



THE REVOLUTIONARY GOVERNMENT OF ZANZIBAR



(PRESIDENT'S OFFICE) LABOUR, AND PUBLIC SERVICE

YOUTH EMPLOYMENT ACTION PLAN

2014 – 2018

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ABBREVIATIONS

BDS	Business Development Services
GDP	Gross Domestic Product
ILF	Integrated Labour Force Survey
ILO	International Labour Organisation
LMIS	Labour Market Information System
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MIVARFP	Marketing Infrastructure, Value Addition and Rural Finance Programme
MSPOLPS	Ministry of State (President Office), Labour and Public Service
MoF	Ministry of Finance
MTIM	Ministry of Industry, Trade and Marketing
MSMEs	Micro, Small and Medium Enterprises
MSWYWCD	Ministry of Social Welfare, Women and Child Development
MTEF	Medium Term Expenditure Framework
NSAs	Non-State Actors
POPC	President Office, Planning Commission
MOEVT	Ministry of Education and Vocational Training
MESWYWC	Ministry of Empowerment, Social welfare, youth, women and Children
SMEs	Small and Medium Enterprises
VET	Vocational Education Training
ZSGRP/MKUZA	Zanzibar Strategy for Growth and Poverty Reduction/MkakatiwaKukuzaUchumi Zanzibar
ZYEAP	Zanzibar Youth Employment Action Plan
MANR	Ministry of Agriculture and Natural Resources
MESWYWC	Ministry of Empowerment, Social Welfare, youth, women and Children
MLF	Ministry of Livestock and fishery
MLCA	Ministry of Law and Constitutional Affaires
MSPOLPS	Ministry of State (President Office) Labour and Public Service
ZRB	Zanzibar Revenue Board
TRA	Tanzania Revenue Authority
ORG	Office of the Registrar General
RC	Regional Commissioner

EXECUTIVE SUMMARY

It is five years now since the inception of the first generation of Zanzibar Youth Employment Action (ZYEAP) in 2007. Since then, political and socio-economic changes have taken place parallel with implementation of the first ZYEAP. As such, a review of the action plan and situation analysis have been undertaken in order to determine new priorities and opportunities for youth employment; and thus prepare the second generation of ZYEAP.

Zanzibar has persistently faced the problem of youth unemployment and underemployment despite the various employment-related policies adopted and initiatives thereof. Many of the youth graduating from tertiary education cannot get employment in the formal sector. Many youth strive to enter and remain in the informal sector in order to earn their livelihood. Presumably, MKUZA II target of reducing youth unemployment to 11.4% by 2015 will not be achievable unless streamlined efforts are in place to increase jobs for the youth. This calls for the preparation of ZYEAP II with strategic focus on the quick-win sectors and programmes.

Macroeconomic policies have not worked effectively to cope with unemployment in Zanzibar. The real growth rate of the economy reached 7% in 2012 but employment creation has not equally increased and benefited young Zanzibaris. On the other hand, the tax regimes have not yet been able to generate adequate revenue to meet the ever increasing public expenditure, and thus creating a persistent fiscal deficit.

The most vibrant economic sectors have not proportionally contributed to employment creation. Furthermore, the fastest-growing sectors, industry and services, are not well interlinked with the poor sector of agriculture, forestry and fishing to benefit from cross-sector linkages which have potential impact on growth and employment in Zanzibar.

The education and training system has not been able to neither meet the majority of skills demanded in the labour market and work and entrepreneurial skills needed by those failing to be absorbed in the formal labour market. Whether it is formal or informal cum self-employment, transition from school to work is not as smooth as expected. For example, some of the youth have negative attitudes towards technical and vocational training due to lack of appropriate sensitization and career counselling.

The first ZYEAP, 2007-2012, did not therefore make much difference in terms of employment creation for the youth; largely because it was not widely adopted and thus not widely implemented. There is thus a need for a new and all-stakeholders widely-adopted and up-to-date action plan for fostering youth employment and employability in Zanzibar.

The second generation ZYEAP has been formulated through a participatory process involving stakeholders. The new action plan has identified three priority areas for action and about fifteen expected outcomes. The priority areas with outcomes include the following:

PRIORITY AREA 1: *Macroeconomic Policies*

Objective:To ensure Stable Macroeconomic environment with increasing employment opportunities for young women and men. Expected outcomes include:

- Increasing annual rates of economic growth and export to GDP ratio
- Youth employment promoted through public works
- A coordinated labour market Information system with appropriate mechanism of involving all stakeholders including youth is established
- increasing employment opportunities for youth due to strengthened labour market policies

PRIORITY AREA 2: *Education and Vocational Training*

Objective 1:To impart positive attitude towards vocational training and self-employment to College graduates and school leavers. Expected outcome:

- Increased student propensity for vocational jobs and self-employment

Objective 2:Education and training meet the labour market demand

Expected outcome:

- Practical and relevant work-skills imparted to VET and college graduates in line with the demands of employers/the labour market
- Enhancement of apprenticeship in the formal and informal sectors

Objective 3: Employment opportunities for youth in rural areas increase through VET training

Expected outcome:

- Increased youth employment and self-employment with relevant and competent vocational skills.

PRIORITY AREA 3: *Entrepreneurship and Sustainable Micro Enterprise Development*

Objective 1: To Increase access to business development services by young women and men

Expected outcome:

- Enhanced capacity and viability of youth enterprises, resulting from a more vibrant national framework (MSMEs Authority) for facilitating business development services for MSMEs

Objective 2: To have Entrepreneurship & MFI development policy.

Expected outcome:

- Increased job creation for youth as a result of improved national policy framework for entrepreneurship-led employment creation

Objective 3: To make School and college graduates more of job creators than seekers

Expected outcome:

- Increased graduate self-employment and employment due to enhanced business management skills and entrepreneurial mind set.

Objective 4: To strengthen capacity of the public and private sector to provide BDS including technology and business Incubation support for youth and women

Expected outcome:

- Increased proportion of young women and men with access to BDS services

OBJECTIVE 5: To create conducive environment for promoting productive and decent work for young women and men

Expected outcomes:

- Increasing formalization of informal businesses
- Increasing access to microfinance services
- Increased proportion of businesses meeting standards for productive and decent work involving young women and men

Objective 6: To Ensure presence of solid & effective Cooperatives linkages

Expected outcome:

- Increased viability of cooperatives involving young women and men through existence of effective cooperative linkages

Objectives 7: To ensure sustainable youth engagement in Agriculture, Livestock and Fishery

Expected outcome:

- More youth are engaged in Agriculture, Livestock and Fishery

The ZYEAP II will need availability of adequate resources for implementation. The estimated cost of implementation for 2014 – 2018 is TZS = 22.644 billion. The Government will therefore engage MDAs, LGAs, the private sector and Development Partners in resource mobilization for ZYEAP implementation. In line with this, it promote mainstreaming of youth employment activities in the MDAs MTEF and annual budgets. Additionally, capacity strengthening for key actors in the implementation of the ZYEAP will be accorded emphasis.

INTRODUCTION

The UN General Assembly adopted the Resolution on Promoting Youth Employment in December 2002. The Resolution encourages Member States to prepare national reviews and action plans on youth employment. It is acknowledged that Governments cannot be expected to address the issues of youth employment alone, other stakeholders including youth organizations, employers' and workers' organizations, chambers of commerce, non-governmental organizations, community-based organizations and other civil society organizations have a key role to play in helping Governments to achieve these objectives. Hence, a consultative and participatory process is the key approach to preparing youth employment action plans at all levels.

Like in many other countries, youth unemployment and underemployment is persistently a problem in Zanzibar. The difficulties young people face in entering and remaining in the labour market are compounded by the additional burden of large numbers of young people who are engaged in the informal economy. Estimates indicate that about 17.1 percent of youth aged 15 -24 years are unemployed; and females are the majority compared to males. The observed youth unemployment rate is far much higher than the Zanzibar general population unemployment rate of 4.4 percent as per the 2009/10 Household Budget Survey.

In response to the youth unemployment challenge, the Revolutionary Government of Zanzibar prepared and launched key policy documents outlining streamlined strategies for tackling the problem. These include the Zanzibar Employment Policy (2009), Zanzibar Job Creation Programme (2007), MKUZA I&I; and the first generation Youth Employment Action Plan (2007).

Overall, the Zanzibar Employment Policy (2009) aims to stimulate adequate employment growth in the economy of Zanzibar, in order to reduce unemployment and underemployment rates, and eventually attain full, productive, and decent employment for women and men including young women and men. The first generation of Youth Employment Action Plan (2007) aimed at promoting full and active participation of young women and men in the implementation of the Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP). It also aimed at encouraging other stakeholders to develop relevant strategies and programmes in support of Youth Employment Promotion, so that young women and men could be empowered to participate effectively in socio – economic development activities.

It is five years now since the inception of the first generation of Zanzibar Youth Employment Action (ZYEAP) in 2007. Since then, there have been political and socio-economic changes running parallel with implementation of the first ZYEAP. As such, a review of the action plan and situation analysis have been undertaken in order to determine new priorities and potentials for youth employment; and thus prepare the second generation of ZYEAP.

PART I - SITUATION ANALYSIS

1.1 Overview of Macroeconomic and Social Context

1.1.1 Global Perspective

Analysis of the macroeconomic framework from the employment lens aims at suggesting a strategy that aligns the goals of generating productive employment and decent work with those of macro stability and development. According to ILO guidelines for formulating employment policy (2012), an issue increasingly looked at, is the assessment of whether the promotion of employment calls for a different balance of fiscal, exchange rate, or monetary policy, and for further profound changes in other relevant policies as instruments for fostering inclusive and job-rich growth. The ILO guidelines on formulating employment policy raises important questions on macroeconomic policies and their impact on employment outcomes: Can changes to macroeconomic policies achieve better employment outcomes on their own? Can they have a direct effect on employment outcomes? The experience of countries that succeeded in reducing poverty significantly indicates the importance of high rates of economic growth in achieving this (ILO 2003). High growth, however, is not a sufficient condition for poverty reduction; the pattern and sources of growth as well as the manner in which its benefits are distributed are equally important from the point of view of achieving the goal of poverty reduction. Country specific institutional mechanisms are necessary to bridge macroeconomic policies and employment outcomes. For example, monetary policy easing can make liquidity available to banks; but if the country lacks the mechanisms to distribute credit to those who need it, mostly SMEs and informal sector enterprises, the macro policy change may not have a positive impact on employment.

The financial sector can play an important and productive role in promoting employment growth and poverty reduction through mobilizing savings that can be used for productive investment and employment creation; creating credit for employment generation and poverty reduction at modest and stable real interest rates; allocating credit for employment generation and help the poor to build assets, including those in agriculture and in small- and medium-sized enterprises and in housing; providing long-term credit for productivity-enhancing innovation and investment; providing financing for public investment to provide for employment generation and productivity enhancement; helping to allocate risks to those who can most easily and efficiently bear those risks; helping to stabilize the economy by reducing vulnerability to financial crises, pro-cyclical movements in finance, and by helping to maintain moderate rates of inflation; helping the poor by providing basic financial and banking services; and increasing domestic investments, and thus potential self-reliance.

Other critical factors include skills development for improved productivity and an enabling environment for sustainable enterprise development, social dialogue and fundamental investments in basic education, health and physical infrastructure. Skills development policies should strive to promote skills demand in terms of relevance and quality so as to ensure the matching of skills supply and demand. Skills policies need to develop skills that are relevant, promote lifelong learning and ensure the delivery of high levels of competencies and a sufficient quantity of skilled workers. Furthermore, equality of

opportunity in access to education and work is needed to meet the demand for training across all sectors of society. The priority of improving the quality and availability of training means that it is necessary to focus on reforming education and training systems so that they provide the skills and competencies that will be needed to boost the growth of decent work in the formal economy. Policy responses need to place emphasis on increasing the access of the poor to training, upgrading apprenticeship training and improving the relevance of training in public institutions by strengthening coordination and partnerships with the private sector and combining institution-based education and training with enterprise-based learning.

Smaller enterprises face particular challenges in gaining access to training services and developing the technical and managerial capabilities that they need for growth. The monitoring of skill shortages and entrepreneurial opportunities, the provision of sector specific training and the inclusion of entrepreneurial education in schools and colleges can help to ensure that training is relevant and accessible to smaller enterprises.

1.1.2 Macro-Economic Performance in Zanzibar

The Revolutionary Government of Zanzibar adopted its current system of five-year rolling strategy for national growth and reduction of poverty (MKUZA) since 2001. The strategy constitutes the main country's document for formulating, guiding, and implementing national development programmes and projects including formulation and implementation of sectoral plans in Zanzibar. The third generation Strategy for Growth and Reduction of Poverty (MKUZA 2011-2015) acknowledges that the prerequisite for sustained national growth is creation of a stable macroeconomic environment. This is achieved through effective monetary and fiscal policies that ensure low inflation, strong financial and debt management, low lending and saving rates, vibrant private sector and robust resource mobilisation.

MKUZA identifies priority areas and policies to include promotion of sustainable pro-poor and broad-based growth, employment and tourism, agriculture, trade, manufacturing/SMEs and the private sector. These have been earmarked as the strategic sectors of the economy or growth drivers, employment and the general development of Zanzibar.

With a total population of 1.3 million in 2012, Zanzibar has seen the performance of its economy improving in the recent years. Per capita income grew steadily from US \$ 534 in 2008 to 638 in 2012; while inflation rate has generally declined from a two-digit figure of 20.6 percent in 2008 to a single-digit figure of 9.4 percent—in 2012. The growth rate of the real Gross Domestic Product (GDP) increased from 5.3 percent in 2008 and reached 7 percent in 2012, recording an upward shift by 32.1% during the period.

However, the rate of employment creation in Zanzibar has been lower than the observed general economic growth in Zanzibar. For example, The latest Integrated Labour Force Survey (ILFS, 2006) showed an overall unemployment rate of 5.5 percent in Zanzibar; by 2010 unemployment had decreased to 4.4%, implying that the general unemployment rate for Zanzibar decreased by only 20% for a period of five years while the growth rate of the economy grew by 32.1% during the same period

(between 2008 and 2012). This raises an important issue on whether the strategies adopted to ensure stable macroeconomic environment in Zanzibar have proportionate impact on employment outcomes in the islands. Ensuring stable macroeconomic environment alone without additional policies and/or interventions may not achieve desired employment outcomes. Experience from other countries has indicated, for example, that high growth is not a sufficient condition for poverty reduction; the pattern and sources of growth as well as the manner in which its benefits are distributed are equally important in reducing the rate of poverty among the national population. Analogously, creating stable macroeconomic environment in Zanzibar without addressing and unlocking potentials at sector and subsector levels will not necessarily bring about the desired or planned levels of employment in the economy. Streamlined efforts to reach majority of the unemployed, particularly those working in the informal sector are needed at all levels of implementation.

