the selected provinces is changing local demographics, partly due to an increased influx of immigrants, which has resulted in a partial weakening of community institutions and traditional social networks. If not properly considered, such demographic changes may increase the pressure on the natural resource base and on already scarcely available public infrastructure and services, particularly as kin groups are dispersed and cultural identity and traditional authority systems are diminished or lost. Women are likely to be disproportionately affected.

In this changing environment, the role of the employers' and workers' organizations is particularly challenging. The employers' confederation, the CTA, is represented in the 2 provinces and aims to improve the relations between the MNEs and local small and medium enterprises. The services offered ranges from the promotion of partnerships to training and information for companies and communities. The two Trade Unions Confederations, OTM and Consilmo, are not well equipped to deal with the new challenges brought by EIs. Trade Union members and shop stewards need intensive training in the field of occupational health and safety, employment legislation and collective bargaining in order to provide services to the members. On the other hand, the low literacy rate amongst workers together with the lack of knowledge about the benefits of trade union membership mean that the number of workers affiliated to TUs in the targeted provinces is pretty low.

As far as the national social dialogue is concerned, Mozambique has one of the best experiences in the region. The tripartite national body (Comissao Consultiva do Trabalho-CCT) meets regularly to discuss socio-economic issues related to the implementation of Government programmes, among them the Decent Work Country Programme. The key ministries are represented at the highest level together with employers' and workers' organizations.

At provincial level, the Forum de Consulta e Concertação has the same representation but it is presided over by the Provincial Governor. The existing provincial forum will be the place where the different stakeholders will address policy issues relating to decent work in the province.

In terms of governance the two provinces follow a hierarchical structure headed by, the Provincial Governor, a political figure directly appointed by the President of Mozambique. The Governor's Office is supported by the Provincial Permanent Secretary. Several sector institutions, such as planning and finance, agriculture, health, education, fisheries, tourism, environment, mineral resources and energy (to name those most relevant to this programme), are represented at a provincial level by Provincial Directorates headed by the respective Provincial Director, which provide the necessary technical support to the Governor's Office.

Figure 1: Governance Structure of Cabo Delgado and Nampula provinces

Please also refer to the UNCT JP document annexed on 'Promotion of youth employment through human capital development in the extractive industries of Mozambique' for further details on the situation analysis of beneficiaries and considered sectors.

Targeted groups:

The programme will benefit the population of the Provinces of Cabo Delgado and Nampula in general and young men and women in particular who are either job seekers and/or emerging and existing entrepreneurs. The programme seeks to create at least 1,500 new jobs of which at least 50% will be for women and at least 50% for young men and women. The programme seeks to support at least 250 SMEs to start-up and/or develop and expand of which at least 35% will be run by female entrepreneurs. Benefits and costs from the rapid growth of the extractive industries are often unequally distributed, increasing the potential for conflict at different scales. The approach of the project is to empower women and men in affected communities and the civil society representing them, by providing access to objective information that contribute to realistic expectations and to useful information that enables them to protect their rights and interests and to maximize the benefits from the growth of extractive industry, while supporting institutionalization of their participation in planning and monitoring processes.

Design, mutisectorial strategy, results and implementation plan:

The programme design is based on structural transformation theories of socio-economic development. Structural transformation as contextualized by the Economic Commission for Africa , and the Africa Union, as composed of four essential and interrelated processes: a declining share of agriculture in GDP and employment; a rural-to-urban migration underpinned by rural and urban development; the rise of a modern industrial and service economy; and a demographic transition from high to low rates of births and death. Economic and structural transformation is also associated with rising agricultural productivity, an integrated economy and rising per capita growth rates (Timmer 2008).

An economy developing in this way is simultaneously able to create opportunities and decent work, as well as empower its own people to take full advantage of those opportunities and thus expand further. Enhanced productivity is a defining element of structural transformation as it induces: a reduction in the unit cost of labour (thus rendering the economy more competitive for exports) and increases the opportunities and outcome of supply and value chain processes. Natural resources that are exported without added value, or exported without a requisite reinvestment of wealth created to transform the economy are a 'quick fix', but do not allow for medium growth or the creation of comparative advantages in the international market. Gender equality and women's empowerment is a goal in itself but is also an enabling process to achieve more and better outcomes in terms of socio-economic development for the entire nation (see Figure A1 presented in Annex 1 used to explain the interrelated elements of structural transformation during community based/participatory trainings).

