

## UNDP-Spain MDG Achievement Fund

### Terms of Reference for Thematic Window on Youth, Employment and Migration

This document provides policy guidance to UN Country Teams applying for funding under the UNDP-Spain MDG Achievement Fund (MDG-F) Thematic Window for **Youth, Employment and Migration**. The framework elaborated below aims to set out the policy goals of the Fund in this area and illustrate the types of interventions the Fund will support. This guidance will also be applied by the technical assessment process that will review applications. These Terms of Reference should be read in conjunction with the Fund’s “**Framework Document**” which sets out the overarching strategy for the MDG-F and the “**Concept Note Format**” which provides the format for submissions. These can be viewed at the Fund’s home page at [www.undp.org/mdgf](http://www.undp.org/mdgf). Kindly note that MDG-F Thematic Windows will only accept applications from UN Resident Coordinators in eligible countries, applying on behalf of their UN Country Team.

#### 1. Background and rationale

There are currently more young people (aged 12 to 24) in the world than ever before, 1.3 billion of them in developing countries. Their numbers will rise moderately over the coming decades, producing a ‘bulge’ in the world’s population structure. This demographic profile presents an unprecedented opportunity for many developing countries to make significant progress in achieving growth and reducing poverty for two main reasons:<sup>1</sup>

- The current generation of young people is more educated and healthier than previous generations, which is a strong base for countries to build on a global economy that demands more than basic skills. Many also bring to their societies dynamism, openness, creativity, forms of self-organization, and networking skills that are critical assets for development.
- Because of falling fertility, the large numbers of young people today will result in a raising share of working age population in the total population. As the experience in East Asia has shown, this “demographic dividend” has the potential to boost economic growth.

Investment in human capital plays a key role in shaping young people’s prospects in the labour market. And because labour is the most abundant and sometimes only asset among the poor, a successful transition to work for today’s youth is key to reducing poverty. Creating opportunities for productive employment and decent work is therefore a direct instrument for achieving the Millennium Development Goal of halving extreme poverty and hunger. It will also contribute to other goals on mortality, education, gender equality and global partnership for development in a variety of ways, including through the generation of income and reduction of vulnerability as well as through improved essential services resulting from increasing human capital investment in the social sectors.

There is however, a growing deficit in the creation of such opportunities in many countries, and the challenge is especially significant with regard to youth. An estimated 400 million youth

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<sup>1</sup> See World Bank, World Development Report 2007 - Development and the Next Generation. Washington D.C., 2006.

worldwide – or about one third of all youth aged 15 to 24 – suffer from a deficit of decent work opportunities. In 2005, approximately 85 million youth were unemployed, accounting for nearly half of the world's total unemployed despite the fact that their share of the total working-age population aged 15 and over is only 25 %. More youth are also poor or *underemployed* than ever before. More than 300 million – or approximately 25 % of the youth population – were working, but living on less than the equivalent of US\$ 2 per day. Another approximately 20 million youth had given up on the job search altogether because they had lost hope to find one.<sup>2</sup> Around the world, millions of youth work in the informal economy or are trapped in temporary, involuntary part-time or casual work that offers few benefits and limited prospects for advancement. Young women face additional difficulties as they are more likely to be confined to least protected and less paid jobs. Indigenous youth, lacking labour opportunities in their long-held territories, also face particular vulnerabilities when seeking employment in other areas.

In some countries, the situation is such that the youth unemployment problem has taken on the dimensions of a security issue. Youth unemployment can fuel conflict and crime, both of which then in turn increase unemployment still further by their effects on economic performance, investor confidence and social, physical and institutional structures. Post-conflict settings themselves are characterized by a generalized, extreme vulnerability of the youth population, along with groups that are more vulnerable than others (e.g. disabled youth) as well as groups that pose an immediate risk for security (e.g. demobilized combatants, who are prone to return to violence if they do not receive a peace dividend). Similarly, in societies with a high incidence of HIV/AIDS, it is younger people who often constitute a major part of the affected population and thus require special interventions for their productive and remunerative employment.

Unemployment is also commonly a key ‘push’ factor in motivating young people to physically move to where the opportunities can be found. The impact of globalization on movement of people across borders has been quite limited to date with total international migrants accounting for only 3 % of the world population in 2005. However, the total stock of migrants in the world – the number of persons living outside their country of birth – has more than doubled, from about 75 million in 1960 to nearly 191 million in 2005<sup>3</sup>. Youth form a large share of new migrants. Women constitute almost half of all international migrants worldwide, accounting for an estimated 95 million.<sup>4</sup> The ILO estimates the number of migrant workers – the economically active portion of total migrant stock – at about 94 million<sup>5</sup>, a major proportion of which are younger people.