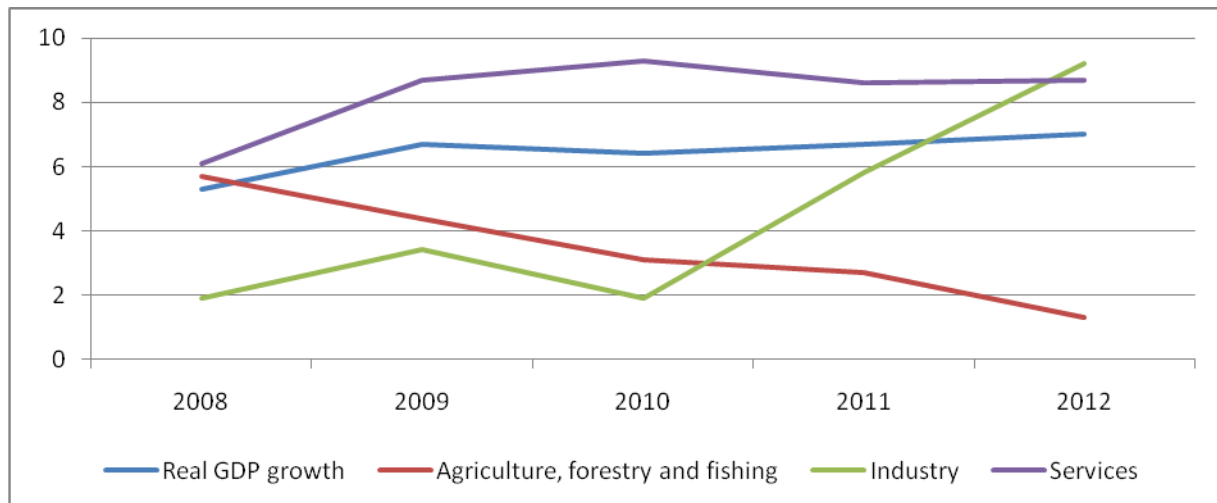
The Zanzibar's national accounts categorizes the economy into three major sectors; namely agriculture, hunting and fishing; industry; and service sectors. The agriculture, hunting and fishing sector is composed of crops, livestock, forestry, and fishery sub-sectors. Thus, Zanzibar is a small island with three sectors that account for the economic growth depicted in Table 1.

Table 1: Zanzibar GDP and Sectoral Performance: 2008 - 2012

	2008	2009	2010	2011	2012
Real GDP Growth Rates by Sectors					
Real GDP growth	5.3	6.7	6.4	6.7	7.0
Agriculture, forestry and fishing	5.7	4.4	3.1	2.7	1.3
Industry	1.9	3.4	1.9	5.8	9.2
Services	6.1	8.7	9.3	8.6	8.7
Sectors' Contribution to GDP (% shares)					
Agriculture, forestry and fishing	30.7	30.8	32.4	32.2	30.2
Industry	14.3	13.1	12.6	12	11.7
Services	42.7	44.1	42.8	44	45.3

Source: RGZ, Economic Survey (2012)

Figure 1: Zanzibar Real GDP and Sectoral Growth Rates (2008-2012)



The Service Sector

The Service sector is the largest in the economy of Zanzibar contributing about 45.3% of real GDP by 2012. The sector has had continuously high growth rates which reached 8.7% in 2012. Tourism services are the driver of the observed growth. The trend indicates high potential for employment opportunities for Zanzibar because by its very nature, tourism services are labour intensive.

The results of the 2006 Integrated Labour Force Survey, the latest for Zanzibar, indicate that the service sector was contributing 39.1% of the total employment in Zanzibar. This was rather a substantial contribution; and since the sector has grown further, its contribution to employment has also potentially grown further. MKUZA II target for the service sector is 7 % annual growth rate, and 12% for the tourism sector up from the current growth rate of 6.8%. However, the 2009 Zanzibar Human Development Report showed that tourism, which is one of the drivers of growth in Zanzibar, has not generated as much employment as would be required; and there is a feeling among the local communities that it is people from outside Zanzibar that are benefiting from employment opportunities generated in the tourism industry, leaving the local community to bear the full brunt of the environmental and cultural costs of tourism. The report shows further that tourism has a very weak linkage with the rest of the economy, thus limiting potential sectoral linkages in terms of employment and income creation. Thus, tourism which has been identified as one of the drivers of growth needs further promotion and linkages to the rest of the economy in order to increase its potential for youth employment. Human resource capacities in the tourism industry need to be developed, both in numbers and quality, to ensure that more Zanzibaris take up employment in the sector. This will be in addition to business development skills particularly SMEs which have potential to link up with the tourism sector.

Industry

The Industry sector, with a growth rate of 9.2% in 2012 – the highest at sectoral level in the year, comes next to the service sector in terms of growth rate. But notwithstanding, the sector has had relatively smaller contributions to the total GDP compared to the Agriculture, forestry and fishing sector. For example, in the year 2012, the latter contributed 30.2% of GDP while Industry contributed only 11.7%.

The manufacturing sector in Zanzibar is dominated by the MSMEs; but its performance has not been encouraging. For example, the share of manufactured exports to total exports has been decreasing from about 25 percent in 2008 to 9 percent in 2012. Also, its contribution to GDP declined to 3.4 percent from 4.3 percent of GDP during the same period. The biggest share of the Zanzibar's manufactured exports is textiles and garments. Others include wood products, coconut oil, arts and handicrafts, spices as well as products from agro processing. These are labour intensive products whose increased production would trigger employment opportunities to many Zanzibaris. MKUZA II strategy aims to increase the share of local horticulture products such as vegetables in the local tourism market to ensure the spread of the benefit to the largest section of the population through cross-sector linkages. This strategy will increase employment opportunities to local people including the youth.

In terms of contribution to employment, the results of the Labour Force Survey (2006) indicated that the Industry sector was contributing 14.6% of the total employment while the Agriculture sector contributed more than two fold (37.3%) of the industry sector. By 2010, the industry sector was contributing about 20.5% of the total employment in Zanzibar while the agriculture sector's contribution was 41.2%. Vividly, the industry sector is growing fast particularly its contribution to employment. But even though, agriculture has more potential for the rural population employability than the industrial sector; and if properly planned and managed in terms of linkages with the service sector, a large proportion of the unemployed rural population would be absorbed by the agriculture sector.

Through MKUZA II (2010-2015), the Government will seek to work together with UNIDO and other Development Partners to provide adequate capacity for implementing the existing SME Development Policy. Special efforts are directed towards encouraging Small and Medium Enterprises to venture into the food processing industry; sustaining value chain program, and training SMEs and informal sector in documentation and trade procedures. MKUZA II indicates further that product quality will be improved through introduction of proper and efficient quality assurance and standardization measures, particularly among SMEs. Other measures will include establishment of quality control institution; strengthening the capacity of consumer protection bureau; providing support to improve product design and quality and; improving the programme for quality management, environment and consumer protection; all of which are planned in MKUZA II. These measures would invariably contribute towards increasing Zanzibar's industrial competitiveness and thereof employment opportunities.

Agriculture, forestry and fishing

Contrary to the other sectors, the Agriculture, forestry and fishing sector's growth rate has been shrinking at least for the last five years, from 5.7% in 2008 to only 1.3% in 2012. This is an indication that the sector's growth rate is approaching stagnation while population is actually increasing.

Agriculture is the second largest employer and one of the identified drivers of growth in Zanzibar. The sector has not enjoyed robust growth, relative to other sectors, partly due to its dependence on weather. Growth of the agricultural sector remains crucial for broad-based and pro-poor growth, given that it employs about 41.2% of the total labour force. Besides, studies elsewhere show that those employed in the primary agricultural production earn less than those employed in comparable occupations such as agribusiness. Thus, even with improved growth in the agricultural sector, other measures to improve marketing, productivity and reduce the cost of production should be adopted and implemented simultaneously to ensure that more youth are attracted and retained in the sector. MKUZA II has strategized to expand irrigation farming, investment in agriculture-related infrastructure, extension of credits and improvement of the extension services in the sector.

Zanzibar's Agriculture sector is mainly dominated by small-scale subsistence farming, with low productivity of land, labour and other inputs; mainly caused by inadequate application of productivity enhancing factors such as poor crops, fisheries and livestock-related infrastructure; limited finance to obtain productivity-enhancing inputs; inadequate provision of agricultural support services; gender insensitive agricultural planning and; lack of appropriate technologies. All these together have forced the majority of farmers to produce only for subsistence. The agricultural related infrastructure is constrained by inadequate production, marketing and processing infrastructure for crops, fisheries, and livestock.

Apart from low domestic production of food in Zanzibar, there is high level of post-harvest losses due to poor handling, poor storage facilities and inadequate processing technology especially among the predominantly women farmers. The average waste for rice, cassava, vegetable (tomatoes) and fish is 13, 26, 42 and 25 percent per year, respectively.

MKUZA II indicates that marine resources in both territorial sea and Exclusive Economic Zone (EEZ) are still underutilized as most of fisheries activities are done in inshore waters, which are unsustainably over exploited. There is a great potential on the part of domestic fishers for off shore fishery expansion in Zanzibar. Seaweed farming is another important activity for economic and social development in Zanzibar. Seaweed farming is supporting livelihoods of coastal population particularly women and has become one of the major foreign currency earning crop.

The Agriculture, forestry and fishing sector employs many people and is highly pro-poor, including many youth particularly in rural areas who are self-employed in the sector. It also has potential for cross-sector linkages in terms of linkage to microfinance credits, value addition, marketing, the tourism sector,

industries, etc. Thus, investment in the sector has the potential of increasing employment across a number of other sectors. Addressing the current growth constraints, including low institutional and human resource capacities would improve the sector and unlock employment opportunities in the sector. Building entrepreneurial skills in the sector is deemed crucial as a way of encouraging commercial agriculture, and thus unlocking business opportunities in the sector.

Trade

In the recent past, Zanzibar has been running large current account deficit emanating from rapid growth of the import bill relative to growth of export receipts. As a percentage of GDP, Zanzibar Trade account balance has been widening from 8.1 percent in 2008 to 15.1 percent in 2012. Though exports have increased from TZS 30,189.2 million in 2008 to 67,390.5 million in 2012, the export sector has performed below expectations relative to the country's export capacity.

Thus, over the recent years, Zanzibar has been running large current account deficit emanating from rapid growth of the import bill relative to growth of export receipts. Recently Zanzibar developed its Export Development Strategy whose vision is to transform Zanzibar into a vibrant export-led economy that substantially contributes to economic growth and social wellbeing. The life span of the strategy was five years beginning January 2009. Zanzibar's exporters are particularly weak in their knowledge of international markets, branding and packaging. This is compounded by poor provision of services such as market and trade information and training to build capacity in branding and packaging by the trade supporting institutions. This capacity building process would focus on all aspects of exporting, including export procedures, international market requirements, branding, shipping etc.

In order to increase Zanzibar's foreign trade the Export Development Strategy must be effectively implemented. MKUZA II stresses establishment of a Zanzibar trade fair facility, build a strong Public Private Partnerships (PPP) and expand credit facilities for exporters. These include plans to transform the whole of Zanzibar into a Special Economic Zone (SEZ) within the East African Community.

The Informal Sector

The informal sector in Zanzibar is rather strong, vibrant, and fast-growing. It entails mainly petty businesses in services in urban areas and employs mainly the youth. According to the 2006 ILFS, the sector employed about 144,147 people, of which 45.4 percent were in the age-group of 20-34 years. The results showed further that 82.8% of female labour force was employed in the informal sector. Analogously, 79.8% of males were employed in the sector.

The informal sector is the home of many small businesses and youth engaged in self-employment activities. It is thus a form of business incubator for ordinary people, particularly the youth. Many of the people taking up micro credits join this sector; including those who fail to get jobs in the formal sector after school/college education. Thus, much as informality is generally undesirable in the economy of Zanzibar, it is still a key entry door for those aspiring to become entrepreneurs; and thus also the

destination of the majority of those graduating from entrepreneurship training programmes. It is needless thus, to emphasize that provision of business-support services to the sector is deemed crucial.

The private sector

The government has continued to support the private sector through implementation of a wide range of institutional and policy reforms. These include establishment of the Zanzibar Business Council, promotion of public-private partnership, formulation of the BEST program intended to create conducive environment for the development of the private sector. However, the private sector still faces challenges including multiple taxes or many taxes to pay, poor infrastructure, corruption, low access and high costs of finance and cumbersome access to land. MKUZA II core sector strategy for promoting a conducive environment for private sector development with focus on SMEs includes: Formulating better regulations, Improving quality and efficiency in commercial Dispute Resolution, Strengthening the Zanzibar Investment Centre (ZIPA), and improvement of the business support infrastructure.

1.1.3 Fiscal Performance

The fiscal balance in Zanzibar does not indicate signs of improvement since 2008. Government revenue collection constitutes at most 60% of the total government expenditure. This has generated a dependency ratio on external resources of about 40%, which does not seem to improve overtime. Both revenue collection and expenditure have been increasing more or less at the same pace except for 2009/10 and 2010/11 (Table 2).

Table 2: Zanzibar Fiscal Performance (Millions of TZS unless stated otherwise)

Description	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue	106,652.5	135,951.5	142,632.8	199,730.9	225,046.8
Expenditure	179,209.8	232,127.2	325,045.0	387,130.5	384,768.6
GDP	748,100.0	879,200.0	946,800.0	1,198,100.0	1,354,200.0
Fiscal Balance	(72,557.3)	(96,175.7)	(182,412.2)	(187,399.6)	(159,721.9)
Fiscal Balance/GDP	-9.7	-10.9	-19.3	-15.6	-11.8
Fiscal deficit	(40.5)	(41.4)	(56.1)	(48.4)	(41.5)

Source: Zanzibar Economic Survey Report, 2012

Performance of revenue collection has improved from 14.8% of GDP in 2008 to 16.6% in 2012. At the same time, the fiscal deficit as percentage of GDP worsened from 9.2% in 2008 to 11.8% in 2012. Analogously, trade balance worsened during the period.

Table 3: Zanzibar Selected Macroeconomic Indicators

Description	2008	2009	2010	2011	2012
Fiscal Deficit/GDP	-9.2	-10.9	-19.3	-15.6	-11.8
Revenue/GDP	14.8	15.5	15.1	16.7	16.6
Trade balance/GDP	-8.5	-10.4	-11.7	-8.6	-15.1
Inflation rate	20.6	8.9	6.1	14.7	9.4

Source: RGZ, Economic Survey (2012)

The trends of fiscal performance in Zanzibar do not point to prospects of expanding employment in the public sector in the foreseeable future; but adoption of contractionary fiscal policy will also limit employment opportunities emanating from the sector. The wage rates in the public sector are generally low relative to other countries in the region; and budgetary personal emoluments account for almost 80% of the government budget leaving very little for development spending.