The role of structural transformation in promoting inclusive growth and sustainable development is at the core of the future of the continent and of those countries, such as Mozambique, that are (or becoming) commodity-dependent-economies. This is even more crucial in the Southern African Region which accounts for the majority of the commodity-dependent-countries (mainly extractive industries). The overall objective of structural transformation is to promote the adoption of an alternative socio-economic approach for broad-based development and prosperity, that not only recognizes the importance of economic transformation in boosting productivity, accelerating growth, increasing incomes and improving living standards, but also acknowledges its relevance to the post-2015 development agenda. An approach

which positively discriminates on the basis of age and gender within the framework of structural transformation is nowadays imperative to allow countries such as Mozambique to harvest the potential of a youth and gender dividend. Thus, structural transformation can be harnessed to promote socio-economic development and inclusive growth.

Mozambique's growth acceleration in recent years has not been associated with economic transformation. Careful assessment of the country's underpinning growth cycle and drivers shows that the country is still largely blocked within a natural resource and primary commodity trap; the manufacturing and the service sectors are largely under-developed and lack the appropriate environment to thrive, thus limiting the potential employment gains from the processing of primary commodities; productivity remains very low and characterized by limited application of modern technologies; labour costs per unit of production are comparatively high (due to low productivity); qualified skills are outsourced because not readily available within the young generation; marginal value addition and in-country processing; and the overall vulnerability of communities and special groups is deepening. Unemployment and underemployment affects youth and women disproportionately.

Consequently, the country needs to transform its economy to create national wealth, reduce poverty, reduce age and gender inequalities, strengthen productive capacity, enhance the social conditions of its people and achieve sustainable and inclusive development.

Within this broad theoretical framework, the UNCT and the partners involved in the current proposal, aim at strengthening a sub-cluster of structural transformation processes and practices by:

- maximizing the level of compliance of MNEs in the extractive industries with local content policies and sustainable business practices;
- improving human capital and readiness of the workforce's with vocational skills and competencies to increase employability; and
- allowing national and local SMEs to capitalize on supply chain/value chain opportunities and to provide services and products to the extractive industries.

The programme takes a multi-sectoral approach and operates at several levels in order to improve overall system efficiency as follows: Business and formal employment opportunities will be created in and around the value chains feeding into the extractive industries; the capacity of institutions will be developed and the legal and regulatory framework improved, interventions will support business development and skills development in several economic sectors.

Take as an example the following scenario for a food value chain:

- Improving primary agricultural production,
- Promotion of agro-processing (manufacturing) and
- Development of a service sector that will supply the EIs and their workforce with food and hospitality.

As an example of downstream activities at the micro-level, local firms will react to opportunities in this value chain and produce products and services to meet demand. Further upstream activities at the meso-level will include support to vocational education and technical training institutions to train and develop technical skills that meet health and production standards in agro-processing, food manufacturing.

Furthermore, chefs, cooks and kitchen personnel will require training. Several educational programs that respond to the skills demand of firms in the EI as well as to skills demand of local firms in value chains around the EI will be developed. Further upstream at the policy and macro level, laws and regulations will be developed to ensure MNEs follow sustainable business practices. In short, the multi-sectorial approach takes place across systems levels (policy, institutions, and services) as well as across different economic sectors, for different sizes of firms and in different locations.

The theory of change underpinning the design of the programme is a compilation of several unlocking activities to realize the potential for job creation. On the individual level, trainings and capacity building will try to change the mindset and attitudes towards salaried jobs in terms of ethics, rights and duties. Technical trainings and skills development will lift capabilities to access job opportunities. On the

institutional level, the programme will facilitate and broker opportunities for change, ie. business possibilities, by linking buyers and sellers. Part of preparing for such opportunities is to help access to information and knowledge to help informed decision-making and have grounded expectations. On the system level, the programme will support an enabling environment by identify, assess and address bottlenecks and impediments and create incentives for local business and job generation.

Development Objective

Increased inclusive economic growth in Mozambique through decent employment for young women and men

Outcomes of the Joint Programme

I. Outcome 1: MNEs in the extractive industries comply with local content policies, environmental friendly sustainable business practices, and apply gender and age sensitive recruitment policies to hire nationals.

II. Outcome 2: An improved and more egalitarian workforce with vocational skills and competencies have improved employability opportunities in Extractive Industries firms and in SMEs operating in value chains feeding into the EI sector.

