

KEEPING THE DIALOGUES ALIVE

THE YEP - Youth Employment Challenges Clearing House

Who speaks for young people and the challenges they face in the market place? Who rings alarms and who advocates for solutions?

IN SHORT...EVERYONE!

More often than not, impact assessment studies of development projects supporting young people in the market place have criticized the fragmented, duplicated and uncoordinated interventions among the various stakeholders as the main cause for not achieving a successful threshold towards the targeted results. It was a noisy environment that prevented all actors supporting young people in the market including decision and policy makers, regulators and practitioners alike, from reaching common consensus on priorities to tackle those challenges.

DJEP, along with many others, learned early on that constructive dialogues, that have the potential to create effective and collaborative partnerships, needed to be orderly, harmonized and well coordinated. Starting in 2012, DJEP reached out to various stakeholders who were actively supporting youth employment programs including MoM, Ministry of Education, the German Agency for International Cooperation (GIZ) and the European Training Foundation (ETF). Building on the coordination discussions, a national conference entitled 'The Egyptian Labour Market in Times of Transition - Which Role Can Active Labour Market Policies Play?' was organized in late 2012 to prioritize national level interventions to support young people tackle pressing challenges in both finding jobs and starting up enterprises. The conference was organized through a competitive bid by the Egyptian National Competitiveness Council (ENCC).

Recommendations from the conference called for coordinating the future dialogue on those priority interventions, based on deeper understanding and diagnostics of the root cause challenges. Building on the outcome of the diagnostic studies carried out during the following year, a second event was organized in early 2014, to officially launch the Egyptian Youth Employment Promotion Forum (Egypt-YEP) as a structured mechanism for consultative dialogues on the phenomenon of high unemployment rates among Egypt's young people.

The range of participants, in that second event, expanded to include representatives from the ministries of planning, education and manpower in addition to decision-makers from the government in the field of youth employment policies, the private sector, civil society organizations supporting young people, trade unions, and other development partners.

The participants agreed on three priorities to improve the youth employment related policy setting in Egypt.

Priority 1

Career Guidance for Youth at Early Age

Priority 2

Accurate Information on the Labour Market

Priority 3

Monitoring & Evaluation Mechanisms for Labour Policies

Over the course of the following 3 years, the forum commissioned leading Egyptian researchers and practitioners to provide the knowledge base necessary to improve the policy and action planning arena related to those priority areas. DJEP partnered with ENCC in organizing a series of national conferences during which the research findings and recommendations were presented to and debated with the forum members as well as other relevant policy makers and stakeholders. The conferences included:

2014	Carer Guidance for Egyptian Youth Towards Employment. Towards a Better Labour Market Information System for Education and Employment.
2015	Enhancing Monitoring & Evaluation Mechanisms: Towards Tangible Impact of Youth Employment Interventions. Working Together on Youth Employment Promotion: Programs, Institutions and how to Collaborate.
2016	Tax Policy and SMEs Implications for Competitiveness and Inclusive Growth in Egypt. Evidence-Based Policy Making in the TVET Sector.
2017	Towards a National System for Career Guidance.

In 2017, the YEP was permanently institutionalized as an ENCC sub-council to advocate for emerging issues and proposed future actions, based on consultative dialogues among the relevant stakeholders and the field projects supporting youth employment.

In 2018, DJEP and ENCC's YEP sub-council organized a 5-day training programme on the strategic tools and mechanisms necessary to design a national system for career guidance. The training was delivered by ILO's International Training Center and provided lessons learned from DJEP's field experience in introducing career guidance services at the various PES units at the focus governorates and at Minya and Port-Said universities. Participants in the training included the ETF, GIZ, USAID, and the European Union funded programme (TVET-Egypt). Other participants also included relevant representatives from the ministries of Education, Youth & Sports, Trade & Industry, Manpower, parliamentarians and other institutions relevant to the area of career guidance.

Towards the conclusion of the programme, the participants discussed a future road map to develop a policy brief to mainstream a career guidance system in Egypt. The brief is currently being reviewed for submission to the relevant entities.