1.1.4 Zanzibar Incidence of Poverty and Poverty Gap

Incidence of food poverty has marginally declined in Zanzibar, from 13.18% in 2005 to only 13.04% in 2010¹. This is rather a minimal change which raises concerns that the economic growth recorded in Zanzibar has not been able to increase the incomes of the poorest segment of the Zanzibaris. The increase in population does not match the growth rate of incomes of the poorest households, particularly in the rural areas where the incidence of basic needs poverty has worsened from 15.93% in 2005 to 16.76% in 2010.

The general poverty or basic poverty headcount has improved from 49.07% in 2005 to 44.41% in 2010. This indicates a general trend of improving livelihoods for the poor people in Zanzibar, but not for the poorest as indicated earlier. During the period, unemployment decreased from 5.5% to 4.4%; implying that as the economy generates more jobs, incidences of poverty are also reduced. Thus, economic policies targeting to increase employment in Zanzibar, particularly for the youth, will have a profound impact on poverty reduction.

1.1.5 Trends in Wage Incomes in Zanzibar

In Zanzibar, the overall regulatory framework for minimum wage fixing is provided in the part IX of the Employment Act No. 11 of 2005 (“Wage Fixing Machinery and Wage Protection”) which requires the establishment of the Wage Advisory Board for advising the Minister for Labour on minimum wages. The Board makes recommendations to the Government, which in return announces new minimum wages.

A study on minimum wage policies (2011) in Zanzibar indicates that unpredictable adjustments in minimum wages appear to have affected the overall wage developments in Zanzibar. The islands have managed to sustain economic growth but its impact on wages and poverty appears to be rather disproportional and weak. Government reports indicate that growth has been accompanied with job creation, but the wage level has remained rather low. It was estimated that about 16.2% of all employees who are paid below or around the minimum wage (lowest cadre) in the formal sector in Zanzibar earn a total take-home income which is below the food poverty line. The 2011 shows further that 92% of the lowest-paid employees in the formal sector get a total take-home wage income which is below the poverty line. By implication then, a job in the formal sector does not guarantee consumption

¹Food poverty refers to the proportion of people (adult equivalent) consuming below the required basic calorific intake per month.

above the poverty line; in fact the lowest paying jobs do not get people out of poverty. However, employees in the public sector are marginally much better than those in the private sector in this regard; many of the lowest paid employees in the public sector were earning more than the then legislated minimum wage of TZS 70,000. Also, the average effective minimum wage (what is actually paid as minimum wage on average) was 60.3% of the average wage in the sector.

The report shows further that in nominal terms, average wage in the private sector increased substantially (by 36.4%) between 2007 and 2011. But in real terms, the increase was only 4.9% for a period of four years compared to the annual growth of the economy which averaged 6%. Meanwhile, average wage in the public sector increased by 24%, a much higher growth than that of the private sector. Actually, many youth prefer working in the public sector for some reasons, one being remuneration in this regard. Employees in the private sector earning at most the legislated minimum wage by then had their average wage grew by 13.4 in real terms during the period, although wage earnings for this category have remained generally low as indicated earlier.

Following the study findings, the Zanzibar Wage Board advised the responsible Minister to issue new minimum wage rates for the private sector categorized under skilled, unskilled, daily pay and domestic workers. The new minimum wages became effective from January 2011. Unfortunately, there has not been a study to assess the impact of minimum wages on youth employment. It will be useful to study minimum wage effects, such data may provide potentially valuable information on how the effects of minimum wages interact with other labour market policies that may or may not be directly associated with the minimum wage.

Around the world, minimum wages are perceived as a useful and relevant policy tool which can make a major contribution to social justice by improving the lives of low-paid workers worldwide. According to ILO Journal on Social Justice and Growth 2012, a number of countries around the world have experienced positive changes as a result of introducing minimum wage. In the United Kingdom, for example, a survey by political experts has identified the national minimum wage introduced in 1999 as the most successful government policy of the past 30 years. In emerging countries too, minimum wages are making a strong comeback. In Brazil the reactivation of the national minimum wage since 1995 is widely credited – together with *Bolsafamilia*, a cash transfer programme – for the recent reduction in poverty and inequality (Berg and Tobin, 2011). In South Africa, wage floors were introduced in 2002 to fight the racial discrimination introduced under apartheid and to support the wages of millions of low-paid farm workers, hospitality workers, domestic workers and others in sectors where unions are weak. In China, new regulations were issued in 2004 in the face of growing concerns about increasing wage inequality. Finally, in Egypt and other countries rejuvenated by the “Arab Spring”, governments have been forced to respond to the demands for minimum wages by young revolutionaries and trade unionists (ILO 2012).

1.2. Analysis of Youth Labour Market

1.2.1 Global Perspective

The ILO report on Global Youth Employment Trends (2013) estimates global youth unemployment at 73.4 million, an increase of 3.5 million since 2007 and 0.8 million above the level in 2011 (ILO 2013). The report stated further that youth unemployment rate decreased from 12.7 per cent in 2009 to 12.3 per cent in 2011, but increased again to 12.6 per cent in 2013. By 2018, global youth unemployment rate is projected to rise to 12.8 per cent. According to the report, 6.4 million young people have given up hope of finding a job and have dropped out of the labour market. If all of these potential youth were available to work and sought work, the number of unemployed would swelled. Young people are almost three times more likely to be unemployed than adults with young women affected more than young men. Female youth unemployment rate in 2009 stood at 13.2 per cent compared to the male rate of 12.9 per cent. Owing to limited opportunities in the formal sector, many youth start their working life as unpaid family workers (vulnerable employment), at some point become own account workers (another level of vulnerable employment) and finally end working longer hours under informal, intermittent and insecure work arrangements characterized by low productivity and earnings and reduced social protection.

1.2.2 Zanzibar Situation

The estimates of Youth unemployment in Zanzibar indicate that about 17.1 percent of youth aged 15 -24 years are unemployed; and females are the majority compared to males. The youth unemployment rate is far much higher than the Zanzibar general population unemployment rate of 4.4 percent as per the 2009/10 Household Budget Survey. This is a strong indication that unemployment in Zanzibar is essentially a youth phenomenon.

The Integrated Labour Force Survey (ILFS, 2006) showed an overall unemployment rate of 5.5 percent in Zanzibar, implying that the general unemployment rate for Zanzibar decreased by 1.1% percent between 2006 and 2010. Unemployment among the urban population was higher at 11.4% compared to rural population (1.6%).

The ILFS (2006) showed further that total unemployment rate for young people aged 15 to 35 was 19.6 percent. Unemployment rate for young females stood at 23.5%, which was much higher than that of males (15.2%). Also, youth unemployment in urban areas was higher than rural areas, i.e. 31.3% versus 11.6%, respectively.

Thus, generally, there has been a marginal decrease in youth unemployment rate during the implementation of the first generation of ZYEAP; though of course in absolute terms more youth might be unemployed today than five years ago because population is increasing. The MKUZA target for youth unemployment rate is 11.4% by 2015, which is likely achievable if more focused efforts are committed by all stakeholders. In this regard, the second ZYEAP is essentially needed to accelerate creation of jobs

for the youth in order to meet MKUZA II objective of decreasing the current rate of 17.1% youth unemployment to 11.4% - about 5.7% decrease for the next two years.

1.3. Review of Existing Policies and Programmes Affecting Youth Employment in Zanzibar

1.3.1 Existing Policies and Strategies Contributing to Youth Employment

The Revolutionary Government of Zanzibar has formulated a set of related policy instruments in the last two decades with components that support employment creation. The key policies with relevance in particular for employment promotion are: the Zanzibar Vision 2020 (2000); the Zanzibar Strategy for Poverty Reduction (MKUZA II), the Zanzibar Employment Policy (2009); the Zanzibar Industrial Policy (1998); The Zanzibar Agriculture Policy (2002) the Zanzibar Investment Policy (2005); the Zanzibar Trade Policy (2006); the Zanzibar MSME Policy (2005); the Zanzibar Export Development Strategy (2009). Firstly, in this section, is a list and summary of the policy documents before description of the related programmes and projects that contribute to youth employment.

Vision 2020

The Zanzibar Vision 2020, published in 2000 include among others, the goals of full employment by 2020; modernization of agriculture; promotion of sustainable tourism; promotion of sustainable fishing; promotion of sustainable industrialization; improving socio-economic infrastructure; sustainable transport and communication; and the creation of a micro-finance banking system to serve the general public.

Poverty Reduction Strategy

The first ZYEAP was formulated under MKUZA 1 in 2007. In 2010, MKUZA II was prepared and later on adopted by the Revolutionary Government of Zanzibar. MKUZA II is a five year strategy constituting the major government strategic document for economic growth and poverty reduction. It is formulated in line with the overarching goal of promoting youth employment (Strategy No. vii of Cluster One): 'Emphasizing demand-driven skills development for promoting self-employment, transforming micro enterprises to be more productive, formation of economic groups, and development of apprenticeship training policy, enhanced enrolment to school and college education at all levels, review of school curriculum to sharpen skills/competencies, entrepreneurship training programs, promoting access to credit, etc.'. The setting of action plan for youth employment is vividly in line with MKUZA II on issues of formation of youth groups, improvement of vocational training including entrepreneurial skills, development of entrepreneurship, access to credit etc. These are issues that both ZYEAP I & II have strived to emphasize.

Zanzibar Employment Policy 2009

The Zanzibar Employment Policy stipulates clearly the issue of promoting youth employment in Chapter III on page 25. Among other things, the Government in collaboration with other stakeholders will assess special youth needs, on the basis of gender, with regard to participation in the labour markets. In doing so, the government will seek to review the current training curriculum to be more reflexive of the demand conditions in the labour market; will seek to provide sensitization programmes and information so that the youth become more rational in employment choices; and will use the media to explain and seek to change the tendency of the youth to choose to work in a few own-selected sectors only.

Investment Policy

The Zanzibar Investment Policy (ZIP 1986) was formulated to stimulate economic growth in Zanzibar. Notable foreign investments have been witnessed in the tourism sector with some impact on employment creation. Before the policy, annual FDI inflow to Zanzibar had hardly reached USD 19 million in any one year. But Between 1986 (when the Investment Act was passed) and 2002, Zanzibar received a total of \$ 440 million FDI inflows, mainly from Britain, Bahrain, Germany, Italy, Kenya, South Africa, Mauritius and the United Arab Emirates. Most of these investments went into tourism, business services, sea transport and manufacturing; other areas are fisheries, air and agriculture. With the on-going economic reforms that emphasize the role of the private sector and liberalized markets, more investments are expected to increase, and hence employment creation.

Agriculture Policy

The Zanzibar agriculture Policy aims at among other things to raise agricultural contribution to the national economy and hence improve living standards of the people and create employment opportunities; improve the quantity and quality of agricultural products for which the country has comparative advantage; promotion of gender equality in agricultural development and production in order to ensure that women and youth have equitable access to and control over productive resources including land, water, credit and extension services. In view of linkage between agriculture and tourism, there is ample potential in agriculture particularly in commodities like coconuts, seaweed, fruits, spices and horticultural products. In addition, the policy aims at identifying new products, technologies, promotion of new production processes and establishment of rural savings and credit associations. Private sector participation in commercial agriculture is highly encouraged. The policy thus, has implication on both self and hired employment in Zanzibar.

MSME and Industrial Policy

Around the globe, Micro, Small and Medium Enterprises (MSMEs) are known to play a major role in social economic development, contributing significantly to employment creation, income generation and stimulation of growth in both urban and rural areas. Over the years, the MSME sector has played a critical role in developing Zanzibar's economy through creation of employment opportunities, income generation, equitable distribution of income and hence contributing towards poverty alleviation. However, the sector suffers from a number of challenges in domestic and global market competition,

although varieties of opportunities exist including supply chain management and linkages with growth sectors like tourism.

Support for MSMEs takes on a central role towards the achievement of goals set out in the Zanzibar Strategy for Growth and Poverty Reduction MKUZA II. The Zanzibar Industrial Policy (1998-2008) is one of the first Government policy documents that has accorded priorities to the development of micro, small and medium enterprises. Other policies promoting MSMEs, are The Zanzibar Trade Policy (2006), The Zanzibar Agriculture Policy (2002), The Zanzibar Micro, Small and Medium Enterprises Policy (2005) etc.

One of the goals of MKUZA strategy is to create a Vibrant Private Sector for Economic Growth. The strategy strives to strengthen the private sector capacity to take advantage of opportunities availed to it with emphasis on facilitating access to credit; building the capacity of private sector on business management skills; promote access to markets; promote access to technology and; creating business opportunities for private sector (MKUZA II 2010).

Cooperative Policy

The first draft of a cooperative policy was produced in 2009. The objectives of the policy include among others: reversing the trend of state controlled cooperatives and promotion of autonomous self-help cooperatives that are member-based, economically viable and strong; support the establishment of viable cooperative financial institutions; protection of cooperative business operations against unfair competition; recognition and support to small producer group initiatives so that they can become economically strong cooperatives; and provision of cooperative education, training and research services that focus on member empowerment. Cooperatives have a central role to play in employment creation (staff and self-employment), income and poverty reduction. The ILO Report (2010) indicates that cooperative movement lacks charismatic leaders that can maintain contact and dialogue with government and other potential business partners. Owing to the above analysis, it is clear that Cooperatives in Zanzibar have not attained economic efficiency and member control. Cooperative members are still very economically and socially impoverished. Notwithstanding, cooperative movement constitutes a united front towards solving the problem of markets for MSMEs products in Zanzibar among others.

Vocational Education and Training Policy (2005)

Following stakeholders recommendations that the content of the 2005 VET Policy is no longer fully relevant to overarching educational and economic needs, being unable to address demand from labour market, the policy was reviewed in 2011 with a view to improving equity, quality and relevance of TVET programmes, providing incentives for stakeholder involvement in VET policy implementation (particularly private sector), and the costing of VET policy and reform. Transformation of VET is expected to focus more on measures that would create better links with the diverse labour market and individual/group needs, rather than concentrating only on expanding formal Vocational Training Centre (VTC) provision. For example, promotion of formal and informal apprenticeship are a case in point of how TVET systems can effectively transform and expand skills development in partnership with

enterprises, using work-place learning and enhancing the quality of learning in work-place settings through recognition of prior learning, matching supply and demand for skilled labour, etc. A draft apprenticeship policy is the final approval process.

Among the key actions listed in the review are: quality improvement, expanding access to VET targeting marginalized groups including women and youth in urban and rural areas etc. The 2005 VET policy demonstrated that the Government and national stakeholders were aware that public-private partnerships and funding can provide powerful levers for promoting reform, and it is now time to put into place the frameworks needed to achieve this.

