



## INTERNATIONAL LABOUR ORGANIZATION

### Youth and Women Economic Empowerment Project (YWEP)

### Project Implementation Document

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| <b>Project Symbol</b>                           | ZWE/16/01/BAD  |
| <b>Country:</b>                                 | Zimbabwe   |
| <b>Administrative Unit:</b>                     | CO-Harare  |
| <b>Responsible ILO Official:</b>                | Hopolang Phororo, Director<br>Email: <a href="mailto:phororo@ilo.org">phororo@ilo.org</a>  |
| <b>Collaborating ILO Units/Offices:</b>         | DWT Pretoria<br>ENTERPRISE   |
| <b>External Implementing Partners (if any):</b> | Ministry of Youth, Indigenization and Economic Empowerment (MYIEE)<br><br>Ministry of Women Affairs, Gender and Community Development (MWAGCD) |
| <b>Time frame:</b>                              | Start: March 2017<br>End: June 2020  |
| <b>Budget:</b>                                  | USD 2,771 813  |

## 1. PROJECT BACKGROUND

The Human Development Index (HDI) rank for Zimbabwe at 154 out of 188 countries in 2016, puts the country in the low human development category.<sup>1</sup> The Labor Force Survey of 2011 indicates that the overall unemployment rate (using the strict definition of those who were unemployed in the last 12 months) was 12% whilst the youth unemployment rate was 15% (female youth - 20% and male youth - 9%)., giving the resultant high levels of youth poverty. The majority of youth (84%) are engaged in the informal sector, which is characterized by insecure incomes, absence of social security, low skills, poor productivity and low earnings. Youth development is shadowed by weakening macro-economic prospects resulting in: high unemployment, lower quality of jobs for those who find work, greater labor market inequalities among young people, longer and more insecure school-to-work transitions, and increased detachment from the labor market.

The country's age disaggregation shows that the majority of the population is between the ages of 15 – 54 years (54.4%) who make up the majority of the potential productive population and that more than 50% of the total population are women. Gender inequality however remains high at 0.544 (GII<sup>2</sup>). Girls and young women are particularly more vulnerable because of their socio-cultural status. The labour market shows significant gender-based inequalities, in spite of the National Constitution, which promotes gender equality. A third of households are women-headed and female youth, who are disproportionately affected by all types of fragility drivers in the country. Women are living in a rapidly changing environment that presents them with many problems and pressures ranging from domestic work to the difficulties arising from the changing structure of the family and the community.<sup>3</sup>

## 2. JUSTIFICATION FOR INTERVENTION

In spite of these challenges, women in Zimbabwe continue to play an active role in the labour market and in the economy. However, a large proportion of them remain trapped in the informal sector and while the Government has prioritized sectors like mining, agriculture, trade and tourism as the key drivers of the economy, women's participation in these sectors is very limited.

The Project aims to contribute towards the reduction of unemployment, among the youth and women, through the creation of employment opportunities in a number of areas, including agribusiness value chains and artisanal mining. The direct beneficiaries of the

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<sup>1</sup> <http://hdr.undp.org/en/countries/profiles/ZWE>

<sup>2</sup> Reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity.

<sup>3</sup> Horrell and Krishnan, 2007

Project are the 5,000 women and youth targeted in five of the 59 districts of the country and the indirect beneficiaries shall include the 650,000 people living in the five districts.

The Project is funded by the African Development Bank and falls within the scope of the Cooperation Agreement entered into between the AfDB and the ILO in 2003 and in particular, is consistent with Article VI on partnerships: "Article VI - Selection of the ILO as an Executing or Implementing Agency. The ILO is uniquely qualified to provide technical assistance, advice and training in many areas of expertise relating to its four strategic objectives which are to: promote and realize standards and fundamental principles and rights at work; create greater opportunities for women and men to secure decent employment and income; enhance the coverage and effectiveness of social protection for all; and strengthen social dialogue. The ILO may therefore be engaged to implement ADF-financed loan and grant activities in these areas through a single source selection procedure, when this is in the mutual interest of the parties concerned."