The migration of both skilled and high-skilled workers as well as of semi-skilled and unskilled workers can have serious consequences for developing countries, especially LDCs. Many countries, especially in Africa and the Caribbean, can no longer maintain adequate public health and education services because of the exodus of health workers and teachers attracted by much better prospects abroad. These developments obviously affect access of youth to education and health in the countries concerned. Furthermore, the loss of public investments in human capital, foregone tax revenues, lower returns to capital, and shortage of labour in key sectors of the economy can slow down development.<sup>6</sup>

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<sup>2</sup> ILO, Global Employment Trends for Youth. Geneva, 2006.

<sup>3</sup> United Nations Population Division, Trends in Total Migrant Stock : the 2005 Revision.

<sup>4</sup> Ibidem.

<sup>5</sup> ILO International Migration Programme.

<sup>6</sup> ILO: Towards a fairer deal for MIGRANT WORKERS in the global economy. Geneva, 2004.

Migration can also have both adverse and positive impacts on the families and communities left behind, particularly for children and younger people. Often the children of migrants drop out of school or find themselves in vulnerable or at-risk situations. At the same time, migrant remittances, transfer of skills and technology through return migration and circulation, and Diaspora contributions, constitute the positive side of migration to countries of origin. In 2006, remittances to developing countries were estimated at close to US\$300 billion, including reported and informal transfers<sup>7</sup>.

In policy circles there is a growing consensus that for migration to become an effective tool for development in labour-sending countries, it is necessary to design the right complementary policies and programmes, including those relating to social protection. In a recent statement, the UN Secretary General described international migration as a “positive force for development if buttressed by the right policies”<sup>8</sup>.

The increasing phenomenon of internal migration – particularly, rural-urban migration – may be having an even greater impact on the development process. The stagnation of rural economies in many countries, the inability of rural economies to absorb additional entrants to the rural labour force in a productive and gainful way, and opportunities provided by the urban sector for jobs and livelihoods remain the main factors fueling massive rural-urban migration. This phenomenon is not without challenges, especially for younger people. Many young people who migrate from rural areas end up working in the informal economy in urban areas, where they are even more vulnerable to hardship and labour exploitation. They also often lack access to basic social services which may be conditional on their being officially resident in an urban area. At the same time, the movement of large numbers of people into urban areas puts pressure on social services such as housing, health and education and may lead to the continued further marginalization and vulnerability of in-country migrants. Additionally, rural youth with a farming background are generally more likely to accept dirty, dangerous, and difficult (‘3-D’) jobs in urban areas.

## 2. Key challenges and opportunities in this programme area

The creation of sustainable opportunities for productive employment and decent work for young women and men is at the heart of any strategy to build wealthier economies, more prosperous societies and stronger democracies, including through a better integration of employment, youth and migration issues in national development policies and through a better management of migration’s potential and pitfalls.

Meeting these challenges calls for a number of actions:

**First**, there is a need to prioritize employment in national policy-making as a central concern in national economic and social policies. The reality in most countries is that current policies fail to do so. What is needed is to direct investment, trade, fiscal, monetary, health, labour market and other policies towards the global goal of achieving decent work and achieving the Millennium Development Goals. For example, in some 35 countries in Africa, Poverty Reduction Strategies

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<sup>7</sup> World Bank, Migration and Remittances Fact book, Development Prospects Group, The WB, Washington DC, 2007. <http://go.worldbank.org/QGUCPJTOR0>

<sup>8</sup> “Migration, Human Rights and Sustainable Human Development”, UNICEF/UNDP submission to the Global Forum on Migration and Development 2007

remain the overarching framework for the allocation of resources. It is essential that employment, migration and youth employment and other youth-related issues, are given a central role in PRS processes to achieve and sustain significant job creation and improve the overall situation of young people.

**Second**, there is a need for dedicated national policies and programmes to increase employment opportunities for young people and enhance their employability, with an emphasis on young labour market entrants. On the demand side, this can include investments and interventions in sectors which have high employment potential for young people (e.g. information and communication technologies, hotel and tourism, retail and distribution); entrepreneurship development; micro-credit schemes; labour-intensive programmes in infrastructure development; and interventions such as wage subsidies or other fiscal incentives to companies that hire young people. On the supply-side, interventions can span measures such as programmes to better link school with the world of work (e.g. apprenticeship schemes, on-the-job training), as well as other measures such as career guidance, job counselling and labour market information. In many cases, initial voluntary work opportunities for younger people may provide them with skills, training and confidence, which may be critical in overcoming some of these supply side constraints.