III. Outcome 3: National/Local SMEs capitalize on supply chain/value chain opportunities and provide environmentally sustainable services and products to the extractive industries

IV. Outcome 4: Decision makers, national and internationally, have better access to data for formulating job creating measures and strategies in relation to Extractive Industries

Key outputs

1.1 Gender Sensitive Skills Gap analysis jointly undertaken by INEFP and Industry for EI and related value chains

1.2 INEFP schools capacity developed to teach skills to young men and women demanded by EI firms

1.3 Implementation of the mining policy actively enhances gender sensitive local employment opportunities

1.4 Enhanced public awareness of, and transparency in the promotion of inclusive local employment opportunities in relation to extractive industries

2.1 Enhanced business linkages between large buyers and SMEs

2.2 Promotion of inward foreign direct investment for technology and equity provision to local subcontractors with upgrading requirements

2.3 Strengthened investment promotion capacity at district level through enhancing the capacities of the "one stop shops" (Balcão de AtendimentoÚnico - BAU)

2.4 Established resource-efficient and environmentally sustainable small suppliers procedures

3.1 Gender Sensitive Employment Action Plan outlines roles and responsibilities of government and social partners

3.2 Tripartite (government-trade unions-employers federations) jobs pact with collective action of EI partners for employment creation

3.3 LED and promotion of local employment opportunities are integrated into local development policies and plans at provincial, district and municipal level

3.4 Integrated gender friendly business services support SMEs at provincial, district and municipal levels

4.1 The Project is based on a solid qualitative and quantitative data management approach able to assess progressive achievements in identifies outputs and outcomes.

4.2 Partners and stakeholders are informed about the programme's objectives, approach, lessons learnt and results. Awareness is raised on employment related issues, and corporate businesses and government take responsible and informed decisions towards sustainable job creation.

Activities related to outputs 1.1-1.4

- Strengthen system for skills gap analysis for INEFP through training at National and provincial level and undertake skills gap analysis with industry
- Strengthen system for monitoring and evaluation of INEFP training programs
- Research on global good practices in public-private partnerships (PPP) between TVET and industry
- A regulatory framework on PPP for INEFP training centres in consultations with local industry, government, social partners, and INEFP
- Capacity development (training and study visits) of INEFP, industry, social partners, and other stakeholders in implementing the framework
- Establish PPP framework in INEFP training centres in the project districts
- Development of a business plan to support the implementation of the Mining Policy
- Provide expert advice and technical assistance on key policy issues related to employment and extractive industries (e.g. employment rights and standards, social and environmental policy, human rights)
- Formulate and implement a communication strategy to promote public debate on employment opportunities in relation to extractive industries
- Identify, document and disseminate best practices in relation to the promotion of local employment opportunities in relation to EI
- Support South-South learning and cooperation to enhance the governance of extractive industries, business linkages and skills development

Activities related to output 2.1 -2.4

- SPX Profiling process through plant visits leading to profile database generated through the utilization of the UNIDO's SPX Management Information System (SPX MIS)
- Undertake diagnostic field study among large domestic and foreign enterprises in Mozambique and to map out local strategic supply chains and determine the 'demand' for local sourcing which could be met through SPX service offer
- Fulfillment of SPX exchange function through realizing matchmaking potential - link lists of potential eligible supplier firms having supply/subcontracting potential with buyer subcontracting opportunity needs
- Following the initial benchmarking training, implementation of UNIDO supplier-benchmarking methodologies for the measurement of and comparison to international standards of company practices and performances through periodic re-visits;
- Implementation of feedback survey among SPX companies to find out about their interest and readiness to forge an equity partnership with foreign companies
- Provide special assistance to these firms to prepare marketing and promotion material about their specific projects and undertake financial feasibility analysis through the Computer Model for Feasibility Analysis and Reporting (COMFAR) for those firms requiring it
- Provide B2B opportunities at global exhibition and Fairs including but not limited to MIDEST Subcontracting Fair and Hannover Messe, Germany
- Improving quality and outreach of government services to local entrepreneurs by replicating a pilot model of district BalcãoÚnico (BAU)
- Mapping and marketing agro-processing and small industry and services opportunities along the Nacala corridor
- RECP training for national consultants and company representatives
- RECP assessments at company level