### 3. STRATEGIC FIT WITH NATIONAL DEVELOPMENT FRAMEWORKS

The project is well aligned to the overall objectives of the Zimbabwe Decent Work Country Programme and will contribute to the achievement of Outcome 1.2 which seek to create decent employment opportunities for improved livelihoods and alleviation of poverty. The Project will also specifically contribute to the achievement of milestone 4 of the Country Programme Outcome ZWE103 (CPO) on ***"SMEs and cooperatives supported to access finance and business development services to facilitate their access to markets"***.

The project is further aligned to Outcome 4 of the ILO Programme and Budget and will contribute towards achievement of indicator 4.3 which state that ***"Member States in which public and private intermediaries have designed and implemented scalable entrepreneurship programmes aimed at income and employment creation with a focus on young people and women"***

It will contribute towards promotion of international labour standards as agreed in the Conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference in 2007 as this is an integral part of all enterprise development initiatives.

### 4. SPECIFIC CHALLENGES TO BE ADDRESSED BY THE PROJECT

**Women and youth involved in horticulture production for example face high post-harvest losses and low prices due to the absence of processing facilities and the short shelf-life of the products.** Even in the artisanal mining subsector, the absence of gold milling facilities causes high losses to women and youth involved in this economic activity resulting in them being exploited by large-scale mining firms who process their ore under unfavorable conditions. An ILO rapid market assessment study (2016), of the horticulture, mopane worms, honey and artisanal gold mining sectors identified significant tonnage of unmet demand for processed horticulture products (fruits and vegetables) and honey, and limited

facilities to support artisanal miners who are mostly youth and women working in some of the poorest districts of the country.

Collectively, the above named challenges drive fragility and contribute to the lack of economic empowerment opportunities and resulting in high levels of poverty among women and youth in the country. **A fragility assessment conducted by the AfDB in 2014, indicates that fragility in Zimbabwe is driven by the social, political and economic development challenges faced by the country<sup>4</sup>.** The main drivers of fragility identified, relevant to the proposed project, include (i) gender inequality and youth unemployment and poverty; (ii) regional development imbalances; (iii) technical and business skills shortages; and (iv) weak institutions and poor governance. The Youth and Women Empowerment project has therefore been designed to contribute towards addressing the above mentioned challenges as a means of reducing fragility risks that threaten Zimbabwe's social economic development.

