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A joint NGO-private sector initiative in Papua New Guinea is creating opportunities to reduce widespread unemployment

JOB S FOR YOUNG PEOPLE

By Andrea Iffland

Project Economist

Times are tough for people in Papua New Guinea (PNG), particularly for young adults. Only 10–18% of PNG's 5 million people work in the formal sector, while the majority of the population is engaged in the informal sector and in subsistence agriculture. About 10–25% are considered unemployed. School dropouts have swelled the number of people without jobs. Their unwillingness to work on farms—and the lack of jobs and employment options—have left many of the younger generation frustrated. The result has been deteriorating law and order.

The pressure to create jobs and income-earning opportunities is increasing. But many local and foreign investors have been deterred from investing and doing business in PNG as they consider the risks too high. However, stagnant and declining investment contributes to growing unemployment, exacerbated by young people lacking appropriate skills and having no access to further education. Breaking this cycle and reducing the younger generation's frustration—

which frequently expresses itself as “rascalism”—is a major challenge.

No longer able to control the situation, the PNG Government approached the private sector and nongovernment organizations (NGOs) to form a partnership that would provide demand-driven, employment-oriented skills training that is community-based and relevant to wage earning and self-employment.

Breaking the Cycle

NGOs, with their access to communities, understand the people's priorities, skills, and aspirations. The private sector knows what is relevant for wage employment and can transfer the technical and managerial skills required. Together, NGOs and the private sector can tackle the employment crisis and help break the cycle of unemployment and violence.

However, it is a complex situation that requires a complex approach. The Employment-Oriented Skills Development Project, a joint undertaking of the Government of PNG, Australian Agency for International Development (AusAID), and Asian Development Bank (ADB),

was designed to address this multifaceted development challenge.

At the heart of this Project is the Skills Development Trust Fund (SDTF) with a capital base of \$12 million. To ensure a continued flow of funds, the capital base is invested and the annual interest used to cofinance employment-oriented skills training. The Government, at the national and provincial levels, has shown its commitment and provided 50% of the capital base up-front.

The SDTF has institutionalized NGO and private sector cooperation through their representation on the national board of trustees. It comprises representatives of NGOs, women's and youth groups, church organizations, private sector, funding agencies, and the Government. This arrangement ensures that NGOs and the private sector reach agreement on the overall policies and guidelines for the SDTF to create income-earning opportunities for participants of cofinanced

Together, NGOs and the private sector can help break the cycle of unemployment and violence

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vocational and entrepreneurial short courses. However, the mismatch between the supply and the demand for skills such as those supported by the SDTF can only be overcome by close involvement of the business community. To be meaningful, such involvement must go beyond an advisory role to entail a measure of control over the funding for supporting employment-oriented short courses. The provincial committees, which also include NGO and private sector representation, are the decision-making bodies that approve training contracts in the respective provinces of the SDTF and ensure a better match of supply and demand.

Orchid Incentive

An example of NGO-private sector cooperation is a 1-week training course in raising orchids. Thirty-one women from informal settlements in Port Moresby attended the training. A visit to the National Botanical Garden helped participants understand the concept of orchid gardening and marketing cut flowers.

The driving force behind the course was the National Botanical Garden, the largest domestic supplier of cut flowers in PNG. The NGO, Just Flowers, secured the technical inputs from a private orchid expert. This joint effort trained unemployed women in planting and selling orchids through established marketing channels of the National Botanical Garden, created jobs and income for all 31 women, and was a good example of a demand-driven short course that was conceived and carried out through the collaboration of a dynamic NGO, an entrepreneurial National Botanical Garden, and Port Moresby’s private sector retail flower outlets.

Before cofunding is agreed to, training providers—mostly NGOs—have to ensure that the training will result in employment or the establishment of a microbusiness. An example of this impact-monitoring mechanism is bakery training in the city of Morata. The Morata Community Development Foundation contacted street vendors and local food bars to better understand what products were in high demand and could be sold through their stores.

Having established that bread, buns, and cakes would have a guaranteed market, a qualified baker was engaged to conduct the course on behalf of the NGO. Several participants were already street vendors who sold cigarettes and betel nut. By providing basic business management and bookkeep-



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“ I did not know the difference between income and profit. The business planning workshop helped me understand this. Now I not only know what profit is, but I also make it ”

ing skills, the training enabled participants to diversify their businesses and increase their incomes. “Making bread has helped me earn so much more that I can now put money aside for my children’s school fees,” said one trainee.

Eye on the Market

Likewise, the demand for vegetables in urban areas continues to grow, and Hope World Wide PNG—a local NGO that has trained hundreds of unemployed youth in urban market gardening—recognized this income-earning opportunity. Hope World Wide established business linkages with supermarkets and restaurants, and supported the young farming entrepreneurs to join forces in providing a regular supply of high-quality vegetables.

“Growing vegetables for the family is very different from market gardening,” said one participant. “We learned about quality control and pricing, and hope that we can now become successful commercial farmers.”

Some private companies—from service stations, garages, and manufacturers to timber processing companies—were seeking semiskilled metal workers. They contacted Don Bosco Technical School, a private training institution, to conduct short courses in basic metal fabrication and welding. Don Bosco and the companies jointly designed a competency-based 14-week short course



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NEW SKILLS Trainees learn how to make ovens out of drums

that covered specific skills required by the industry. All course graduates were subsequently employed in the private sector. Don Bosco now consults with the private sector and continues to develop short courses to address the specific requirements of prospective employers. One of these courses is on basic house wiring and follows requests from electrical contractors, large-scale mining operations, and construction firms.

The Don Bosco experience proved that when short courses are designed in close collaboration with the business community, and the specific needs of business are taken into account, excellent job prospects can result. Students are more motivated and work harder when they know that the course will result in a job for them. ■