Activities related to outputs 3.1-3.4

- Action research on the direct, indirect and induced employment creation impact of mega-level mineral resource extraction projects in Mozambique
- Mass-media based advocacy campaigns carried out together with the Ministry of Mineral Resources and

the Ministry of Labour to widely disseminate findings

- Comparative analysis of local content strategies with global good practice
- Workshops with Government officials and corporate investors to jointly review findings and develop employment action plan and tri-partite jobs pact
- Action research on barriers to local economy development in the target provinces, here with emphasis on entrepreneurship culture and work ethics
- Community-level workshops to validate findings and identify concrete intervention points for boosting the competitiveness of local job seekers and emerging entrepreneurs
- Support the functioning of local LED/employment working groups
- Identify and support the development of local value chains
- Strengthen the capacity of CSOs and local communities to participate more effectively in the policy dialogue process related to the promotion of local employment
- Revise local strategic development plans to integrate a more explicit LED/employment promotion component
- Support the development of systems for monitoring the local employment impact of EI and related economic activities
- Establish information centres at local levels to produce and disseminate information on developments of extractive industries, their implications and lessons learned
- Commission Mozambique's National Human Development Report (NHDR) on extractive industries

Activities related to output 4.1-4.2

- Undertake a baseline study, make it available and disseminated to partners
- Agencies and partners develop a integrated monitoring responsibility plan and accountability chart for project's monitoring
- Undertake a End-of-the-project impact assessment that includes long-term sustainability issues, make it available and disseminated to partners Develop an information kit for media, government, corporate, job seekers, international partners regarding programme objectives and intentions.
- Make information and knowledge accessible by maintaining a Mozambican employment website <http://dialogoemprego.org/conference/> that will gather and make knowledge accessible to specifically researchers and policy makers.
- Partners work with media to nurture an informed national dialogue.
- Outreach to the youth through modern communication technologies to nurture an informed discussion on employment
- Develop an advocacy plan to influence corporate and government partners
- Targeted and sensitized advocacy intervention.
- By training local media, capture and record stories on how programme results have been achieved, businesses have developed and jobs have been found and what lessons can be drawn.
- Participate and facilitate national dialogue, policy development, business to business knowledge sharing, knowledge sharing among job seekers, aid coordination and international and regional fora.

Coordination and governance arrangements:

The main outcomes of the current proposal are based on the recommendations of the national employment conference, held in March this year. As employment is a key priority for the country, and to ensure proper follow up and implementation of some of the key recommendations, the establishment of an inter-ministerial group was proposed composed of key ministries and the UN. The main actors will be MPD (Ministry of Planning and Development), MOL (Ministry of Labour) and MIC (Ministry of Industry and Commerce) from the government side plus the UN.

The implementation of the programme at central level will be coordinated by the Inter-Ministerial Group,

whose members will play key roles in achieving most of the programme's outcomes:

- The MPD is responsible for ensuring close coordination with relevant projects and related institutions at the national level. Synergies will be sought with UNDP supported projects related to enhancing decentralization and local development in Mozambique, LED, improving participation, which are being implemented respectively by MPD and DNAL and DNPDR at MAE. MPD is also responsible for ensuring full coordination and effectiveness of all development partners supporting the PNPFD (National Programme for Decentralized Planning and Finance). This includes among other GIZ, WB, SCD, DCI, and any involved partner or UN Agency. The MPD and MAE, as implementation agencies for the PNPFD, support the functioning of the District Consultative Committees that meet at least twice per year and that participate in the elaboration of annual development plans and expenditure reviews. Communities and civil society are represented within these committees and have an important voice in determining budgetary allocations and expenditure reviews.
- The MoL is responsible for the implementation of the National Employment and Vocational Training Strategy, through INEFP (National Institute for Employment and Vocational Training) and is already working in some of the locations where the programme will be implemented.
- MoIC has a mandate to create a better business environment, through DASP (National Directorate for Private Sector Support) as well as to promote the creation and development of the MSMEs through IPEME (Institute for Promotion of Small and Medium Enterprises).

Implementation at local level will be coordinated with:

- Provincial Governments of Nampula and Cabo Delgado (Provincial Directorates of Planning and Finance, Mineral Resources, INEPF and IPEME)
- Provincial ADEL (LEDAS) in Nampula and Cabo Delgado;
- Districts Governments of Nacala Porto and NacalaVelha (District service for Economic Activities)
- Nacala Porto Municipality.
- District Consultative Committees

RESPONSIBILITY MATRIX

ILO Lead agency and programme coordination (from the UN side)

UNDP/ILO/UNIDO Technical and financial support to implementing partners including government partners, CSOs, and local level entities

UNW Supervision of the gender component of the programme and monitoring the outcomes of gender specialists. UNW will provide guidance to ensure that gender equality and women's economic empowerment approaches are represented in programme implementation and evaluation. In particular, it will assist in the identification and assessment of women's needs and the use of methodologies that will assist in better considering their rights and assessing the progress achieved.