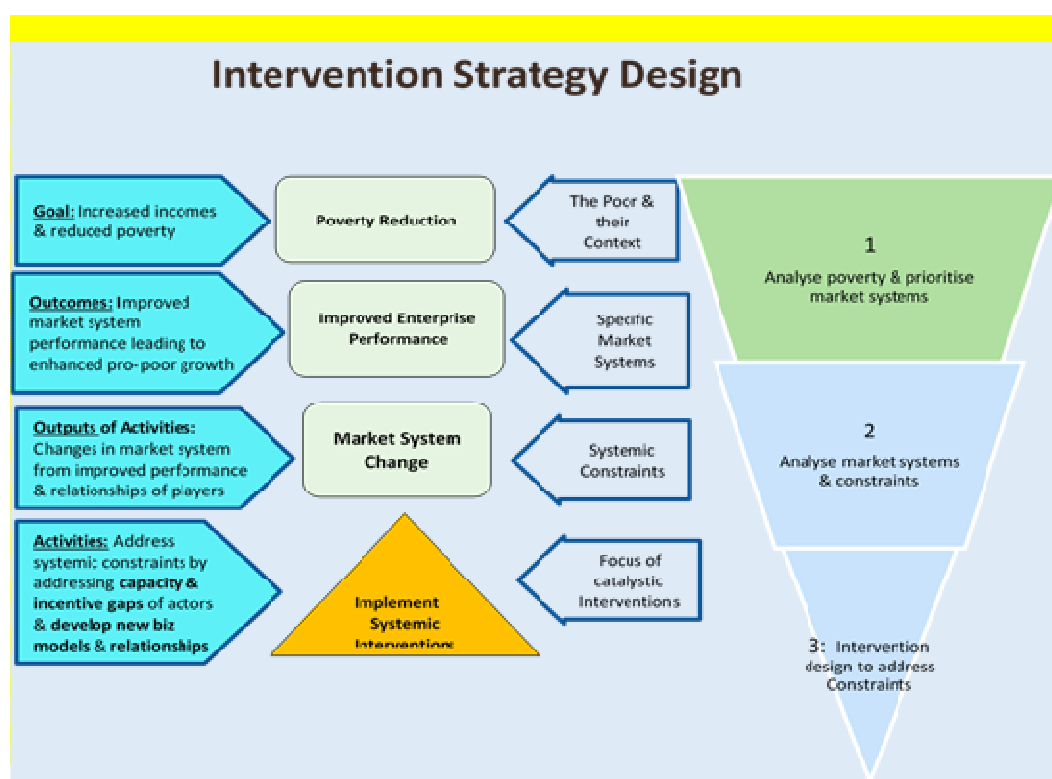
## 5. PROJECT INTERVENTION STRATEGY

The largely informal nature of the rural economy provides a ripe environment for working with enterprises that can shape new pathways and business models into existence and new markets as well as create collaboration between the formal and informal sector to promote growth and rural development.

The project will adopt a market systems development approach to bring to bear a mixture of enterprise development and institutional strengthening interventions. The market development systems approach will aim to shape an inclusive growth trajectory that ensures a smooth flow of goods and services from the informal to the formal sector to build stronger and more efficient value chains and market systems.

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<sup>4</sup> An analysis of the current socioeconomic, political and governance situation in Zimbabwe is found in Appendix VI



The ILO Rapid Market Assessment Report (2016) indicates that the targeted districts have significant tonnages of unmet demand for processed horticulture products (fruits and vegetables), honey, as well as alluvial gold. Unfortunately there is limited facilities for further processing of these products and to support artisanal miners who are mostly youth and women working in some of the poorest districts of the country.

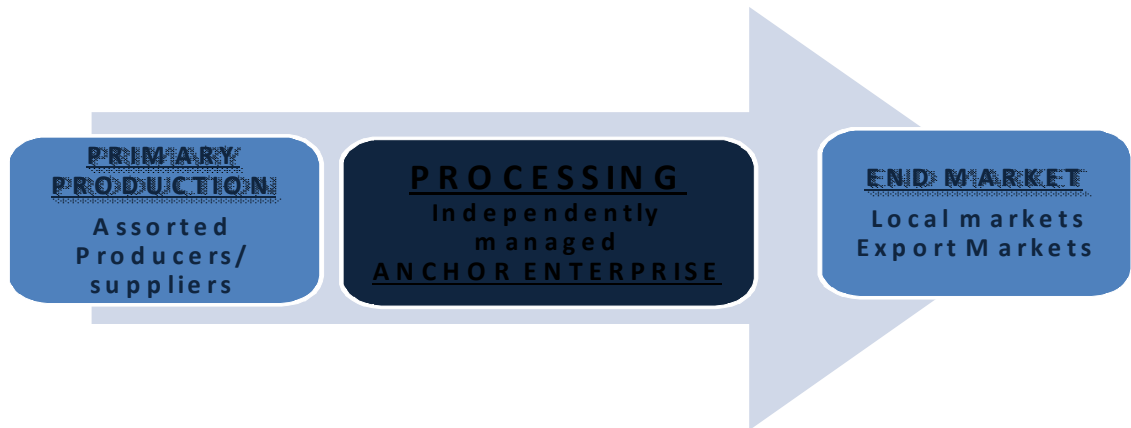
The interventions will be broadly designed to promote value addition for horticulture produce to address the dual problem of post-harvest losses and low prices during the harvesting period which results from temporary oversupply and the short shelf-life of the products; development of an artisanal gold mining enterprise to support improvement of incomes of women involved in this activity whose economic benefits are currently trapped by large-scale mining companies with gold ore possessing facilities.