In addition, during 2018, ENCC provided its technical support to USAID's Workforce Improvement and Skills Enhance (WISE) project, building on the results of the 2016 conference on Tax Policy for SMEs. Through this support, recommendations for a new simplified Tax Policy were promoted within the Ministry of Finance to encourage the formalization of small businesses, with many elements of the recommendations now drafted in the new SME Law currently debated at parliament during the 2019/2020 session in preparation for its future ratification.

As of 2019, the YEP began the preparatory ground work for a new action plan responding to newly emerging priority areas in collaboration with the Development Partners Group, based on which future events will be organized to support Egypt's policy makers.

BETWEEN 2012-2018

1 FORUM FOR ALL YOUTH EMPLOYMENT STAKEHOLDERS

PROVIDED

7 FOR

NATIONAL EVENTS 450+ DECISION MAKERS

SUPPORTING FOR

TAX POLICY REFORMS FOR M/SMEs

NATIONAL SYSTEM CAREER COUNSELING



International
Labour
Organization

Decent Jobs FOR EGYPT'S Young People

2011-2020

Project Briefing Series No.6

Strategic Dialogues
and
Where They Lead



Decent Jobs for Egypt's Young People (DJEP) is a project funded by the Government of Canada and implemented by the International Labour Organization (ILO) between 2011 and 2020 with a total budget of CAN \$15 million in four governorates: Minya, Red Sea, Port Said and Luxor.

Canada

A conducive ecosystem for job creation requires strong, dynamic and sustainable institutions that consistently monitor the market and intervene with policies, programs and collaborative partnerships.

This can only be achieved through constructive dialogues that lead to new forms of partnerships between the government, businesses and civil society at large, to ensure that enterprise startups and employment creation is optimized.

DJEP pursued these broad objectives by collaborating with a wide range of partners both at the grass root level and also at the central level, among which included the Ministry of Manpower (MoM), the Micro, Small and Medium Enterprise Development Agency (MSMEDA), the private sector and Egyptian think tanks.

**DIALOGUE ON EMPLOYABILITY
PES UPGRADE**

MoM established the Public Employment Service (PES) offices nationwide with the primary role to match job seekers with available job vacancies and provide advice on employability, skills enhancement and the labour market needs.

Due to the significance of this role in providing a sustainable mechanism to address Egypt's challenges in unemployment and disguised unemployment (particularly among youth, women and People With Disability - PWD), the ILO worked closely with MoM, over the years, to build its PES strategy and the capacity of its counselors.

Since 2012, DJEP supported MoM's officials at the central level and 110 PES counselors, at 6 PES offices across Minya, Port Said and the Red Sea governorates to upgrade the range and quality of services they provide to young people, enhance employment facilitation and ease their transition into work (building on the Moroccan National Agency for the Promotion of Employment and Competences 'ANAPEC' model).

DJEP's progressive capacity building programme included the provision of modern equipment and furnishings for these offices and organizing international scholarships/study tours for its directors to Italy; Jordan; Brazil and Morocco. The counselors received training to effectively organize employment fairs, provide career guidance and job counseling to young people, support PWDs as well as to develop their soft skills in the areas of teamwork, leadership skills and work ethics.

During the period 2012-2018, the PESs worked closely with DJEP throughout all its field activities targeting young people, including the organization of 8 employment fairs that led to the successful employment of over 6,000 youth.

In 2015, The ILO commissioned the 'GISR Institution for Survey Research' to conduct an independent opinion poll, measuring the satisfaction among employers and young people with the quality of services provided by the supported PES offices. The main findings indicated that:

- PES offices were solicited by employers to fill vacancies, among those were foreign investors establishing new enterprises or expanding their activities at the various governorates.
- Both employers and jobseekers that were provided with the services were satisfied with the formal employment facilitated.
- But the findings also indicated that there is a general lack of awareness on the existence and role of PES offices among young people and employers alike. In addition, a focus group discussion revealed that both employers and young people favored the sectoral approach to facilitation for better efficiency in promoting available job opportunities in specific sectors, that link the graduates of the same discipline nationwide.