Ministry of Labour Principal Government counterpart (at National, Provincial and District levels), responsible for the implementation of the National Employment and Vocational Training Strategy, through INEFP (National Institute for Employment and Vocational Training), under which this project falls.

Ministry of Industry and Commerce Supervision of the 'better business environment' component of the programme, through DASP (National Directorate for Private Sector Support) and the strengthening and development of MSMEs through IPEME (Institute for Promotion of Small and Medium Enterprises).

Ministry of Planning and Development Ensuring close coordination with all relevant development projects and related institutions at the national level

Provincial Governments Provincial Governments of Nampula and Cabo Delgado (Provincial Directorates of Planning and Finance, Mineral Resources, INEPF and IPEME) will be the local government counterparts that

will supervise programme activities

LEDAs Provincial ADEL (LEDAS) in Nampula and Cabo Delgado will provide technical expertise for the promotion of sustainable and gender friendly business opportunities. They will also be the conveners for public-private dialogue

Districts Governments and District Consultative Committees Both beneficiaries and development partners of the programme. They will facilitate the the participatory representation of local communities and special interest groups in programme interventions and outcomes

The programme will be led by an Inter-Ministerial and Inter-Agency Group co-chaired by the UNRC and Ministry of Labour. This group will retain the political responsibility for the ultimate management of the project. Selected UN agencies and identified line ministries will be members of the Group. The Group was first established to promote the organisation of the National Employment Conference in 2013 and has since waited for concrete steps to be taken in line with UNDAF and policy commitments.

The Group will base its decision on the advice of an Inter-Agency Advisory Committee (that already exists) and that has been very much active in the past to promote employment policies and strategies in the country. UN technical officers, Government Directors who represent specific line ministries, the WB and international development partners are an integral part of the existing Advisory Committee.

At District Level, the monitoring and implementation of the programme will be undertaken in consultations with the District Consultative Committees that are already operational and participatory in nature. None of the above mentioned structures will be created ex-novo. All the structures proposed already exist and they are, to a large extent, operational.

The programme will be managed by an ILO hired manager/ coordinator. ILO, UNIDO and UNDP will provide technical expertise through the inter-agency advisory committee including tripartite-dialogue expertise, business development specialist and local economic development specialist. UNW will support with a gender advisor to quality assure the gender consultants and to help in the mainstreaming of the gender component. UNDP will also provide technical officers that are based within districts and provinces covered by the project, for 15% of their time. UNDP will also provide the services of a specialist in environmental sustainability on an ad hoc basis as the need arises.

Risk analysis:

For the programme to progress as planned requires Mozambique to remain stable in political and economic terms. Global economic uncertainty with fluctuating commodity prices can have negative impacts on the pace and scale of EI investments and developments and hence weaken job and business generation. Inadequate coordination in planning, monitoring and reporting may lead to lost opportunities, delays in fund disbursement and bottlenecks in programme implementation. In order to mitigate this risk, the oversight of the joint programme coordination will rest with the programme manager of the lead agency. The programme manager will generate clear joint work and monitoring plans and have regular meetings to review progress and implementation issues.

The financial risks associated with development project implementation are mostly related to the possibility that inadequate capacities and/or inadequate control systems result in inefficient or unintended use of funds. The programme will use the Harmonised Approach to Cash Transfer (HACT). This means that counterparts account for the use of UN agency funds through financial certifications (i.e. using the fund authorization and certification of expenditure form). This procedure is intended to contribute to reduced transaction costs for national implementing partners, and to increase UN Agencies' focus on strengthening national capacities for programme management and accountability. The HACT shifts the focus from controls towards a broader risk management approach.

Finally, the UNCT recognizes that possible risks associated to subcontracting and partnerships, one stop shops' capacity building and cleaner production could be triggered by continued slow pace of reforms to business environment; environmental and economic shocks; and any other factor which may alter the dynamics of private investments in the country.

Monitoring and evaluation (M&E):

A full version of key performance indicators for the programme will be elaborated during the inception phase and this information fed into the programme performance measurement software currently being developed by ILO. A programme "dashboard" will be made available online for programme stakeholders to assess progress in real-time. The M&E system will be aligned to the UNDAF Monitoring and Evaluation Plan.

The Joint Programme will produce annual work plans to guide implementation and annual reports to document progress on implementation. These documents will be reviewed by the Programme Steering Committee. Joint monitoring and evaluation of programme activities will be undertaken by a team comprising the core line ministries, UN agencies and the donors.