## 5.2 ANCHOR ENTERPRISES – CATALYZING EMPLOYMENT CREATION AND ECONOMIC EMPOWERMENT

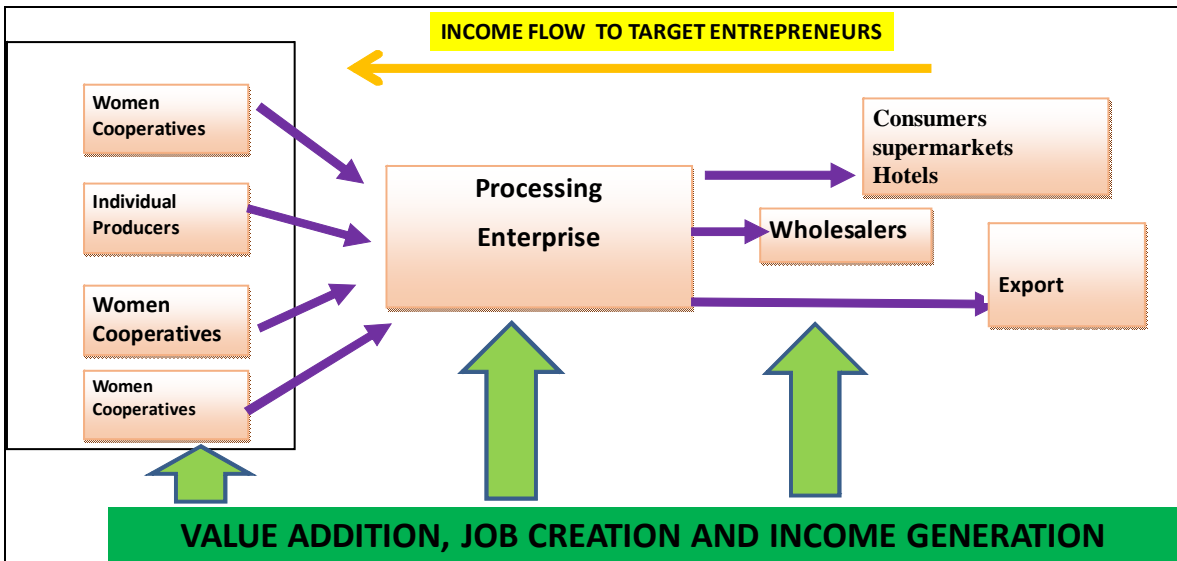
The Project will use a private sector development approach to support development economic opportunities based on the comparative advantages and resource endowment of the targeted districts.

Under this strategy, the Project will support the establishment of **processing units to anchor value addition and beneficiation and to strengthen the efficiency of the targeted value chains and market systems**. This will be done by working with different value chain actors including youth and women producer groups, and other support service providers in the targeted geographical locations to consolidate existing micro and small enterprises,

associations and cooperatives so that they can leverage economies of scale to supply inputs to the “Anchor Enterprises” on a continuous and competitive basis as illustrated below.



The Anchor Enterprises will be established as **dependently run, profit making, market oriented entities with full-time waged employees and co-owned by selected producer groups and other key stakeholders**. The Anchor Enterprises will work to incentive production and value addition in the selected value chains by pulling the chain towards more lucrative end markets, focusing on product demand and on understanding what the end customers wants; then working backwards to review what value chains, primarily suppliers, are producing and how they can be assisted to adjust their production to meet end customer requirements as illustrated in the diagram below.



These Anchor Enterprises will thus provide a ready and accessible market for producers in the Project target areas and will act as business hubs that providing embedded services, provide business information and basic technical, business and supply management skills, upgrading to the local suppliers and related value chain micro and small enterprises. This

will be done with the view to enhance consistency of supply and consistency of quality of the produce sold to the processing enterprises.