**Third**, there is a need for measures to minimise the negative impact of migration, particularly on young people. Countries of origin can take a number of measures including pre-departure training programmes, transparent and credible migration policies based on regulation of recruitment agencies and ethical recruiting practices (to minimize brain-drain), awareness-raising campaigns and cooperation with destination countries including through bilateral agreements. Improvements in the knowledge-base on migration outflows and returns, Diaspora communities, and remittances, can help design of better policies and development of targeted gender-sensitive programmes. Innovative social programmes and community-based programmes can help address the adverse social impact on families and children left behind, thereby enhancing the positive impact of migration. The role and participation of women is key in this context.

**Fourth**, there is a need for measures to maximise the positive impact of migration, particularly on young people. Migration issues need to be incorporated into national economic and social development policies and strategies, in particular those related or targeting youth employment. The potential impact of migrant remittances could be increased through encouraging greater reliance on formal channels, reducing transfer costs, and identifying investment opportunities that can benefit whole communities, while creating jobs for youth in particular. Additionally, attention should be paid to the development of policies that encourage (voluntary) return migrants, in particular young migrants, to bring back not only financial and social capital, but also skills and know-how.

**Fifth**, measures are also needed to address/reverse rural-urban migration, with particular emphasis on young people. In the urban areas, rights and conditions of work of rural migrants should be ensured by proper labour inspection systems of work places. To retain rural youth, provision of better economic and social infrastructure in rural areas, and development of small and medium size towns have proven effective in some countries. Public-private partnerships can be used to promote investments and vocational training in the rural sector. Youth can be encouraged to engage in non-farm enterprises based on remittances received and supported by

enhanced economic networks and cooperatives for example. Local and regional development planning can also play a key role in strengthening rural livelihoods.

**Sixth**, there is a need to strengthen institutional capacity to effectively develop and implement the above-mentioned actions. This can include: capacity building for staff of government agencies responsible for employment and migration issues affecting young people; capacity building for national stakeholders, including staff of employers' and workers' organizations as well as youth organizations to contribute to the development and implementation of relevant policies and programmes; awareness-raising and promotional activities; mechanisms to improve coordinated and concerted action among relevant partners, including the private sector; and mechanisms to monitor and evaluate progress and effectiveness of the different actions.

**The MDG Achievement Fund seeks to support interventions that promote sustainable productive employment and decent work for young people either at the national or local level, including through a better management of the (negative and positive) effects of migration and by enhancing local capacities to develop, implement and monitor effective policies and programmes in this domain.**

### 3. Goals and illustrative interventions

The MDG-F will welcome funding applications that aim to achieve one or more of the following outcomes:

- i. Make youth employment a national priority and mainstream employment and decent work, especially for young people, into national development plans and frameworks;
- ii. Identify, develop and implement measures to help young people access and remain in the labour market, with an emphasis on disadvantaged and vulnerable youth. Targeted interventions for youth employment in critical situations – such as post-conflict situations and situation with high levels of armed violence (e.g. gang violence) - will also be considered;
- iii. Strengthen and/or develop and implement, in the contexts of countries of origin, innovative interventions to maximise the positive impact and minimize the negative impact of migration, particularly on youth;
- iv. Strengthen and/or develop and implement innovative interventions to address/reverse rural-urban migration, with special emphasis on youth;
- v. Strengthen institutional capacity to effectively deliver employment, youth and migration interventions, including through improved coordination and policy coherence in these programme areas.

In order to achieve these goals, proposals should follow an integrated approach and could contain a combination of the following illustrative elements:

*Outcome area (i):*

- Interventions to include youth issues, particularly employment and decent work for young people as well as migration policies, into national development plans and frameworks (e.g. policy dialogue workshops, advocacy and promotional activities);
- Integrated frameworks combining youth employment policy and programmes spanning different thematic areas (e.g. National Action Plans on Youth Employment);
- Measures to combine youth employment promotion with protection of young people (e.g. minimum wages, employment protection legislation, collective bargaining).

*Outcome area (ii):*

- Employment creation policies and programmes to improve labour demand for young people – including employment subsidies and employment-intensive public works and community services - in combination with training and good labour practices;
- Measures to better link education and training with the world of work (e.g. apprenticeship, on-the-job training, job-placement schemes, entrepreneurship education);
- Apprenticeship/training schemes to move young people from the informal to the formal economy;
- Targeted programmes promoting social and economic integration for youth in situations of extreme vulnerability (e.g. street children, youth gangs, young offenders, ex-combatants in post-conflict situations, teenage mothers, HIV/AIDS-affected youth), including youth in marginalized situations resulting from migration;
- Education and remedial education for disadvantaged youth (e.g. conditional cash transfers linked to primary and secondary school attendance, remedial education for young dropouts);
- Targeted education and vocational training programmes for young victims of trafficking and smuggling;
- Programmes to include entrepreneurship education in secondary and tertiary schooling;
- Entrepreneurship promotion policies and programmes for disadvantaged youth, and in particular young women, including access to information and training, as well as financial and non financial services;
- A range of employment services, including labour market information, employment counselling and career guidance, and job placement tailored to disadvantaged youth;
- Support to Public Employment Services to design, monitor and evaluate youth employment policies and programmes.