The monitoring process will include performance reviews and field visits as appropriate. The monitoring reviews will be adapted to the UNDAF Monitoring and Evaluation calendar and will serve as inputs into the UNDAF annual, mid-term and final reviews. The Economic DRG will create the link between the Programme, the M&E system and the Knowledge Management and Communication and Advocacy activities.

Programme evaluation will be conducted through annual reviews, mid-term and final evaluation exercises. While annual reviews will be conducted by the above mentioned evaluation team, the mid-term evaluation and final evaluation will be undertaken by independent consultants. The exact performance thresholds for each indicator are to be validated with local stakeholders towards the end of the programme inception phase. The cost of the M&E can be estimated in around 4.5% of the total amount of the programme.

Communication and advocacy (C&A):

Communication and advocacy will play a vital and integrated part of the programme preparation, implementation, monitoring, and knowledge management and as strategic means to reach the programme outcomes. The objectives of the communications and advocacy are:

1. Inform stakeholder about the programme's objectives, approach, lessons learnt and results
2. Mobilize and raise awareness about employment issues and solutions
3. Influence responsible cooperate and government decision making based on evidence and lessons learnt

Inform stakeholder about the programme's objectives, approach, lessons learnt and results

Activity 1: Develop an information kit for media, government, corporate, job seekers, international partners regarding programme objectives and intentions. This will include clear messages on what activities and approaches of the programme. A factsheet and brochure are foreseen as well as sharing information on-line on UN website, local media and in relevant meetings and events.

Activity 2: Capture and record stories from stakeholders on the employment challenges and results and progress made by the programme. Through articles, photos and video the programme intends to capture particularly the human perspective of the programme results and the challenges. Apart from being part of the programme monitoring, this material can be used by donors, local media, and government to show the public what the funds are used for and what difference. These stories will also help to inspire, share ideas, knowledge and information for businesses and jobseekers.

Activity 3: Make information and knowledge accessible. The programme will help maintain and update information on a Mozambican employment website <http://dialogoemprego.org/conference/> that will gather

and make knowledge accessible to specifically researchers and policy makers.

Mobilize and raise awareness about employment issues and solutions

Activity 1: Partner media to nurture an informed national dialogue. Efforts will be made through briefing sessions and trainings to develop local media capacity to report and analyse employment and linked issues. This will help a more informed social and economic journalism. Human interest stories, film clips, summaries of reports and press releases will also be provided to media for them to publish and use.

Activity 2: Outreach to the youth. The UN will actively support and provide inputs to the national youth managed Facebook and relevant blogs to nurture an informed discussion on employment.

Influence responsible corporate and government decision making on evidence and lessons learnt

Activity 1: Develop an advocacy plan. Based on stakeholder analysis and knowledge assessment, an advocacy plan will be used to influence corporate and government partners. The key messages and recommendations will target national as well as local decision making and to certain extent regional bodies where applicable. The advocacy themes could be on legal and human rights dimensions, women and youth or how local planning and budgeting can help job creation.

Activity 2: Targeted and sensitized advocacy intervention. The plan can contain campaigns, individual meetings using high level profiles, production of knowledge products to help making specific case or targeted trainings and knowledge exchanges.

Knowledge management (KM):

The primary objective of the knowledge management is to connect “knowledge nodes” to both knowledge providers and knowledge seekers to allow for more informed decision making. To help with that the programme will capture knowledge, help to improve access, and actively work to create a knowledge sharing environment. As reflected in the communication and M&E plan, the programme intends to record experience and knowledge gained from during implementation. The content will be packaged and made available to make it accessible and understandable. The programme will facilitate knowledge sharing among stakeholders by continuously absorbing and sharing knowledge with knowledge seekers through the website, blogs, print material, media, and coordination meetings and through opportunities given by the activities.

Several different knowledge seekers are foreseen:

1. The intergovernmental policy group on employment that is supported by the UN and other government bodies;
2. National research institutions;
3. International partners and initiatives in Mozambique working in the area of employment; International and regional initiatives, on extractive industries and job creation including post 2015 dialogue; and
4. Business and job seekers.

The following activities are proposed:

Activity 1: Capture and record stories on how programme results have been achieved, businesses have developed and jobs have been found and what lessons can be drawn (same as the communication activity). This will also derive from or complement the monitoring and evaluation plan.