In 2016, the 'PES Strategy Workshop' was organized, targeting MoM departmental directors at the central level, to present lessons learned from the work experience at the focus governorates and the findings of the opinion poll. The new MoM strategy for the PES offices, developed in light of Egypt's vision 2030, was also presented. It included plans to electronically connect PES offices nationwide, enhance public awareness on its roles and create three pilot sectoral employment agencies (building on the DJEP supported model) in Port Said (industrial sector), in Minya (agriculture) and the Red Sea (tourism) governorates.

In 2019, Minya's PES organized its first independent employment fair, building on the expertise acquired through the 3 previous fairs. The event was sponsored by the private sector.

Additional employment fairs were also organized by MoM at Giza and Asyut governorates building on the model developed by DJEP. In Port Said, an employment fair was co-organized with Egypt Junior Business Association, successfully mobilizing private sector funding and participation.

**DIALOGUE ON ENTREPRENEURSHIP
NEW NATIONAL MSME STRATEGY**

Over the years, DJEP built a strong partnership with MSMEDA (formerly the Social Fund for Development -SFD) through the deployment of a number of initiatives and tools to support small business startups nationwide. The various interventions across the focus governorates provided DJEP, as well as all its partners, with a deeper understanding of why and how young people face considerable challenges in starting, running and sustaining a formal enterprise. The dialogues concerning those challenges also identified the need for the creation of a national entity to coordinate all programs and interventions targeting the improvement of the entrepreneurship ecosystem, supported by a systemic strategy that provided a tangible and pragmatic action plan for all the relevant stakeholders in that ecosystem.

In 2017, the mandate of the SFD was expanded to develop the micro, small and medium enterprise scene under its new structure as the MSMEDA, which also consolidated other entities within that new structure. Over the course of two years, MSMEDA led the development of the new MSME strategy supported by DJEP and leading international and national SME development experts. The initial version of the strategy was disseminated and promoted among all concerned national entities with further refinements provided by consultations with more than 150 delegated representatives from those entities.

In preparation for the future implementation of this strategy, DJEP provided technical advice to and capacity building for MSMEDA's 190 relevant department heads and staff members on the tools and mechanisms of designing and providing Business Development Services (BDS) to new startups in various economic sectors nationwide. This included training a core group of 26 'business advisors', as master trainers, to implement those tools.

This was further supported by training its relevant staff on ILO's global 'Making Microfinance Work' toolkit focused on transitioning MSMEDA's role into a national microfinance facilitator for all microfinance services provided by civil society organization, and more recently the private sector, nationwide.

The developed strategy will be presented to the Board of Directors of MSMEDA headed by H.E. the Prime Minister for approval and implementation.

HIGHLIGHTS OF THE STRATEGY

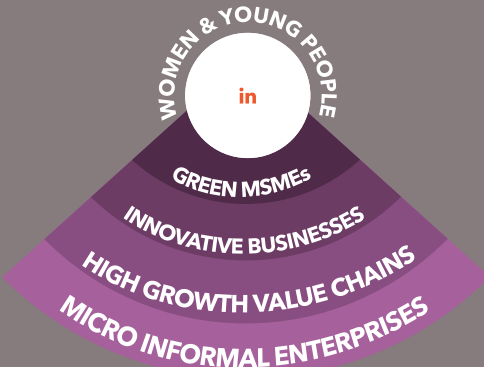
MISSION
Create a conducive ecosystem for MSMEs that allows public, private and civil society actors to work together to increase the opportunities for entrepreneurship development and the success, competitiveness and growth of MSMEs in domestic and global markets.

PILLARS

- 1 LEGAL REFORM**
Simplify the MSME regulatory environment and institutionalize coordination and implementation mechanisms.
- 2 ACCESS TO FINANCE**
Strengthen MSMEs' access to finance, including more diverse and innovative financial products.
- 3 ENTREPRENEURSHIP PROMOTION**
Improve the entrepreneurial culture, education and skills development at an early age.
- 4 EXPORTS & VALUE CHAINS**
Expand the capacity of MSMEs to integrate in local and global value chains and organize industry clusters.
- 5 BUSINESS DEVELOPMENT SERVICES**
Provide BDS for improved technology, logistics, market information and technical skills.
- 6 AUTOMATION & USE OF TECHNOLOGY**
Encourage growth oriented MSMEs, service providers, and government entities to adopt automation in their dealings, to facilitate inter-transactions.