For a relevant TVET strategy to be achieved, TVET policies must be integrated with the goals of the Zanzibar Strategy for Growth and Reduction of Poverty 2010-2015 (MKUZA II) and existing sector policies including the Zanzibar Employment Policy (2009), Youth Employment Action Plan (YEAP) with active participation of the private sector. Support for skills development is essential for employment creation, increased income for women and men, including youth. It is evident from various studies and assessments that demand for TVET services among business associations, community groups and other stakeholders that are beyond the reach of TVET institutions and other public services and institutions is high. The Government and national stakeholders must address the needs of this large proportion of the population as a matter of urgency.

Finally, improving the quality of TVET should go hand in hand with provision of quality programmes, capacity development of teachers, career guidance and counselling and creation of new pathways between general, technical and VET that will both attract students and allow progression to university and non-university tertiary education. The National Qualifications Framework (NQF) is an essential element of such an approach.

Youth Development Policy

Zanzibar formulated its Youth Policy in 2010. Since then, a consultative process to establish a youth council with its own constitution has been in progress with overarching objective of enabling the youth to create their platform for deliberating on their issues of concern; unemployment being one of them. However, youth unemployment and underemployment have remained a challenge in Zanzibar. Youth organizations are fragmented and lack capacity to plan, manage and advocate for their goals and objectives, leave alone inadequate resources available to them. Access to information on policies and programs targeting the youth is also limited. Thus, a more refined approach for implementing the policy would address youth issues more effectively.

Gender Equality and Empowerment of Special Groups

In Zanzibar, a number of measures have been taken to promote gender equality and empowerment of special groups. These include: women empowerment, promoting and protecting women's human rights, formulation of relevant policies and plans, including Gender Policy and Gender Action Plan to guide gender mainstreaming strategy. A number of gender related studies have been done to inform decision making and evidence-based advocacy. Capacity of implementers from government and non-

governmental institutions has been built to enable them perform gender analysis, planning and budgeting for their respective institutions. Despite these efforts, there remain some challenges including the low level of mainstreaming gender issues in policies, plans, programs and laws. According to MKUZA II assessment, low participation of women including young women in development is a result of many factors including; general negative attitude portrayed by most men, traditional practices and perceptions about women, low level of education and lack of specific guidelines for promoting gender aspects in the public sector and, limited empowerment of women and young women in both rural and urban areas. Limited research, sex disaggregated data and gender analyses have denied opportunities for various institutions to make informed decisions towards gender equity, equality and women empowerment. As noted earlier, there are more unemployed female youth than their counterpart males; the youth employment action plan should seek to mainstream gender issues in its strategies so that this dichotomy is addressed.

The Impact of HIV/AIDs on Employment Creation

HIV/AIDs have impacted negatively on the labour force. According to ILO report, the structure and characteristics of the labour force have changed in countries with high prevalence rates (ILO 2005). It is becoming clear that interventions designed to support employment, or economic policy, or a national HIV/AIDS strategy cannot be implemented without considering the particular impact HIV and AIDS are having on the economically active population, although the size of the labour force itself has not declined (Ibid). HIV/AIDS impact include reduction in the rate of growth of the labour force, modified labour force participation rate by sex, altered age distribution in the labour force, reduced the rate of labour force in the agriculture, and reduced the average age of the labour force. Diminishing family income results in young people being withdrawn from school or forced to seek work to support household's economy .

By 2009, HIV prevalence in Zanzibar was 0.6 percent of the general population. A breakdown by sex shows HIV prevalence is 0.7 percent among women and 0.5 percent among men. HIV prevalence is lower in Pemba compared to Unguja (MKUZA II 2010). Rural agricultural communities were mentioned amongst high risk population groups mainly due to low schooling and awareness on HIV and AIDS. According to MKUZA II, HIV/AIDs has contributed to rising unemployment rates, pushing male youth to engage in substance use and girls in sex work (MKUZA II, pg. 76). The underprivileged, including poor young females are also less likely to bargain over sex and use of condoms due to enticement caused by eagerness for partners to pay more for unprotected sex (Ibid).

Interventions to prevent youth from falling victims of HIV/AIDs could focus on training youth in job and business skills and providing financial services; provision of vocational education and job training; training in enterprise skills; support establishment of institutions, alliances and networks for youth to advance their economic interests; promoting policy and social changes that improve young people's livelihoods prospects; providing information and services on sexual and reproductive health, HIV and other STIs to youth groups.

1.3.2 Programmes Contributing to Youth Employment: Implementation of ZYEAP I: Successes and Challenges

The ZYEAP 1 document was not widely circulated to stakeholders; but despite of challenges in coordination and implementation, there are achievements as observed during the review process. These constitute a stepping stone for the formulation and implementation of the second generation of ZYEAP.

Establishment of Employment Creation Committees

Since the inception of the first generation ZYEAP in 2007, the Ministry of State (President Office), Labour and Public Service, has had continued efforts at various levels to enhance youth employment and employability. At national level, a committee comprising of Principal Secretaries from key sectors has been formed to oversee employment creation initiatives in general and youth employment in particular. The RGoZ has approved a multi-sectoral youth employment initiative and allocated TZS 1.1bn for its implementation. MSPOLPS is coordinating the initiative. At district level, multi-sectoral Employment Creation Committees have been established constituting a unique forum for deliberating on issues of youth employment. This creates an open opportunity for district councils and communities to discuss, plan and implement youth employment interventions. For example, districts are mapping unemployed/underemployed youth and linking them with existing district programmes. In Chakechake district, 180 young women and men have been linked with the *KaziNjeNje* programme and trained on entrepreneurship. However, the committees lack proper institutional framework i.e. they are not part of the existing district structure.

Employment Services

In an effort to enhance youth employment initiatives, the Ministry of State (President Office), Labour and Public Service in collaboration with other stakeholders has established a web based labour market information system that will provide information on wide range of labour and employment issues. Initially, two modules have been developed; employers and job seekers and skills development. Job seekers including college graduates looking for jobs or making decision on short/long-term career planning e.g., whether to attend college for skills upgrading or long training will be able to access available job vacancies and training opportunities and upload CVs. Employers on the other hand, will be able to make decisions pertaining to recruiting, business expansion, relocation, employee skill development, etc. Education and training institutions will be able to match supply and demand for skilled labour and address the current challenge of mismatch by evaluating their training programmes and curricula. In future, we hope the government will use the information in making policy decisions regarding funding, design, and operation of public programmes for employment promotion. In line with the Employment Act. 2005, the Ministry of State (President Office), Labour and Public Service has facilitated establishment of Employment Agencies which are currently working in smooth collaboration with the Ministry and other stakeholders. . Employment Agencies provide a wide range of services to the job seekers including career guidance, coaching, and job matching. In turn, they compile information on employment opportunities emerging from inside and outside the country and submit them to

MSPOLPS. This is an achievement that needs to be strengthened as Zanzibar looks forward to embarking on the second generation of ZYEAP. However, employment agencies lack adequate understanding of labour laws and ILO Convention on Employment Agents. Training in these areas would strengthen employment services.

Training programmes

Training programmes for youth have been one of the major activities during ZYEAP I; the focus has been on entrepreneurship and business skills and formation of economic groups. There have been several players in the organization of the training programmes. They include MSPOLPS (entrepreneurship), Ministry of Industry, Trade and Marketing (product development and entrepreneurship skills), Ministry of Agriculture and Natural Resources (on economic groups and agricultural production), Ministry of Empowerment, Social Welfare, Youth, Women and Children (entrepreneurship) etc. The training programmes are organized as standalone programme or in collaboration with other programmes i.e. the Ministry of Empowerment, Social Welfare, Youth, Women and Children has collaborated with the Ministry of Agriculture and Chakechake District Authority in Pemba and trained 35 youth in horticulture, business management and entrepreneurship skills and allocated market area for selling their products. In Unguja, Mkunguni Youth Development Organization (MYDO) is collaborating with KNN trainers and has so far trained 180 youth on entrepreneurship. Owing to limited resources, these initiatives have remained at a low scale. The other challenge is failure to match the ever increasing needs for youth training nor carry out outcome cum impact assessment for determining further actions. This limits our understanding of the effectiveness and impact of the training programmes, as this would form the basis for expansion and monitoring.

Microcredit Facilities in Zanzibar

Several initiatives have been put in place to promote and facilitate access to micro finance for youth in Zanzibar. Government initiatives include the AK/JK fund, Youth Trust Fund etc. Banks and NGOs have also set, initiated and offering micro finance services i.e. Women Entrepreneurship Development Trust Fund (WEDTF), Changamoto, and Pride (TZ), etc. In collaboration with UN Habitat Income Generating Programme, the Ministry responsible for Youth has provided grants to youth amounting to TZS 149,000,000. In addition, the Ministry has established a Youth Trust Fund, which has so far benefited 135 young women and men.

A good number of SACCOS have been established in Unguja and Pemba. In Pemba for example, seven SACCOs Banks have been established including one Youth SACCOs Bank. MIVARFP and other programs are in place to strengthen microfinance institutions.

Challenges include limited outreach, mainly concentrated in urban areas, low repayment rates, especially government managed funds (AK/JK). Access to micro finance provides a great opportunity for the creative and entrepreneurial development of the youth population, calling for a need to scale up and expand outreach, especially in rural areas. Micro finance services should also include different products including capital for equipment.

Formation of Youth Economic Groups

The need to form youth groups/associations is increasing, and youth have continued to take the opportunity. Youth have either joined existing associations or formed their own. In Unguja, JUWAFU Dairy association, which has a total of 83 (33W, 50M) members, 50 are youth, representing more than 50 percent of membership, demonstrating the motivation youth have in forming/joining associations. Despite the eagerness, coordination of such efforts including identification of the groups' needs is important in order to streamline the meagre support potentially available from public institutions.

Training on Value-Addition Chains and Marketing

Recent reports have shown that post-harvest losses in the agriculture sector in Zanzibar range from 49% (mangos) to 7% (millet). This is basically because of the lack of adequate markets and agro processing facilities. Thanks to the on-going initiative of Market Infrastructure, Value Addition and Rural Finance Program (MIVARFP) and construction of the agro processing centre/institute in Kizimba Zanzibar. Also, included are plans to set incubator centres for small scale technologies that will basically lead to value addition for small enterprises. However, this will not be a panacea to the challenge at hand; more effort is needed to get big investors in the agro processing industry.

Major Challenges

Despite the concerted effort to address youth unemployment in Zanzibar, there remains a number of constraining factors as a challenge ahead. Significant mismatch exist between the number of young people seeking employment and the limited number of jobs offered. However, it is not only the quantitative mismatch between supply and demand of labour that hampers youth employment but also the quality. Education and training has failed to respond adequately to the demand of labour market, young job seekers cannot offer the skills that employers require.

Undoubtedly, such imbalances have to be addressed so that national efforts on employment creation are not compromised. There is a clear need of ensuring that the education and training system meet the demands in the labour market.

Training institutions, in particular VET centres, do not have modern/up-to-date facilities for practical and effective training. The tutors are not adequately trained/conversant with the current technologies they would want to impart on their trainees. As such, improvement of the training environment is crucially needed for better outcomes. This may include outsourcing trainers from the private sector and outside the country where necessary.

Due to lack of work experience and inability to compete with skilled and experienced workers and the consequence of inadequate education, first time job seekers tend to encounter more barriers to employment. Setting up incentives for employers to hire young people through voucher system, internships and apprenticeship schemes will address the demand side.

Although microfinance credit institutions are on the increase in Zanzibar, not all youth have access to the same, there is limited outreach, especially in the rural areas. While it is true that not all youth are

smart enough to cope with economic credits, yet not all potentially good have access to the same. Thus, sensitization programmes such as those planned under MIVARFP are essentially needed.

It was indicated earlier in this report that the service sector, tourism included, is the leading in terms of job creation in Zanzibar. Tourism has generated many job opportunities, and it remains one of the most fastest-growing sectors, although many youth Zanzibaris do not prefer working in the sector mainly because of cultural and religious reasons. Strategic career counselling and sensitization programmes will be necessary to change attitudes in favour of the emerging job opportunities in the islands.

1.4 Institutional Framework and Coordination of the Implementation of ZYEAP

Successful implementation of youth employment programmes depends on collaboration and coordination by the major stakeholders. Effective implementation of the first generation ZYEAP was hampered by lack of clear framework of cooperation and coordination among the stakeholder institutions. In particular, the splitting of the former Ministry of Labour with Youth Development going to the Ministry of Social Welfare, Women and Child Development (MSWYWCD) left the ZYEAP document somehow 'hanging' in the new Ministry of Labour, Employment and Cooperatives. The review report of the implementation of the first generation of ZYEAP noted weak inter-sectoral collaboration and synergies. Coordination of activities at local level was noted to be equally very limited, leading to incoherence and misalignment of objectives across sectors. Although the employment policy advocates for greater collaboration and coordination within the government setting, on employment issues, actual implementation of interventions for promoting the same have been negatively affected by inadequate institutional capacity and coordination.

Surely, issues of employment should in principle be dealt with by MSPOLPS, and in particular, the Director of Employment; but the youth population is under the custodianship of MESWYWC as far as issues of welfare and youth development are concerned. Thus, youth employment issues should be coordinated by MSPOLPS as per its mandate; and issues of youth voices, representation, welfare – e.g. on drug abuse and substance abuse, should be dealt with by MESWYWC. This however, has not been so smoothly forthcoming with regard to the implementation of ZYEAP; a clear line of interaction has to be defined to make both ministries fully accountable according to their mandate.

There is a general feeling among Zanzibaris that concept of mainstreaming employment is not well understood by many including government officials. As a result, little has been done to mainstream and measure employment in the implementation of national development policies and strategies. Moreover, the perception among stakeholders that promotion of youth employment is the responsibility of one ministry did hinder full collaboration and participation by those stakeholders including mainstreaming of youth employment in their plans. Designing a robust institutional arrangement for reporting and evaluation of the implementation of youth employment action plan including incentive structure to encourage continuous reporting is necessary. A system of M&E across all

implementing units has to be established and a reporting system that flow all the way to the national level has to be designed.

The second ZYEAP is being formulated to accelerate promotion of youth employment, to address both the quality and qualitative dimensions of labour force in order to attain decent and productive employment for youth as envisaged in the Vision 2020 and the Employment Policy (2009). This goal can be achieved only if the policy is vigorously and fully implemented. Owing to emerging opportunities, the Youth Employment Action Plan will be reviewed regularly to ensure its continued relevance to the national policy frameworks.

Given the multidimensional nature of the employment challenge, the implementation of the Zanzibar Youth Employment Action Plan requires the active participation and involvement of key actors and stakeholders, with effective coordination from responsible Government institution. These include the Central Government Ministries, Departments and Agencies; Training Institutions; Local Government Authorities; Employers, and Workers Organizations; the Private Sector; Development Partners; Civil Society Organizations and Community Based Organizations.