Activity 2: Maintain and update the UN run employment website and blog <http://dialogoemprego.org/>

Activity 3: Participate and facilitate national dialogue, policy development, business to business knowledge sharing, knowledge sharing among job seekers, aid coordination and participation in international and regional fora. Also, and mentioned in the communication section, the programme suggests to train local media which will be an important partner to disseminate knowledge and recommendations.

Contribution to the post 2015 development Agenda:

The programme is contributing to the acceleration of MDG achievement where progress has, to date, been unsatisfactory, including aspects of inequality and inclusive growth. This effort is designed to contribute and facilitate the transition to the new SDGs. UN Mozambique is active discussions on the post 2015 agenda and has helped facilitate the consultative processes that have been feeding into the global debate. The programme will likely not contribute significantly to global goal-setting, but rather to the “how to” discussions and the national development discussions:

1. The communication strategy will contribute to and continue the national dialogue on employment. This will contribute both to the national post 2015 dialogue and potentially the global dialogue on employment generation;
2. The programme will show how growth driven by extractive industry can be made inclusive and create localemployment opportunities. Hence, the programme can be replicated elsewhere in the country and in other places and be used as an example in the global discussion on how the SDGs can be met. In addition the lessons learnt and knowledge gathered will be shared that will support that dialogue;
3. The UN has a central role in policy advice on employment creation to which the programme will make a substantial contribution. National target and indicator setting for the post 2015 agenda will be important part of that advisory role as well as setting national and sub-national plans and strategies.

V. SDG-F - Joint Programme Management Arrangement

Coordination and Oversight Mechanisms

The Fund will rely on UN Resident Coordinators (RC) to facilitate collaboration between Participating UN Organizations to ensure that the programme is on track and that promised results are being delivered. The Resident Coordinator will exercise his/her authority over the programme by being entrusted with leadership of the overall programme design, ongoing programmatic oversight of the Fund’s activities by co-chairing the National Steering Committee meetings.

To ensure proper checks and balances of programme activities the RC is called upon to establish committees at two levels:

- A National Steering Committee (NSC), and
- Programme Management Committee(s) (PMC).

The NSC consists of the Resident Coordinator, a representative of the national Government in the role of Co-Chair and a representative of the AECID or in its absence from the Embassy of Spain and/or other sponsoring partner entity, according to the SDGF ToR.

The responsibilities of the PMC will include:

1. ensuring operational coordination
2. appointing a Programme Manager or equivalent thereof;
3. managing programme resources to achieve the outcomes and output defined in the programme;
4. establishing adequate reporting mechanisms in the programme;
5. integrating work plans, budgets, reports and other programme related documents; and ensures that budget overlaps or gaps are addressed;
6. providing technical and substantive leadership regarding the activities envisaged in the Annual Work Plan;
7. agreeing on re-allocations and budget revisions and make recommendations to the NSC as appropriate;
8. addressing management and implementation problems;
9. identifying emerging lessons learned; and

10. Establishing communication and public information plans.

Fund Management Arrangements

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

The Administrative Agent will:

- Establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received from the donor(s) pursuant the Administrative Arrangement. This Joint Programme Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest;
- Make disbursements to Participating UN Organizations from the Joint Programme Account based on instructions from the Steering Committee, in line with the budget set forth in the Joint Programme Document.

The Participating UN Organizations will:

- Assume full programmatic and financial responsibility and accountability for the funds disbursed by the AA.
- Establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.
- Each UN organization is entitled to deduct their indirect costs on contributions received according to their own regulation and rules, taking into account the size and complexity of the programme. Each UN organization will deduct 7% as overhead costs of the total allocation received for the agency.

The Joint Programme team will consolidate narrative reports provided by the Participating United Nations Organizations and provide them to the AA no later than 31 March per the MOU Participating UN Organizations will submit financial reports no later than one year after the completion of operational activities

The MPTF Office will:

- Prepare consolidated narrative and financial progress reports, based on the narrative consolidated report prepared by the Joint Programme Team and the financial statements/ reports submitted by each of the Participating UN Organizations in accordance with the timetable established in the MoU;
- Provide those consolidated reports to each donor that has contributed to the SDGF, as well as the Steering Committee, in accordance with the timetable established in the Administrative Arrangement.
- Provide the donors, Steering Committee and Participating Organizations with:
 - Certified annual financial statement (“Source and Use of Funds” as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year;
 - Certified final financial statement (“Source and Use of Funds”) to be provided no later than seven months (31 July) of the year following the financial closing of the Joint Programme.