5 YEARS ACTION PLAN
57 PROGRAMS UNDER THE 6 PILLARS

SUPPORTING



**DIALOGUE WITH THE PRIVATE SECTOR
EXTENSION TO YOUNG DAMIETTA**

In recent years, the private sector has grown to understand that it can only thrive in healthy social and environmental settings. Accordingly, its fundamental role of creating businesses that primarily seek to benefit its founders has become more encompassing in supporting and enhancing the social and environmental setting for the communities in which it operates. Most of the larger national and international companies operating throughout Egypt do provide this support, in varying degrees, through Corporate Social Responsibility (CSR) programs.

The ILO supported the establishment of a dedicated CSR unit at the Federation of Egyptian Industries, to promote the principles and mechanisms of socially responsible businesses to design and implement their own CSR programs that are aligned to the needs of their communities. DJEP actively promoted this social responsibility and many of its interventions targeting young people, at its focus governorates, were supported by various CSR programs from private companies.

This is where ILO and Methanex's visions met, and a unique private public partnership emerged to benefit young people at Damietta governorate.

Methanex-Egypt, a subsidiary of the Canadian Methanex Corporation, operates a methanol production plant at Damietta governorate. The company's CSR programme at Damietta governorate has evolved in alignment with Egypt's vision 2030 and the UN's SDGs 2030 in particular SDG #8 Decent Work.

Building on the experiences and successes of DJEP's toolkits in creating decent employment through promoting entrepreneurship and facilitating job matching processes, a partnership agreement was signed between the ILO and Methanex Egypt, in early 2018, that provided a US \$100 thousand grant funding for the roll-out of DJEP's employability and entrepreneurship tools into Damietta governorate. Over the course of the following year, DJEP implemented the following tools to support Damietta's young people:

- GET Ahead for Women: which was provided to 108 women, over several sessions. Given the success of the training, Methanex Egypt further supported 66 of the participants with additional business skills training. Of these 66 beneficiaries, 27 women were selected to receive in-kind funding from Methanex, to help them start their businesses. During the same year, DJEP delivered the GET Ahead Training of Trainers to 25 young women from Damietta in collaboration with the National Council for Women to ensure the sustainability of the programme in the future.

- Start and Improve Your Business (SIYB), in partnership with MSMEDA, was provided through six sessions to 118 beneficiaries.
- Job Search Club sessions were also delivered to 33 beneficiaries from Damietta in collaboration with the Egyptian Ministry of Youth and Sports.

In February 2019, building on the successful results of the trial period at Damietta, Methanex Egypt signed a partnership agreement with the ILO, extending DJEP's full-scale of toolkits to support Damietta's young people for two additional years ending in March 2021.



Methanex Egypt will exclusively fund the extension in Damietta through a US \$1 million grant to the ILO. The extension will also enable DJEP to address key cross cutting themes including Occupational Health and Safety (OHS), the inclusion of people with disabilities and gender mainstreaming.

The signing ceremony took place at the Ministry of Investment and International Cooperation, attended by H.E. Minister of Investment and International Cooperation and H.E. Ambassador of Canada to Egypt.

In June 2019, Methanex Egypt received the International Council for Small Business (ICSB) Humane Entrepreneurship Award for the company's contributions to the enrichment of Micro, Small and Medium-sized Enterprises (MSME) culture in Damietta.

The award ceremony was part of the MSMEs Day celebrations at the UN pavilion in New York. The award is given to organizations that successfully attain business excellence, while also making a positive impact on their communities as well as businesses that are able to harmonize economic growth, social inclusion, and environmental protection together and meet at least one of the 17 UN Sustainable Development Goals.