## **6. PROJECT TARGET GROUP**

### **6.1 ULTIMATE PROJECT BENEFICIARIES**

The Project targets youth and women in six of the poorest districts of the country. The targeted women and youth are in Beitbridge (mopane worms); Marondera and Lupane (honey), Guruve (artisanal gold ore milling); and Mutasa and Mutoko (horticulture). At least 5,000 youth (aged between 15 – 35 year) and women (over 35 years) located in the project's geographic scope, are expected to benefit from the project.

The overall population of the six districts estimated at 650,000 of which 50.7% are female, will also benefit indirectly from the project as a result of increased economic activity along the selected value chains.

### **6.2 DIRECT BENEFICIARIES**

The direct project beneficiaries will include youth and women run MSMEs, associations, cooperatives and Vocational Training Centres who will co-own the processing enterprises to be established by the Project. In addition, it is envisaged that up to 200 MSMEs in the targeted value chains will be reached with business development services, appropriate technology and market access facilitation.

## **7. PROJECT RESULTS LOGIC AND THEORY OF CHANGE**

The theory of change articulated below will underpin the intervention strategy and will guide implementation of the development interventions needed to achieve the expected outcomes and impacts. It will also form the basis for the assessment of the baseline situation in the target intervention areas.

### **7.1 DEVELOPMENT OBJECTIVE**

The overall development objective of the project is to contribute towards to the improvement of livelihoods for youth and women through the development of economic opportunities.

### **7.2 IMMEDIATE PROJECT OBJECTIVES**

- i) Employment opportunities created for at least 5000 for women and youth (60% for women (35+yrs) and youth in the target districts.
- ii) A 50% increase in the incomes of the targeted youth and women enterprises and producers

The following project outcomes will collectively contribute towards achievement of the expected project objectives.

**Outcome 1:** Anchor Enterprises are providing enhanced market access and reduced post-harvest losses for youth and women enterprises and producer groups in target districts

**Outcome 2:** Youth and women in targeted communities have enhanced capacity participate in economic opportunities along the selected value chains.

### 7.3 EXPECTED PROJECT OUTPUTS

To achieve the stated outcomes, the Project will work towards building and strengthening the demand side and supply side capacities of the selected value chains as follows:-

#### i) Demand Side Interventions

**Output 1.1:** Value addition and processing Centers constructed in target districts

**Output 1.2:** Anchor Enterprises established, operational and effectively providing processing services for local raw materials and catalyzing productivity and value addition in target districts

**Output 1.3:** Access to Markets facilitated for value added products from processing centres

#### ii) Supply Side Interventions

**Output 2.1:** Youth and women owned small enterprises and cooperatives in target districts have increased access to business development support

**Output 2.2:** Youth and Women small scale enterprises and cooperatives in target districts effectively linked to and supplying inputs to the Anchor Enterprises.

### 8. ILO'S COMPARATIVE ADVANTAGE

The Project will leverage on ILO's in-house competencies in the facilitation of value chain development aimed at fostering youth and women economic empowerment and MSME development and will utilize existing administrative and financial procedures in its Harare Country Office, whilst technical inputs will be from the technical back stopping team in the Decent Work Support Team for Eastern and Southern Africa based in Pretoria and from the SME Unit in Geneva.



## 9. PROJECT BUDGET

The total Project budget for implementing component 1 of the Youth and Women Empowerment Project over a three period is USD2,771,813.

### 9.1 DISBURSEMENT SCHEDULE

| Tranches     | Percentage of Total to be Disbursed to ILO | Trigger   | Timeline  |
|--------------|--|---|-----------|
| T1           | 20%  | Effectiveness of Project  | M 0       |
| T2           | 40%  | Contractors and Supplier Contracts Signed and Works Commence                  | M 4       |
| T3           | 20%  | Contractors Substantially Complete Works and Equipment Supplied and installed | M12 – M14 |
| T4           | 10%  | All set up MSMEs Registered and operational                                   | M 16      |
| T5           | 10%  | Reports on Trainings, Market Linkages and Financial Access Linkages submitted | M 18      |
| <b>Total</b> | <b>100%</b>                                |   |           |

## 10. INSTITUTIONAL ARRANGEMENTS

Under the Fiduciary Principles Agreement (FPA), negotiated between the International Labour Organization (ILO), and the African Development Bank, the ILO is a designated Implementing Partner (IP) for one component (Component 2) of the AFDB funded Government Project on Youth and Women Empowerment Project.