Consolidated information will be available on the MPTF Office GATEWAY

(<http://mptf.undp.org/factsheet/fund/SDG00>)

BudgetPreparation - The Programme Coordinator will prepare an aggregated/consolidated budget, showing the budget components of each participating UN organization.

Fund Transfer - The initial transfer will be made based on the approved and signed Joint Programme document. The subsequent instalment will be released in accordance with Annual Work Plans approved by the NSC and always based on the SDGF ToRs and Guidance for JP Formulation. The release of funds is subject to meeting a minimum expenditure threshold of 50% of the previous fund release to the Participating UN Organizations combined. If the 50% threshold is not met for the programme as a whole, funds will not be released to any organization, regardless of the individual organization's performance. On the other hand, the following year's advance can be requested at any point after the combined disbursement against the current advance has exceeded 50% and the work plan requirements have been met. If the overall expenditure of the programme reaches 50 before the end of the twelve-month period, the participating UN Organizations may upon endorsement by the NSC request the MPTF Office to release the next instalment ahead of schedule. The RC will make the request to the MPTF Office on NSC's behalf. Any fund transfer is subject to submission of an approved Annual Work Plan and Budget to the MDTF Office.

Interest on funds - Interest will be administered in accordance with the financial regulations and rules of each UN organization and as documented in the Standard Administrative Arrangement signed with the donor.

Balance of Funds - The disposition of any balance of funds remaining at the end of programme implementation will be in accordance with the agreements between the Participating UN Organizations and the implementing partners as well as donors where applicable.

Accountability, Monitoring, Mid-Term Review and Evaluation

Joint programmes are required to provide narrative reports on results achieved, lessons learned and the contributions made by the Joint Programme. Monitoring reports are prepared and presented to the JP SC twice a year and include updated work and monitoring plans.

JPs will produce annual monitoring reports plus a final evaluation report. Evaluations quality will be according with UNEG and OECD-DAC rules. Ongoing monitoring and results management will take place in line with UN standards and SDGF ToRs and Guidance for JPs Formulation.

All communication materials developed as part of a JP should acknowledge its several partners. The SDGF and Spanish Cooperation's logos should always be used jointly in all JP's communications.

Audit - The Administrative Agent and Participating UN Organizations will be audited in accordance with their own Financial Regulations and Rules and, in case of MDTFs, in accordance with the Framework for auditing multi-donor trust funds which has been agreed to by the Internal Audit Services of participating UN organizations and endorsed by the UNDG in September 2007.

Legal Context or Basis of Relationship

The following governing cooperation or assistance agreements between the Government of and the UN participating organisations will be the legal basis for the relationships for conducting activities:

For each UN Agency please indicate the title and date of the agreement between the Agency and the National Government:

Agency name	Standard Basic Assistance Agreement	Date agreement was signed

Agency name	Standard Basic Assistance Agreement	Date agreement was signed

VI. Annexes

Letter signed by Resident Coordinator:

 [SDG-F - Letter by RC.pdf](#)

CN Endorsement of National Steering Committee:

 [SC Employment.pdf](#)

Commitment of matching funds:

 [SDG-F - Matching funds.pdf](#)

Results Framework:

 [Results and Outputs Framework Matrix.doc](#)

Budget break-down per outcomes, outputs and activities:

 [Budget by Outcomes and Outputs.xlsx](#)

Budget break-down per UN Agency *:

 [Budget by Harmonised Categories and by contributing Agencies.xlsx](#)

Submission letter signed by JP partners *:

 [Submission letter RC.pdf](#)

Integrated Monitoring and Evaluation Research Framework *:

 [Monitoring and evaluation research framework more jobs Moz.docx](#)

Performance Monitoring Framework *:

 [Performance Monitoring Framework 13-9-2014.doc](#)

Minutes of formulation meetings and events *:

 [Meetings and attendants consulted for the preparation of the JP Proposal.doc](#)

Participants list of consultation meetings and events *:

 [List of participants Employment Conf..pdf](#)

Risk analysis *:

 [SDG risks Analysis and Matrix Final.docx](#)

Joint Budget Plan:

 [Mozambique Joint Programme Work Plan and Budget.xlsx](#)

Additional documentation:

 [Annex1Theory of Change Diagram.docx](#)

Additional documentation:

 [DRAFT UNJP to promote jobcreation.doc](#)

Additional documentation:

 [Policy_Note_NRM-Eng_revised.pdf](#)

Additional documentation:

 [Results Framework Matrix, by budget and by Year.xlsx](#)

Additional documentation:

 [Summary Recommendations from the Employment Conference.docx](#)