PART 11- MAIN POLICY AREAS FOR ZYEAP II

2.1 The Motive: Why ZYEAP II?

Zanzibar has persistently faced the problem of youth unemployment and underemployment despite the various employment-enhancing policies adopted and initiatives thereof. Many of the youth graduating from tertiary education cannot get employment in the formal sector. For example, by December 2011, 5,186 job seekers (2,455M and 2,731F) had registered looking for employment in the Public Services (MLEC 2013). According to HBS 2009/10, about 17.1 percent of youth aged 15 -24 years are unemployed; and females are the majority compared to males. The observed youth unemployment rate is far much higher than the Zanzibar general unemployment rate of 4.4 percent as per the 2009/10 Household Budget Survey. Meeting the employment target of generating “decent jobs for youth”, which combines job security, earnings and other working conditions is still a challenge in Zanzibar. This will require enhancing efforts for employment creation while continuing to increase the share of decent jobs.

The first ZYEAP, 2007-2012, did not make much difference in terms of employment creation for the youth; largely because it was not widely adopted and thus not widely implemented. There is thus a need for a new and all-stakeholders widely-adopted and up-to-date action plan for fostering youth employability and employment. The first action plan has also come to an end in 2011 and thus triggers preparation of the second generation.

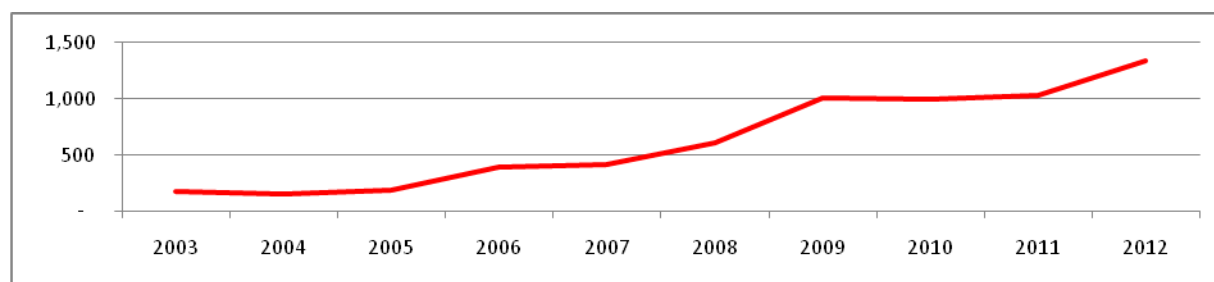
Macroeconomic environment has not been pro-poor enough to adequately respond to youth employment challenge in Zanzibar. The real growth rate of the economy reached 7% in 2012 but employment creation has not equally increased. On the other hand, the tax regimes have not yet been able to generate adequate revenue to meet the ever increasing public expenditure, and thus creating a persistent fiscal deficit coupled with undesirable high inflation rate.

The most vibrant economic sectors have not proportionally contributed to employment creation; implying that growth rate of employment in those sectors has been relatively lower than the respective sector's growth rates. The fastest growing sectors, industry and services, are not interlinked between themselves and between them and the agriculture, forestry and fishing sector to benefit from the so called cross-sector linkages that would have profound impact on employment in Zanzibar.

The education and training system has not been able to neither meet the majority of skills demanded in the labour market and work and entrepreneurial skills needed by those failing to be absorbed in the formal labour market. Whether it is formal, informal cum self-employment, transition from school to work is not as smooth as expected. Some of the youth have negative attitude towards technical and vocational training due to lack of appropriate sensitization and career counselling. This situation is

further compounded by the rapidly increasing university graduates who also find it difficult to get employment (Figure2).

Figure 2: Number of Graduates from Zanzibar Universities (2003-2004)



The Figure shows an increasing number of university graduates, which has doubled since the inception of the first generation of ZYEAP in 2007. Certainly, this is a concern because the job market is not equally responding in terms of opportunities available and matching skills with respect to the college graduates.

2.2. Policy Issues and Priorities

The situation analysis for Zanzibar has indicated growing economic sectors and opportunities for employment creation. It has brought out the constraining factors and challenges of employment creation and employability of youth in Zanzibar. The new plan will therefore be rooted from the deliberations and the various national and sectoral policies that are under implementation.

Economic growth

The economy of Zanzibar grew by 7% in 2012 up from 5.3% in 2008. The growth rate has not triggered matching employment opportunities to the youth population. Since employment is generally inelastic with respect to economic growth in Zanzibar, more robust strategies and activities are needed to increase growth by focusing on the fastest-growing sectors and at the same time enhance exports and domestic markets. This will accelerate economic growth while at the same time generate employment in the economy. It is also observed that though the inflation rate is at single digit now, it is not yet stable and low enough to stimulate investment and thus economic growth. Measures to reduce further and stabilize the inflation process are necessary.

Domestic government revenue mobilization

The fiscal deficit in Zanzibar has consistently remained big and perpetuating external dependency. Prudent fiscal policies will have to be adopted in order to increase government revenue on one side and at the same time make public expenditure more efficient and outcome oriented. This will potentially lead to more public spending on youth training and employment creation programmes particularly for the disadvantaged social groups in the labour market.

Synchronization of sectoral synergies to foster youth employment

The industry sector was the fastest growing sector in 2012 but with proportionally small contribution to GDP relative to other sectors. Also, the exports share of the manufacturing sub sector has been declining persistently. In terms of employment creation, it is neither the leading nor the fastest growing. Thus, more efforts for expanding the sector and at the same time build linkages with the rest of the sectors would see more employment opportunities created in Zanzibar.

The growth of the agriculture, forestry and fishing sector in Zanzibar is approaching stagnation, although the sector has broad-based employment and is highly pro-poor. It also has potential cross-sector linkages in terms of linkage to microfinance credits, value addition, marketing, the tourism sector, industries, etc. Thus, investment in the sector has the potential of increasing employment across a number of other sectors. Thus, focusing on application of productivity-enhancing factors such as infrastructure; productivity-enhancing inputs; agricultural support services; gender sensitive agricultural planning and; appropriate technologies would have a profound impact on rural employment and livelihoods.

The Service sector is the largest in the economy of Zanzibar contributing about 45.3% of real GDP by 2012. The sector has had continuously high growth rates which reached 8.7% in 2012. Tourism services are the driver of the observed growth. The trend indicates high potential for employment opportunities for Zanzibar. However, tourism which has been identified as one of the drivers of growth needs further promotion and linkages to the rest of the sectors of the economy. Human resource capacities in the tourism industry need to be developed, both in numbers and quality, to ensure that more Zanzibaris take up employment in the sector.

Education and Training Policy

MKUZA II, the major government strategic document, is formulated in line with the overarching goal of promoting youth employment (Strategy no. vii of Cluster one): emphasizing demand-driven skills development for promoting self-employment, transforming micro enterprises to be more productive, formation of economic groups, and development of apprenticeship training policy, enhanced enrolment to school and college education at all levels, review of school curriculum to sharpen skills/competencies, entrepreneurship training programs, promoting access to credit, etc.

The aim of the Zanzibar education and training policy is to impart employable skills to youth and at the same time inculcate and build entrepreneurial skills. This requires curriculum review at various levels as stipulated in the Education and Training Policy. This is yet to be done. However, training programmes for youth have been one of the major activities during ZYEAP I; the focus has been on entrepreneurship and business skills and formation of economic groups. The training programmes include training by Vocational Education Training Centres for the youth in Zanzibar. Notwithstanding, the trainings have neither been able to match the ever increasing needs for youth training nor carry out outcome cum impact assessment for determining further actions. Therefore, the training on entrepreneurship needs a more focused approach and central coordination. The current effort to establish entrepreneurship authority and put in place entrepreneurship policy will address the gaps.

As noted in the review of the implementation of ZYEAP I, training institutions, in particular VET centres, do not have modern/up to date facilities for training; improvement of the training environment is crucially needed for better outcomes. This may include outsourcing of trainers from private sector as well as outside the country in the short term. Trainers from the private sector (employers) will make training more relevant to the needs of the country.

Labour market information system

Development and expanding the Labour Market Information System (LMIS) which will link employers (job providers) with employees (job seekers) is crucial for Zanzibar. This would share information on the employment opportunities available to youth including career counselling accordingly.

Strengthening of the youth economic groups

Many youth groups continue to emerge under different programmes and institutions, which is undoubtedly a good outcome, but coordination and monitoring and evaluation is important for identifying the groups' needs in order to support them accordingly.

Access to microfinance Services

It has been noted that microfinance credit institutions are on the increase in Zanzibar; but not all youth are accessing microfinance services. Some simply turn away because of religious and/or cultural reasons. While it is true that not all youth are smart enough to cope with economic credits, yet not all potentially good have access to the same. Thus, sensitization programmes such as those by MIVARFP should be scaled up. However, expanding and improving the performance of microfinance services in Zanzibar would potentially give more youth employment in Zanzibar. This would complement the objective of training on entrepreneurship skills.

Business Support Services

The informal sector in Zanzibar is rather strong, vibrant, and fast-growing. It is the home of many small businesses and youth engaged in self-employment activities. It is thus a form of business incubator for ordinary people, particularly the youth. Many of the people taking up micro credits join this sector, including those who fail to get jobs in the formal sector after college training. Therefore, much as informality is generally undesirable in the economy of Zanzibar, it is still a key entry door for those aspiring to become entrepreneurs; and thus also the destination of the majority of those graduating from entrepreneurship training programmes. Plans are already underway to establish business incubation centres in Zanzibar. It is needless thus, to emphasize that provision of business-support services to both the formal and the informal sector is deemed crucial. These include training, business registration, one stop point for dealing with the issues of SMEs, etc.

The recently launched ILO's sponsored programme on KaziNjeNje (KNN) in Zanzibar is part of the ongoing initiatives to provide business support services. The KNN Business Development Service (BDS) providers have been capacitated to deliver basic business development services in the form of generate Your Business Idea (GYBI) and Start Your Business (SYB); and have been subjected

to entrepreneurship theories and personal development. These are then dispatched to different districts in Zanzibar (Unguja and Pemba) to support youth entrepreneurship development.

Monitoring and evaluation

The need for ensuring that youth employment is mainstreamed in the planning process by all stakeholders is critical for successful implementation of ZEAP II. Moreover, the perception among stakeholders that promotion of employment is the responsibility of one ministry should be changed so that every stakeholder becomes responsible and accountable within his/her mandate. Thus, it is crucially important to design a robust institutional arrangement for reporting and evaluation of the implementation of youth employment action plan including incentive structure to encourage continuous reporting. A system of M&E across all implementing units has to be established including a reporting system that flow all the way to the national level.

PART 111- THE ACTION PLAN

I. GOAL

The overarching goal of the second generation Zanzibar's Youth Employment Action Plan (ZYEAP II) is to contribute to full and more productive employment of the youth in Zanzibar.

II. PRIORITY AREAS AND OBJECTIVES

The objectives of ZYEAP II were identified through a participatory process involving different stakeholders to ensure that they address the real youth employment situation in Zanzibar. Accordingly, the following shall be the priority areas and objectives of the second generation of ZYEAP:

PRIORITY AREA 1: Macroeconomic Policies

Achieve stable macroeconomic environment with increasing domestic revenue, decreasing budget deficit and inflation rate

A vibrant private sector is needed in Zanzibar because it is the major source of potential employment to the majority of people. As such, there should be in place, stable macroeconomic environment to attract foreign and domestic investment and thus lead to economic growth and employment.

Increase the annual rate of economic growth and export to GDP ratio

The growth rate of Zanzibar economy of around 7% has not matched population increase of about 2.8% per annum and the increasing demand for youth employment in Zanzibar. More robust strategies and activities are needed to increase growth by focusing on the fastest-growing sectors.

Ensure effective labour market policies

All-inclusive labour market policies will have to be ensured so that all social groups have access to employment opportunities with decent earnings. Also, Development of a well-coordinated Labour Market Information System will facilitate availability of employment information which is useful for planning, programming, monitoring and evaluation of labour issues. Also, shared labour market information system will provide more youth information on the available employment opportunities.

Social exclusion is one of the barriers to employment access among youth. Particular groups of young people face specific hardships due to discrimination and social exclusion arising from disabilities, those affected by HIV/AIDS; those involved in hazardous work and disadvantaged youth. This objective

therefore intends to address social exclusion which is most common in developing economies including Zanzibar.

PRIORITY AREA 2: Education and Vocational Training

Build students positive attitude towards technical, vocational and entrepreneurship training

- Currently, non-formal education has the highest potential for youth employment than the formal education system in Zanzibar. Therefore, non-formal education will be integrated with formal training to impart work and entrepreneurial skills to graduates right away from school. This will gradually change the negative attitudes towards technical education and vocational training.

Increase access of rural youth to technical and vocational training

In order to ensure that youth are employable, the ZYEAP II will seek to address the problem of skill shortage and or skill mismatch. This shall seek to achieve the following: At least 4 categories of ISCO identified and analysed, 30 trainings institutions and 20 keys stakeholders identified and involved in training provision, 100 trainers trained, 300 groups of youth trained and the Vocational Training Authority strengthened.

Ensure that Education and Training meet labour market demand

Zanzibar Employment Policy recognizes vocational and technical education as important tools for wealth creation. Hands-on learning and knowledge in mechanization and automation are constantly demanded in the labour market. Thus, technical education and vocational training will be reviewed to ensure that it is aligned with demands in the labour market.

PRIORITY AREA 3: Entrepreneurship and Sustainable Micro Enterprise Development

Establish an institution responsible for Entrepreneurship & MSMEs development

Entrepreneurship development is a key ingredient in addressing youth employment in Zanzibar. This is the engine for the growth of MSMEs. A Centre which is fully dedicated to the development of entrepreneurship and MSMEs in Zanzibar will be established in order to fully explore its potential for generating employment.

Assist policymakers in identifying the key elements of an entrepreneurship policy and formulating actions to stimulate inclusive and sustainable growth.

Formulation of actionable plan especially in implementation of entrepreneurship policy will ensure inclusive, sustainable and pro-poor growth. The policy would guide entrepreneurship training and other development activities surrounding this dynamic theme in Zanzibar.

Enhance business management skills and inculcate entrepreneurial mindset from job seeking to job creation.

Biased entrepreneurial mindset has been found to be a critical challenge especially for youth. To address this challenge, ZYEAP II will seek to take measures so that all schools/colleges teach Entrepreneurship Subjects.

Provide business development services including Business Incubation for youth

Business development services are crucial to the growth of SMEs as they have the potential to help new entrepreneurs and existing businesses to grow, become more competitive, and contribute further to the prosperity of a country. The targets under this objective include establishing five (5) Business Development Support Centres (BDS) i.e. one in each region and two (2) incubation centres, one in Pemba and another Ungula.