*Outcome area (iii):*

- Awareness raising and promotional activities on issues such as rights of young people at work, the risks and costs of irregular migration, human trafficking, people smuggling, HIV/AIDS;
- Design of specific policies and actions that promote transfer of remittances to fight poverty and create employment;
- Development and implementation of temporary and circular schemes for regular migration, that serve to address migration pressures among youth, while responding to effective demand in destination countries;
- Provision of pre-departure orientation and reintegration packages (i.e. Philippines model), informing migrants of regular migration opportunities, remittance options and specific investment schemes benefiting their families and their communities;

- Support to relevant national institutions to address brain-drain, through an improved knowledge base, transparent and open dialogue, and incentives to retain and attract back needed skilled workers;
- Social protection measures linked to access to health and education in migrant-sending communities.

*Outcome area (iv):*

- Sectoral development programmes (e.g. job-creation programmes for young people in areas such as agriculture, tourism, ICTs, etc.);
- Specific initiatives channelling remittances into Local Economic Development programmes aimed at infrastructural interventions, and especially at job creation/vocational training schemes for young people and their communities;
- Programmes to help young people engage in self-employment as well as start and run their own business, especially in rural areas;
- Cooperatives and social enterprise programmes creating job opportunities for young people, including through public-private partnerships, participation by return migrants and/or Diaspora movements;
- Support to national and local governments in: establishment of labour inspections in urban areas; development of economic/social infrastructures in rural areas; establishment of public-private partnerships to promote vocational training in the rural sector.

*Outcome area (v):*

- Support for effective inter-institutional coordination mechanisms to improve coordination and coherence of action affecting youth employment and migrant issues and for monitoring progress;
- Empowerment of civil society groups such as employers' and workers' organizations as well as national/local NGOs, including youth groups, to effectively participate in the design and implementation of policies and interventions targeting young people and migrants;
- Support to national academic and research institutes, statistical offices and labour market institutions to monitor and evaluate youth employment and migration policies and programmes and the progress towards the achievement of MDGs;
- Support to national academic and research institutes, statistical offices and labour administration to collect and process migration statistics and to monitor and evaluate migration trends and profiles, with particular reference to youth migration, and return migration.

#### **4. How will we know we are having an impact?**

Programmes financed by the MDG-F in this programme area are expected to demonstrate credible and measurable results. Applications to the Fund will therefore be required to identify the key objectively verifiable indicators that can be used to measure and monitor success of the programme and the sources of verification that can be used to measure the indicators.

Indicators shall be linked to the direct recipients of the expected outcomes and to any indirect beneficiaries with special attention to gender disaggregated data. The indicators to be considered in formulating proposals should include quantitative as well as qualitative measures of progress. For example, the indicators could cover areas such as:

- ⇒ The design of national policies and programmes that increase employment opportunities for young people – e.g. number and type of new policies designed, no. and type of new schemes and investments undertaken; no. and typology of youth benefiting from specific interventions;
- ⇒ The establishment of programmes that enhance the employability of youth – e.g. no. and type of new on-the job training schemes established and no. and type of beneficiaries involved;
- ⇒ The adoption of measures that help minimizing the negative impact of migration – e.g. no. and type of recipients benefiting from social protection schemes addressed to migrant families staying behind, no. and type of high skilled workers included in programmes limiting brain-drain phenomena;
- ⇒ The adoption of measures that help maximizing the positive impact of migration – e.g. no. and type of schemes adopted for channelling remittances into community development projects and their impact on job creation for youth;
- ⇒ The adoption of measures that help reversing rural-urban migration – e.g. no. and type of new economic and social infrastructures planned; no. and type of new public partnerships established for the promotion of vocational training in the rural sector; no. and type of establishments providing social services to rural marginalized communities;
- ⇒ The enhancement of institutional management capacities, increased participation by tripartite stakeholders, increased awareness among the population, increased dialogue and cooperation among different actors – e.g. no. and type of employment and migration related staff successfully trained; quantitative and qualitative changes/improvements in the structure of labour administrations managing employment and migration; total coverage of awareness raising activities among the population; no. and type of new consultative mechanisms and/or cooperation schemes created by the project.

Quantitative and qualitative indicators measuring progress on youth employment at the country level (for example, measures of inactivity rate and discouragement rate and measures of time-related underemployment), although not directly related to the immediate impact of proposed actions, shall be used to analyse the baseline situation and update the trends of these indicators in the relevant countries. Normally, such indicators are compared on an annual basis against those at the baseline year.

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