Under this arrangement, the ILO is a technical assistance technical partner to the Government of Zimbabwe to support and facilitate implementation of Component 1 of the Project on “Value Addition and Enterprise Development” whose main element is to facilitate establishment of at least eight profit making “Anchor Processing Enterprises” in the districts targeted by the project with the view to spur production and catalyze value addition in the target localities.

### 10.1 PROJECT MANAGEMENT

The Zimbabwe Ministry of Finance and Economic Development (MoFED) through its Project Management Unit (PMU) is the officially recognized Executing Agency for the Project by the African Development Bank charged with the overall supervision of the entire Project.

## **10.2 PROJECT STEERING COMMITTEE**

Strategic oversight is provided by a Project Steering Committee (PSC) coordinated by the AfDB Project Management Unit (PMU) which is housed at the Ministry of Finance. The committee comprises representatives of the key sector Ministries (Youth and Women Affairs), the coordinating Ministry, MoFED, and the ILO tripartite partners, has been set up to provide strategic oversight and policy guidance to the Project. The Steering committee will hold scheduled meetings twice per year.

## **10.3 PROJECT TECHNICAL WORKING GROUP**

In addition to the Steering Committee, the Project will put in place a Project Technical Working Group (TWG) which will be constituted by the ILO and to which the PMU will be a member. The TWG will also meet twice per year and will be chaired by the ILO. TWG meetings will be held a day before the main Steering Committee. The primary responsibilities of the Technical Working Group include the following:

- Follow up on the implementation of the project and ensure operational coordination,
- Ensure resources are used to achieve outcomes and output defined in the programme,
- Ensure integration of work plans, budgets, reports, and other programme related documents,
- Provide substantive technical leadership and guidance regarding the activities in the Annual Work Plan
- Address emerging management and implementation challenges, and identify emerging lessons.
- Facilitate communication and information dissemination on the operations of the project.

## **10.4 PROJECT MANAGEMENT TEAM**

The day to day activities of the project are managed and coordinated by the Project Team comprising one Team Leader, responsible for overall Project management, and who is also the main technical advisor to the Government, and one National Officer, responsible for general project operations. The Project Team is completed by one driver who provides logistical support.

## **11. MONITORING, EVALUATION AND REPORTING**

The Project 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 project activities will be undertaken on a scheduled basis by a team comprising the core line ministries, the development partner and other key stakeholders.

### 11.1 MONITORING AND RESULTS MEASUREMENT

The Project will use a simple monitoring and results measurement process designed to support the twin objectives of proving and improving impact. The basic principle will be to measure and document observed increase in economic opportunities and earning potential for the target groups, resulting from better access, stronger linkages and better functioning markets which can be plausibly attributed to Project interventions.

The Project will also use monitoring and result management tools that allow the project to capture how market level interactions are affected by and affect gender, youth, and other socio-political and economic dynamics.

### 11.2 REPORTING SCHEDULE (AS PER THE AGREEMENT)

In line with the financing agreement signed between the ILO and the Government of Zimbabwe, ILO will submit quarterly narrative reports to the Project Management Unit who will in turn submit a comprehensive project report to the AfDB. Below is the agreed schedule for the narrative reports.

| Report Type  | Report Period           | Report Deadline                       |
|--|-------------------------|---------------------------------------|
| Quarterly progress reports                           | April – June            | 30 days after end of reporting period |
|  | July – September        |                                       |
|  | October – December      |                                       |
|  | January – March         |                                       |
| Annual certified financial statement                 | January - December      | 90 days after end of reporting period |
| Final Report and Final Certified Financial Statement | Duration of the project | 30 September 2020                     |