Promote and improve access to microfinance services

Microfinance credit institutions are on the increase in Zanzibar, but not all youth have access to their services for various reasons including cultural and religious barriers. While it is true that not all youth are smart enough to cope with economic credits, yet not all potentially good have access to the same. Thus, more efforts are needed to increase youth access to microfinance services.

Support business formalization from informal to formal sector

It is estimated that about 80 percent of the labour force in Zanzibar is engaged in the informal sector; and the majority of them are women. Formalizing informal sector will therefore have a profound impact on economy of Zanzibar including creation of descent employment. The target is to establish two (2) stop centres dealing with business registration in Ungula and Pemba, respectively.

III. MAIN OPERATIONAL OUTCOMES, STRATEGIES, OUTPUTS AND PERFORMANCE INDICATORS

The objectives of ZYEAP II were identified through by the technical team mentioned in the introduction to ensure that they address the real youth employment situation in Zanzibar. Accordingly, the main operational outcomes, strategies, outputs and activities of the second generation of ZYEAP are outlined in Annex 1.

VI. RESOURCE MOBILIZATION

The ZYEAP II will need availability of adequate resources for implementing the plan. The Government will therefore engage MDAs, LGAs, the private sector and Development Partners in resource mobilization for ZYEAP. This will involve mainstreaming youth employment activities in the Zanzibar

policy frameworks, sector plans and budgets (MTEF) and strengthening of the capacity of key actors for mainstreaming of youth employment in plans and budgets.

IV. IMPLEMENTATION FRAMEWORK AND MONITORING MECHANISM

A clear and strong political commitment emanating from the highest Government levels is key to ensuring accountability and sustainability of planned interventions. The level at which the decision is taken has consequences for the way it will then happen. A political commitment at the highest level also ensures effective coordination between sectors and the Ministry in charge of employment. Experience has shown that when political commitment is not sustained over the medium-term, the policy's implementation – and even sometimes its formulation may stop. The change of government also has a bearing on accountability, the policy may be abandoned, even though it had been adopted at the highest level and agreed on by all parties. In Liberia, for example, creating job opportunities for all Liberians was a key message in all the pronouncements of the President of Liberia, Her Excellency, Nobel Prize winner Ellen Johnson-Sirleaf, and therefore a political commitment at the highest level. These messages were translated into strategies and actions in the National Employment Policy and the action plan. This gave the Ministry of Labour political clout and authority. In South Korea, a National Employment Strategy Council was established in early 2010 to prioritize job creation as a national objective, implementing both temporary job creation programmes and structural reforms. It is chaired by the President, and a number of ministries and social partners are members; the Council serves as a sub-branch of the National Economic Emergency Council. These experiences will be shared by the RGoZ during presentation of the plan to the PS committee.

Roles and Responsibilities of the Key Actors

Ministries, Departments and Agencies with potential for employment creation i.e. agriculture, industry, tourism, education and vocational training, works etc.

The Central Government's role will mainly focus on creating conducive macroeconomic environment and the allocation of investment resources that will foster employment growth. It will also oversee and ensure implementation of the youth action plan by:

- putting in place the requisite infrastructure facilities, which will provide a basic support for growth in the employment intensive sectors;
- taking appropriate measures to reduce the risks and transaction costs of lending, to foster the growth and expansion of the agricultural, formalizing the informal economy, and other sectors, that will accelerate employment growth.
- ensuring that the goal of decent and productive employment is achieved and becomes a priority in national economic and social development.

- monitoring the employment implications of national investment decisions so that development policies and programmes are pro - employment and pro-poor.
- Oversee and ensure compliance in the enforcement of labour laws by all actors including employers and other private employment agents.

Development Partners

- Provide technical and financial support for implementation of the Zanzibar Youth Employment Action Plan;

Regional and Local Government Authorities

- Develop, monitor, and coordinate employment creation initiatives in their areas of jurisdiction to achieve the objective of youth employment action plan;
- Compile quarterly, semi and annual reports for submission to the Ministry of Labour, Department of Employment
- Identify areas with employment intensive investment and undertake initiatives to promote youth employment creation
- Develop database on youth employment including collection and disseminate relevant information on youth employment on routine basis.

Education and Training Institutions

- Establish network and partnership with employers to match the training provided with the labour market demand
- Review/adjust curriculum from time to time to meet labour market needs.
- Include entrepreneurship education in the training programme
- Ensure knowledge, values, attitudes and skills provided meet the demands of the labour market

Workers and Employers Organizations

- Strengthen and improve labour relations at work places;
- Support programmes that would contribute to youth employment and employability including internships, apprenticeship, mentoring, coaching etc.
- Establish network and partnership with training institution to ensure matching of training

The Private Sector

- Expand investments and productivity in all employment intensive sectors

- Initiate dialogue with the Government and other stakeholders on matters related to youth employment promotion
- Provide youth friendly services including training and loans through bipartite agreement with the Government

Civil Society Organizations/Community Based Organizations

- Complement efforts from the Government to create employment for young women and men
- Raise awareness on the importance of employment reduction of poverty.

Coordination and Communication

A Committee of Principal Secretaries (PS) and a technical working group have set up to oversee implementation and reporting. While the PS committee comprises of permanent secretaries from key sectors with employment potential, the technical committee comprise of representatives from government institutions, workers and employers organizations, private sector, CSOs and CBOs. At district level, District Employment Creation and Empowerment Committees chaired by District Commissioners have been established. The technical committee will advise the PS committee in all matters pertaining to youth employment promotion for policy guidance and decision making.

Communication aims to first sufficiently inform the actors and beneficiaries and sensitizing them so that they understand the imperative of youth employment and take into account the ways and means that every actor, public or private, in his/her field of responsibility, must put in action to contribute to the promotion of youth employment. This approach to internalization must therefore both make the ZYEAP known in its contents to all those who are concerned, and make them grasp its meaning as a comprehensive and new mode of action that the authorities introduce to strengthen the treatment of the employment challenges. In this regard, the Ministry of State, President Office, Labour and Public Service will be responsible for the overall coordination of the implementation of youth employment action plan. A communication strategy/plan will be put in place to facilitate coordination. The Ministry of Labour will report to the PS Committee on Employment Creation and Economic Empowerment. The Ministry will coordinate the day-to-day implementation of the youth employment action plan guided by the PS Committee. It will also coordinate monitoring and evaluation of the action plan. An implementation strategy including M&E framework will be developed. The Ministry will be assisted by the Technical Working Group that formulated the ZYEAP II. Participation by Non State Actors (including the private sector and CSOs) in the planning, implementation and monitoring process will be promoted and enhanced. At the local level, District Employment Creation and Empowerment Committees, which are composed of representatives from government institutions, workers and employers' organization, private sector and civil society organizations and chaired by the respective District Commissioner, will play a central role in ensuring successful implementation of the action plan.

List of Annexes

Annex 1: Summary of Objectives, Outputs, Activities and Targets

PRIORITY AREA 1: Macroeconomic policies

Objective 1: To Ensure Stable Macroeconomic environment with increasing employment opportunities for young women and men

Outcomes	STRATEGIES	OUTPUTS	ACTIVITIES	PERFORMANCE/OUTPUT INDICATORS	TARGET	BASELINE	Means of Verification	TIME FRAME	RESPONSIBLE
Achieve stable macroeconomic environment with increasing domestic revenue, decreasing budget deficit and inflation rate	Strengthen union financial matters related to monetary policy and fiscal policies	Low and stable single-digit inflation rate attained	Discussion and approval of the new mandate of BoT	New mandate for BoT about Inflation targeting The inflation rate and standard deviation over the next 5 years	5% inflation rate on annual basis as of 2014. Reduction of 50% of the yearly standard deviation with respect to 2012	Inflation rate reduced is 9.4% on a yearly basis in 2012. Standard deviation over the period 2008 - 2012 was	Annual Performance and Financial reports	2014–2018	POFEDP MLEC ZRB TRA ZMC ZIPA PRIVATE SECTOR
	Take measures to increase domestic revenue	Diversified structure of tax revenue collection	Identify new areas of taxes and revenue collection Legislative process for approval and implementation	Number of new areas of taxes identified and volume of tax revenue collected expressed as percentage of GDP	At least three new taxes or excises identified and contributing to at least 20% of the total revenue collection by 2016	Tax structure in 2013			
		Reduced fiscal deficit	Undertake budget screening and review to identify measures for reducing the fiscal deficit	The extent of fiscal deficit	Public expenditures to GDP at	Public expenditures to GDP in 2013			

<p>Increase the annual rates of economic growth and export to GDP ratio</p>	<p>Strengthen the implementation of Zanzibar Growth Strategy (ZGS)</p> <p>Promote Zanzibar as a Special Economic Zone (SEZ)</p> <p>Strengthen ZIPA</p>	<p>Simplified system of tax collection.</p>	<p>Harmonize taxes, duties and charges to be conducive for small entrepreneurs</p>	<p>World Bank Doing business indicator related to tax payment</p>	<p>Sub Saharan average</p>	<p>Position in 2013</p>	<p>WB doing business indicators</p>	<p>2014-2018</p>	<p>MoF, ZRB</p>
	<p>Improve commodity branding and packing through training</p>	<p>Pro youth employment investment policy</p>	<p>Mainstreaming youth employment into the Investment Policy</p>	<p>Text of investment policy</p>	<p>At least three tangible measures encompassing youth employment contents within new investments.</p>	<p>No such provision exist</p>	<p>Text of investment policy</p>	<p>2014-2017</p>	<p>Zanzibar Investment Promotion Authority, MoSPOLPS</p>
<p>Youth employment promoted through public works</p>		<p>Pro youth employment Public works</p>	<p>Activity 1: Collect primary data to evaluate how public works programmes contribute to youth employment.</p>	<p><i>Number of pro youth public works projects launched yearly</i></p> <p><i>Number of employments and work days created for youth</i></p>	<p>Target</p> <p>At least 10 projects per year creating at least 500 jobs (minimum 40 working days per job)</p>	<p>No pro youth public works as of 2013</p>	<p>Reports of MIC and MOL and contractors</p>	<p>2014</p>	<p>MoSPOLPS, MIC, Local Authorities</p>
			<p>Activity 2: Establish database for public works programmes</p>					<p>2014</p>	
			<p>Activity 3: Design more public work programmes by targeting the unemployed youth</p>						
<p>A coordinated labour market information system with appropriate mechanism of involving all stakeholders including youth is established</p>	<p>Strengthen the current labour market information system to ensure effective coordination, informationgen</p>	<p>Information Management System inclusive of all the labour market stakeholders in place and functioning</p>	<p>Establish new outreach mechanism system for labour market information system</p> <p>Sensitize stakeholders on the</p>	<p>Number of employers and job seekers accessing labour market information (vacancies) through employment services and internet access.</p> <p>Number of new job seekers</p>	<p>At least 100 employers utilizing and 50000 youth accessing yearly labor market information</p>	<p>Less than 10 employers and about 5000 youth registere</p>	<p>Periodic and annual reports published by the LIMS users and private employment agencies.</p>	<p>2047-2018</p>	<p>MoSPOLPS POPSGG ZANEMA ZATUC ZATI, private employment agencies</p>

	<p>eration, management and dissemination.</p> <p>Ensure smooth and on-time information sharing among all the stakeholders including job seekers.</p>		<p>importance and use of labour market information</p> <p>Training of stakeholders on generation, management and use of labour market information</p>	<p>registered at employment services.</p> <p>Numbers of sensitization/trainings to social partners conducted</p>	<p>about vacancies.</p> <p>At least 30000 new young job seekers registered through employment services</p> <p>At least 5 sensitization workshops per year conducted</p>	<p>d</p> <p>No such workshop held.</p>			
<p>Strengthened labour market policies with increasing employment opportunities for youth</p>	<p>Government to activate and promote labour market policies that will encourage unemployed youth to step up their job search efforts</p>	<p>Labour market policies assisting youth in particular the most vulnerable in job finding</p>	<p>Identify and Register the unemployed youth</p> <p>Introduce system of profiling</p> <p>Provide advice, guidance, counselling to jobseekers specifically targeting most disadvantaged youth</p>	<p>Number of job seekers registered and assisted to search for jobs, broken down by disability status, gender, level of education, household income.</p> <p>No of job seekers employed following training</p>	<p>At least 5000 youth per year assisted, of which half from a disadvantaged background.</p> <p>50% of the trainees employed</p>	<p>0</p> <p>0</p>	<p>Reports from MLEC and public and private employment agencies</p>	<p>2014-2018</p>	<p>MoSPOLPS</p> <p>ZANEMA</p> <p>ZATUC</p> <p>ZATI,</p> <p>Private employment agencies</p>
			<p>Train job seekers on job search skills</p> <p>Match job seekers with available jobs</p>			<p>MLEC Reports</p>	<p>2014-2018</p>		

		Employment opportunities increased through training and re-training of unemployed college graduated	<p>Establish network and partnership with employers</p> <p>Identify industry sector with a real skills shortage</p> <p>Develop effective training and support program that will help these candidates make the transition to employment</p> <p>Attach job seekers with identified employers</p> <p>Follow up and monitor training</p>	<p>Number of private sector employers participating in the programme</p> <p>Number of youth graduates attached in industries</p> <p>Number of youth graduates retained after attachment</p>	<p>At least 100 employers over 4 years</p> <p>At least 300 young graduates attached to industry</p> <p>At least 50% of the attachés retained (without downsizing of the staff of the employer)</p>	<p>0</p> <p>0</p> <p>0</p>	MLEC and employment services report	2014-2018	<p>MoSPOLPS</p> <p>ZANEMA</p> <p>ZATUC</p> <p>ZATI,</p> <p>Private employment agencies</p>
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PRIORITY AREA 2: Education and Vocational Training

Objective 2: To impart positive attitude towards vocational training and self-employment to College graduates and school leavers

S/N	OUTCOMES	STRATEGIES	OUTPUTS	ACTIVITIES	Performance/Output Indicators	Target	Baselines	MoV	Time Frame	Responsible
1.	Students have positive attitude towards technical, vocational and entrepreneurship training	<p>Increase mainstreaming of pre-vocational training, technical and entrepreneurship education in schools</p> <p>Carry out counselling in schools and colleges with emphasis on technical training and self-employment</p> <p>Introduce entrepreneurship subjects in the education and training system</p>	Youth applying for technical education and training increase	<p>Train selected primary and secondary school teachers on career guidance and counselling</p> <p>Provide career guidance and counselling to students in primary and secondary schools</p> <p>Provide career guidance and counselling to out of school youth wishing to join VET programmes</p> <p>Develop leaflets and brochures on VET opportunities and circulate widely</p>	<p>Number of teachers trained on career guidance and counselling</p> <p>Number of youth applying for VET programmes</p> <p>Number of leaflets produced and disseminated</p>	<p>5% of teachers of teachers in schools trained</p> <p>30% of schools leavers join VET programme</p> <p>50,000 leaflets produced and disseminated</p>	<p>1% of teachers trained in both technical and education</p> <p>5% of school leavers join the VET</p> <p>NIL</p>	VET REPORTS	2014-2015	MoEVT, MS(PO)LPS, MTIM, MESWYWC
			Youth graduates from or attending vocational and entrepreneurship training increased	Undertake school visit and talk about VET opportunities	Number of VET graduates trained on entrepreneurship education	27% of school leavers graduate VET and entrepreneurship	TBD	VET REPORTS	2014-2015	MoEVT, MS(PO)LPS, MTIM, MESWYWC and PRIVATE SECTORS,
			Youth engaging in self-employment after graduation increased	Carry out curriculum review to include issues of pre-vocational training and entrepreneurship in education	Number of graduates from primary and secondary school students engaging in self-employment	<p>Reviewed School curriculum</p> <p>25% of school graduates engage in self – employment</p>	<p>TBD1% of graduates students</p>	<p>VET reports</p> <p>MoEVT Reports</p>	2014-2015	MoEVT, MS(PO)LPS, MTIM, MESWYWC and DPs,

PRIORITY AREA 2: Education and Vocational Training *cont.*

Objective 3: Education and training meet the labour market demand

SN	OUTCOMES	STRATEGIES	OUTPUTS	ACTIVITIES	Performance/Output Indicators	Target	Baselines	MoV	Time Frame	Responsible
2.	Practical and relevant work-skills imparted to VET and college graduates	Government to establish partnership with employers to determine industrial needs as inputs in curriculum development and review Government to strengthen the capacity of VTA to provide services to VET institutions.	Capacity of VTA strengthened to provide VET services in line with VET Act and market needs regarding programmes	Undertake needs assessment of VTA (human, financial and facilities) Enhance the capacity of VTA based on assessment Development of instruments for standard enforcement and regulation	Number of graduates finding work in their respective field of study within six months Number of instruments developed and applied	All VET institutes register and become regulated by VTA VTA Instruments for standard enforcement and regulation	TBD VET Policy VET Act	ASSESSMENT REPORTS VET REPORTS ISCO, Annual Report of MoEVT Man Power Survey Report	Continuous	MoEVT, MS(PO)LPS, DPs MOF, Private sector
			Forum for consultation synchronizing training and demand for skills in the labour market established	Forum meeting for Employers organization and training institutions to establish a Consultation Board at national level for follow up	Number of meetings between training institutions and employers held Established Board of identifying follow up of skills gaps in the labour market	Effective Board of consultation is in place	NILL	MS(PO)LPS, and MoEVT Reports Consultation Board in place	Continuous	<u>MS(PO)LPS,</u> and MoEVT
			Education and training programmes aligned to market needs	Undertake a study to establish skills gaps Work with employers to review the curriculum (programmes) Convene meetings of employers and trainers to discuss industrial needs Develop tailor made	Number of job posts with and without qualified applicants	To be determined	To be determined	Assessment Reports	Continuous	<u>MoEVT</u> MS(PO)LPS,

				programmes to meet industrial needs						
3.	To enhance and promote apprenticeship in the formal and informal sectors	Government to establish partnership with private sector for improved workplace learning	Apprenticeship piloted in the hospitality industry	Establish a steering committee in collaboration with private sector	Steering committee in place		Apprenticeship policy	Committee reports MoEVT. Reports	2014-2018	<u>MoEVT</u> <u>MSPOLPS</u>
				Identify hotels willing to enrol apprentices	Number of employers willing to pilot apprenticeship					
			Prior learning in the informal sector recognized and certified	Identify master trainers in selected fields	Number of master trainers trained	-	Apprenticeship policy	Reports from MOEVT	2014-16	<u>MoEVT</u> <u>MSPOLPS</u>
				Train master trainers in pedagogical skills	Number of apprentices certified					
				Develop a guide/ curriculum for informal apprenticeship						

PRIORITY AREA 2: Education and Vocational Training *cont.*

Objective 4: Employment opportunities for youth in rural areas increase through VET training

SN	OUTCOMES	STRATEGIES	OUTPUTS	ACTIVITIES	Performance/Output Indicators	Target	Baselines	MoV	Time Frame	Responsible
1.	Increasingly, more youth attend and graduate from vocational training	Government to establish partnership with DPs and mobilize resources to strengthen existing vocational training centres and construct new centres.(one in rural areas in Unguja and one in Pemba).	Existing VET centres strengthened by providing them more and modern facilities More employed and trained VET technical staff	Undertake assessment of existing VET institutions to identify gaps (human and facilities) Strengthen the existing centres based on the assessment report	Number of Centres strengthened Number of machines and equipment installed in the existing centres Number of teaching staff undergoing training	9 75% of teaching staff undergo upgrading trainings	Under equipped and staff	MoEVT. Reports Report of the assessment of the centres	2018	<u>MoEVT</u> POFEDP

			New centres constructed one in each Island (Unguja and Pemba)	Undertake resource mobilization Undertake construction of two VET centres	Number of centres constructed	Two new centres	Three centres in Unguja	Two new centres in place	2016	MoEVT POFEDP

PRIORITY AREA 3: Entrepreneurship and Sustainable Micro Enterprise Development

Objective 5: To Increase access to business development services by young women and men increase

Outcomes	Strategy	Output	Activity	Performance/Output Indicator	Target	Baseline	Means of Verification	Time frame	Responsible Institution
Existent of Vibrant national framework (MSMEs authority) for facilitating business development services for MSMEs	The Revolutionary Government of Zanzibar through MTIM to initiate the establishment of MSMEs Development Authority involving closely key stakeholders and development partners.	Presence of effective MSMEs implementation Institution responsible for MSME development in place	<p>Activity 1: identification of staff for the newly established MSMEs authority</p> <p>Activity 2: Study visit to India/China to see the working of existing MSMEs Development Authority</p> <p>Activity 3: Identify location/premise and equipping the centre</p> <p>Activity 4: Establish & launch MSMEs Development Authority (Including operational cost)</p>	<ul style="list-style-type: none"> Number of young women and men receiving support from MSME Authority Number of young women and men who have registered their businesses after MSMEs support 	One centre	Nil	<p>Existence of the centre</p> <p>Centre reports</p> <p>Testimonies from young women and men receiving support</p>	2014-2015	<p>MTIM</p> <p>POPC</p> <p>MSPOLPS</p> <p>MESWYWC</p>

			Activity 5: Provide BDS services to youth and MSMEs						
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PRIORITY AREA 3: Entrepreneurship and Sustainable Micro Enterprise Development (cont.)

Objective 6: To have Entrepreneurship & MFI development policy this enhances job creation among youth

Outcome	Strategy	Output	Activity	Performance/Output Indicator	Baseline	Means of Verification	Time frame	Responsible Institution
Existence of vibrant national policy framework for entrepreneurship-led employment creation	The government to engage stakeholders to formulate a national entrepreneurship and MFIs development policy and its strategy	Entrepreneurship and MFI policy developed	Activity 1: Entrepreneurship & MFI Policy formulation Activity 2: Validation of the policy Activity 3: Implementation of the policies	Policies in place	Nil	Reports of stakeholders meeting working policy in place	2014-2018	<u>MTIM</u> <u>MESWYWC</u> <u>MoF</u> POPC, MLCA, MSPOLPS,

PRIORITY AREA 3: Entrepreneurship and Sustainable Micro Enterprise Development (cont.)

Objective 7: To make School and college graduates more of job creators than seekers

Outcome	Strategy	Output	Activity	Performance/Output Indicator	Baseline	Means of verification	Time frame	Responsible Institution
Enhanced business management skills and entrepreneurial mind set from job seeking to	To initiate the introduction of Entrepreneurship Development subject in higher learning institutions	Students at all institution of higher learning trained in entrepreneurship skills	Activity 1: Develop demand driven Entrepreneurship Curriculum Activity 2: Organize Training of	<ul style="list-style-type: none"> Number of HLIs teaching entrepreneurship skills development subject Number of 	Nil	HLIs reports Students results Testimonies from students	2014-2015	<u>MoVET&</u> MESWYWC MTIM. MSPOLP

job creation.	(HLIs)	development	<p>Trainers for lecturers from all institutions of higher learning on Entrepreneurship Development teaching methodology</p> <p>Activity 3: Introduce Entrepreneurship Development course in HLIs</p> <p>Activity 4: Continues teaching of Entrepreneurship Subject in HLIs</p> <p>Activity 5: Formation of Entrepreneurship Club in HLIs and organize networking events</p>	<p>youth studying/graduating with entrepreneurship subjects</p> <ul style="list-style-type: none"> No of youth starting their own business 		MoVET Reports		S
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PRIORITY AREA 3: Entrepreneurship and Sustainable Micro Enterprise Development (cont.)

Objective: To strengthen capacity of the private sector to provide BDS including technology and business Incubation support for youth and women

Outcome	Strategy	Output	Activity	Performance/Output Indicator	Baseline	Means of Verification	Time Frame	Responsible authority
Provision of Business Development	To initiate the introduction of quality BDS	Business Development Centres and	Activity 1: Establish the Business Incubation centre in	BDS Centre: 5 (One in each region),	Nil	Centres reports	2014-2018	MESWYWC

<p>Services increase the proportion of young women and men with business technology and engaged in MSMEs</p>	<p>including establishment of business Incubation Centres in Zanzibar</p>	<p>Business Incubation Centres in place</p>	<p>the field of ICT,Tourism</p> <p>Activity 2: Establish the Business Incubation Centre for Agribusiness equipped with Agribusiness technologies</p> <p>Activity 3: Establish at least one BDS centre in each region</p> <p>Activity 4: Trained Steering committee members and Incubation staff on Business Incubation Module</p> <p>Activity 5: Train BDS providers</p> <p>Activity 6: Identify and recruit youth to join Business Incubation (Advert)</p> <p>Activity 7: At least 100 start-up Entrepreneurs trained on Entrepreneurship Skills per year</p> <p>Activity 8: At least 25 Entrepreneurs are incubated per year</p> <p>Activity 9: Organise Breakfast shows</p> <p>Activity 10: Business Incubator to act as Business Clinic and provide support to start up & existing entrepreneurs</p>	<p>Incubation centre: 2 (One each in Pemba and Unguja)</p> <p>Training conducted on Business Incubation Modules</p> <p>Training conducted for BDS providers</p> <p>Number of people trained by Business Incubator</p> <p>Number of Entrepreneurs incubated at Business Incubators</p> <p>Number of Entrepreneurs consulted at Business Clinic</p>		<p>Testimonies from youth accessing the BDS Services and Incubated</p>		<p>MoEVT</p> <p>MANR</p>
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PRIORITY AREA 3: Entrepreneurship and Sustainable Micro Enterprise Development (cont.)

OBJECTIVE 9: To create conducive environment for promoting productive and decent work for young women and men

Objective	Strategy	Output	Activity	Performance/Output Indicator	Baseline	Means of Verification	Time Frame	Res. Inst.
Increasing formalization of informal businesses	Government to involve key stakeholders to strengthen legal and regulatory framework and streamline business licensing. Including online business registration	One stop centre in Unguja and Pemba to deal with business registration & licensing with online facilities established	<p>Activity 1: Develop guidelines/procedures for running the One Stop centres</p> <p>Activity 2: Develop online business registration platform</p> <p>Activity 3: Launch the One stop centres</p> <p>Activity 4: Follow up and monitor operations of the centres</p> <p>Activity 5: Encourage youth to register their businesses (sensitization seminar)</p> <p>Activity 6: Motivate youth and provide incentive to register their business (Incentives like Training, Marketing support, networking support will be provided to those who register their business)</p>	<ul style="list-style-type: none"> • 2 Centres (One in Unguja and One in Pemba) • No of youth businesses registered 	Nil	<p>Existence of the centres</p> <p>Reports from the centre</p> <p>Increase in business registration for MSMEs</p>	2014-2016	MLCA, POPC, Office of the Registrar General, ZRB, TRA, ZNCCIA, MTIM, MSPOLPS,

<p>Increasing access to microfinance services</p>	<p>Development of microfinance service models suitable for Zanzibar</p> <p>Support capitalization of selected microfinance institutions</p> <p>Carry out sensitization and promotional programmes for microfinance services</p>	<p>Increased number of entrepreneurs with sustainable businesses/enterprises</p>	<p>Activity 1: Consolidate the existing funds into Empowerment Fund (combine all existing funds into one fund)</p> <p>Activity 2: Carry out sensitization seminar for youth on accessing microfinance services</p> <p>Activity 3: Discussion/dialogue on the Governance structure of Empowerment fund (meant to support youth during Incubation period to support their survival)</p> <p>Activity 4: Expand micro finance services to reach rural youth (MFI interest rates subsidized by the Government)</p>	<p>Number of youth access to credit facilities</p>		<p>Existence of strong microfinance institutions operating profitably</p> <p>Youth with sustainable/profitable businesses</p>	<p>2014-2018</p>	<p>MESWYWC</p>
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PRIORITY AREA 3: Entrepreneurship and Sustainable Micro Enterprise Development (cont.)

Objective 10: To Ensure presence of solid & effective Cooperatives linkages

OUTCOMES	Strategy	Output	Activity	Performance/Output Indicator	Baseline	Means of Verification	Time Frame	Responsible institutions
Existence of effective cooperative linkages	Incorporate cooperatives societies by developing entrepreneurial aspect in Zanzibar	Solid and effective cooperative linkage in places	<p>Activity 1: Develop a governance structure for SACCOS Management based on existing cooperative Act</p> <p>Activity 2: Conduct sensitization meeting on the importance of association building, cooperatives</p> <p>Activity 3: Capacity building training on governance issues, leadership and business management</p> <p>Activity 4: Provision of technical assistance in form of equipment (computers, printers, scanner, photocopier etc.)</p> <p>Activity 5: Provide BDs services to SACCOS</p> <p>Activity 6: Provide mentoring/Coaching support to SACCOS leaders</p>	<p>Number of cooperative society mentored</p> <p>Reports on meeting conducted</p> <p>Sensitization Meeting conducted</p>	Nil	<p>Survey reports</p> <p>Sensitisation meeting reports</p> <p>Capacity building report</p> <p>No of cooperatives societies received technical assistance</p>	2014-2016	<u>MESWYWC</u>

PRIORITY AREA 3: Entrepreneurship and Sustainable Micro Enterprise Development (cont.)

Objectives 11: To ensure sustainable youth engagement in Agriculture, Livestock and Fishery

Outcome	Strategy	Output	Activity	Performance/Output Indicator	Baseline	Means of Verification	Time Frame	Responsible institutions
More youth are engaged in Agriculture, Livestock and Fishery	Incorporate all Agriculture stakeholders in supporting youth engagement in Agricultural business	Youth Sustainability in Agriculture business	<p>Activity 1: Conduct meeting with all Agricultural stakeholders</p> <p>Activity 2: To conduct survey on existing youth Agricultural cooperatives to know their number and status</p> <p>Activity 3: Sensitization of youth towards Agriculture, livestock and fishery</p> <p>Activity 4: create enabling environment for youth to join sustainable Agriculture, Livestock and fisheries (To provide tax holidays, subsidiaries to youth groups and the marketing information)</p> <p>Activity 5: Capacity building training for youth on Agriculture, livestock and fishery value addition chains</p> <p>Activity 6: Provide incentives in forms of tool kits/value addition</p> <p>Activity 7: Connect this youth to empowerment fund and equipment</p> <p>Activity 8: Youth to be supported with Marketing support</p>	<p>No. of stakeholders supporting youth in Agriculture</p> <p>No of youth engaged in sustainable Agriculture</p> <p>No of youth accessed Empowerment fund</p> <p>Number of youth trained in Agriculture</p>	Nil	<p>Meeting Report</p> <p>Survey Report</p> <p>Sensitization meeting report</p> <p>Training reports</p>	2014-2017	<p>MANR</p> <p>MESWYWC</p> <p>MICTS</p>

Annex 2: Implementation Plan

2.1 Macroeconomic Policies (Stable Macroeconomic environment with increasing employment opportunities for young women and men)

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018			
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
OUTCOME 1: Stable macroeconomic environment with increasing domestic revenue, decreasing budget deficit and inflation rate				75,000,000																				
Activity 1: Discussion and approval of the new mandate of BOT	2014	2018	MoF	5,000,000																				
Activity 2: Identify new areas of taxes and revenue collection	2014	2018	MoF	60,000,000																				
Activity 3: Approval and implementation .of new area of taxes AND REVENUE COLLECTION.	2014	2018	HoR MoSPOLPS																					
Activity 4: Undertake budget screening and review	2014	2018	MoF POPC	10,000,000																				
Outcome 2: Increasing annual rates of economic growth and export to GDP ratio				175,000,000																				
Activity 1: Harmonize taxes, duties and charges to be conducive for small entrepreneurs	2014	2018	MoF,	25,000,000																				
Activity 2: Mainstreaming youth employment into the Investment Policy and existing sector policies	2014	2017	MoSPOLPS	150,000,000																				
Outcome 3: Youth employment promoted through public works				110,000,000																				
Activity 1: Collect primary data to evaluate how public works programmes contribute to youth employment.	2014	2015	MoSPOLPS	40,000,000																				
Activity 2: Establish database for public works programmes	2014	2014	MoSPLOPS	20,000,000																				
Activity 3: Design and implement more public work by targeting unemployed youth	2015	2016	MIC MoSPOLPS	50,000,000/																				
Outcome 4: A coordinated labour market Information system with				140,000,000																				

appropriate mechanism of involving all stakeholders including youth is established																										
Activity 1: Establish new outreach mechanism system for labour Market information system	2015	2018	MIC MSPOLGSD MoSPOLPS	20,000,000																						
Activity 2: Sensitize stakeholders on the importance and use of labour market information	2015	2018	MoSPOLPS ZANEMA ZATUC Youth Orgs	40,000,000																						
Activity 3: Training of stakeholders on generation, management and use of labour market information	2016	2018	MoSPOLPS ZANEMA ZATUC Youth Orgs	80,000,000																						
Outcome 5: Strengthened labour market policies with increasing employment opportunities for youth				1,965,000,000																						
Activity 1: Identify and Register the unemployed youth	2014	2018	MoSPOLPS	100,000,000																						
Activity 2: Introduce system of profiling	2015	2015	MoSPOLPS	30,000,000																						
Activity 3: Provide advice, guidance, counselling to jobseekers and Train job seekers on job search skills	2014	2018	MoSPOLPS	1,500,000,000																						
Activity 4: Match job seekers with available jobs	2014	2018	MoSPOLPS	115,000,000																						
Activity 5: Establish network and partnership with employers	2015	2016	MoSPOLPS	75,000,000																						
Activity 6: Identify industry sector with a real skills shortage	2014	2018	MoSPOLPS	75,000,000																						
Activity 7: Develop effective training and support program that will help these candidates make the transition to employment	2015	2018	MoSPOLPS	50,000,000																						
Activity 8: Attach job seekers with identified employers	2014	2018	MoSPOLPS	20,000,000																						
Activity 9: Follow up and monitor training	2014	2018	MoSPOLPS																							

2.2 Education and Vocational Training

Outcomes	Start Date	End Date	Responsible	Resources	2014				2015				2016				2017				2018			
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Outcome 1: Students have positive attitude towards technical, vocational and entrepreneurship training																								
Activity 1: Train selected primary and secondary school teachers on career guidance and counseling	2014	2015	MoEVT VTA, MoF, DPs	120,000,000																				
Activity 2: Provide career guidance and counseling to students in primary and secondary schools	2014	2015	MOEVT	12,000,000																				
Activity 3: Develop leaflets and brochures on VET opportunities and disseminate widely	2014	2015	MoEVT MoF DPs	36,000,000																				
Activity 4: Undertake school/college visit and talk about VET opportunities	2014	2015	MoEVT VTA DPs	12,000,000																				
Activity 5: Carry out curriculum review to include issues of pre-vocational training and entrepreneurship	2014	2015	MoEVT VTA DPs	20,000,000																				
Outcome 2: Practical and relevant work-skills imparted to VET and college graduates																								
Activity 1: Undertake needs assessment of VTA (human, financial and facilities)	2015	2018	MoEVT MOF VTA	23,000,000																				
Activity 2: Enhance the capacity of VTA based on assessment	2015	2018	MoEVT MoF VTA DPs	Depends on the outcome of assessment																				
Activity 3: Development of instruments for standard enforcement and regulation	2014	2018	MoEVT VTA DPs	12,000,000																				
Activity 4: Conduct forum	2015	2018	MoEVT	18,000,000																				

Outcomes	Start	End	Responsible	Resources	2014				2015				2016				2017				2018							
meetings with employers and training institutions to identify and address skills gaps and mismatch in the labour market			VTA ZANEMA																									
Activity 5: Undertake a study to identify skills gaps	2015	2018	MoEVT VTA ZANEMA	12,000,000																								
Activity 6: Work with employers to review the curriculum (programmes)	2014	2018	MoEVT VTA DPs	15,000,000																								
Activity 7: Convene meetings of employers and trainers to discuss industrial needs	2015	2018	VTA DPs ZANEMA	10,000,000																								
Activity 8: Develop tailor made programmes to meet industrial needs	2015	2018	MOF VTA DPS	10,000,000																								
Output 3: To enhance and promote apprenticeship in the formal and informal sectors				410,000,000																								
Activity 1: : Establish a steering committee in collaboration with private sector	2014	2018	MoEVT	10,000,000																								
Activity 2: Identify hotels willing to enrol apprentices	2014	2018	MSPOLPS	10,000,000																								
Activity 3: Develop and agree on training modules	2014	2018	MoEVT	90,000,000																								
Activity 4: Pilot apprenticeship in hospitality industry and draw lessons for scaling up/replication	2014	2018	MSPOLPS	80,000,000																								
Activity 5: Identify master trainers in selected fields	2015	2016	MoEVT	10,000,000																								
Activity 6: Train master trainers in pedagogical skills	2015	2016	MSPOLPS	70,000,000																								
Activity 7: Develop a guide/ curriculum for informal apprenticeship	2015	2017	MoEVT	140,000,000																								
Outcome 4: Increasingly, more youth attend and graduate from vocational training Employment																												

Outcomes	Start	End	Responsible	Resources	2014				2015				2016				2017				2018							
Activity 1: Undertake assessment of existing VET institutions to identify gaps (human and facilities)	2015	2018	MoEVT MOF VTA DPS	14,000,000																								
Activity 2: Strengthen the existing centers based on the assessment report	2015	2018	MoEVT MOF VTA DPS	360,000,000																								
Activity 3: Undertake resource mobilization	2014	2016	VTA MOF	15,000,000																								
Activity 4: Undertake construction of three VET centres	2015	2016	MoEVT VTA MOF DPs	6,000,000,000																								
Activity 5: Operationalize the three constructed VET centres	2015	2018	MoEVT Mof VTA DPs	600,000,000																								

2.3 Entrepreneurship and Sustainable Micro Enterprise Development

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018							
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
Outcome 1: Existent of Vibrant national framework (MSMEs Authority) for facilitating business development services for MSMEs	2014	2015	MTIM, POPC MSPOLPS, MESWYWC	2,480,000,000																								
Activity 1: identification of staff for the newly established MSMEs	2014	2015	MTIM	16,000,000																								

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018																					
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4																		
authority																																										
Activity 2: Study visit to India/China to see the working of existing MSMEs Development Authority	2014	2015	MTIM	32,000,000																																						
Activity 3: Identify location/premise and equipping the centre	2014	2015	MTIM	800,000,000																																						
Activity 4: Establish & launch MSMEs Development Authority (Including operational cost)	2014	2015	MTIM	1,600,000,000																																						
Activity 5: Provide BDS services to youth and MSMEs	2015	2015	MTIM	32,000,000																																						
Outcome 2: Existence of vibrant national policy framework for entrepreneurship-led employment creation (Entrepreneurship Development Policy/ MFI development policy)	2014	2018	MESWYWC, MTIM. MoF MSPOLPS	112,000,000																																						
Activity 1: Entrepreneurship & MFI Policy formulation	2014	2018	MTIM MESWYWC MoF	80,000,000																																						

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018																		
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4															
Activity 2: Validation of the policy	2014	2018	MTIM	16,000,000																																			
Activity 3: Implementation of the policies	2014	2018	MTIM	16,000,000																																			
Outcome 3: Enhanced business management skills and entrepreneurial mind set from job seeking to job creation	2014	2018	MoEVT MESWYWC, MTIM, MSPOLPS	88,000,000																																			
Activity 1: Develop demand driven Entrepreneurship Curriculum	2014	2015	MESWYWC	8,000,000																																			
Activity 2: Organize Training of Trainers for lecturers from all institutions of higher learning on Entrepreneurship Development teaching methodology	2014	2015	MESWYWC	16,000,000																																			
Activity 3: Introduce Entrepreneurship Development course in HLIs	2014	2015	MoVET	32,000,000																																			
Activity 4: Continues teaching of Entrepreneurship Subject	2014	Continuous	HLIs	-																																			

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018						
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
in HLIs																											
Activity 5: Formation of Entrepreneurship Club in HLIs and organize networking events	2014	Continuous	HLIs	32,000,000																							
Outcome 4: Provision of Business Development Services increase the proportion of young women and men with business Incubation and engaged in MSMEs	2014	2018	<u>MTIM & MESWYWC</u> MoEVT MSPOLPS MANR	6,704,000,000																							
Activity 1: Establish the Business Incubation centre in the field of ICT/Tourism	2014	2018	MESWYWC, MTIM	1,600,000,000																							
Activity 2: Establish the Business Incubation Centre for Agribusiness equipped with Agribusiness technologies	2014	2018	MESWYWC MANR	1,600,000,000																							
Activity 3: Establish at least one BDS centre in each region	2014	2018	MESWYWC, REGIONAL COMMISSIONER	3,200,000,000																							
Activity 4: Trained Steering committee members and Incubation staff on Business Incubation	2014	2018	MESWYWC	32,000,000																							

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018															
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4												
Module																																				
Activity 5: Train BDS providers	2014	Continuous	MESWYWC	160,000,000																																
Activity 6: Identify and recruit youth to join Business Incubation (Advert)	2014	continuous	MESWYWC	32,000,000																																
Activity 7: At least 100 start up Entrepreneurs trained on Entrepreneurship Skills (5 days training) per year	2014	continuous	MESWYWC	20,000,000																																
Activity 8: At least 25 Entrepreneurs are incubated per year	2014	continuous	MESWYWC	20,000,000																																
Activity 9: Organize Breakfast shows (4 b/f shows per year)	2014	continuous	MESWYWC	20,000,000																																
Activity 10: Business Incubator to act as Business Clinic and provide support to start up & existing entrepreneurs	2014	continuous	MESWYWC	20,000,000																																

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018			
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Outcome 5: Increasing formalization of informal businesses	2014	2018	MLCA, POPC, Office of the Registrar General, ZRB, TRA, ZNCCIA, MTIM, MSPOLPS	544,000,000																				
Activity 1: Develop guidelines/procedures for running the One Stop Centres	2014	2016	Office of the Registrar General	32,000,000																				
Activity 2: Develop online business registration platform	2014	2016	Office of the Registrar General	160,000,000																				
Activity 3: Launch the One stop centres	2015	2016	Office of the Registrar General	80,000,000																				
Activity 4: Follow up and monitor operations of the centres	2015	continuous	Office of the Registrar General	80,000,000																				
Activity 5: Encourage youth to register their businesses (sensitization seminar)	2015	continuous	MESWYWC	32,000,000																				
Activity 6: Motivate youth and provide incentive to register their business (Incentives like Training,	2015	Continuous	MESWYWC	160,000,000																				

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018						
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
Marketing support, networking support will be provided to those who register their business)																											
Outcome 6: Increasing access to microfinance services to youth groups	2014	2018	MESWYWC	168,000,000																							
Activity 1: Consolidate the existing funds into Empowerment Fund (combine all existing funds into one fund)	2014	2018	MESWYWC	-																							
Activity 2: Carry out sensitization seminar for youth on accessing microfinance services	2014	2018	MESWYWC	32,000,000																							
Activity 3: Discussion/dialogue and develop a Governance structure of Empowerment fund	2014	2018	MESWYWC	80,000,000																							
Activity 4: Expand micro finance services to reach rural youth (MFI interest rates subsidized by the Government)	2014	continuous	MESWYWC	12,000,000																							
Outcome 7: To have effective cooperative linkages	2014	2018	MESWYWC	384,000,000																							
Activity 1: Develop a governance structure for	2014	2016	MESWYWC	80,000,000																							

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018			
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
SACCOS Management based on existing cooperative Act																								
Activity 2: Conduct sensitization meeting on the importance of association building, cooperatives	2014	2016	MESWYWC	32,000,000																				
Activity 3: Capacity building training on governance issues, leadership and business management	2014	Continuous	MESWYWC	80,000,000																				
Activity 4: Provision of technical assistance in form of equipment (computers, printers, scanner, photocopier etc.)	2014	Continuous	MESWYWC	80,000,000																				
Activity 5: Provide BDs services to SACCOS	2014	Continuous	MESWYWC	80,000,000																				
Activity 6: Provide mentoring/Coaching support to SACCOS leaders	2014	Continuous	MESWYWC	32,000,000																				
Outcome 8: Ensure more youth are engaged in Agriculture, livestock and Fishery	2014	2018	MANR, MLF MESWYWC, MICTS	2,000,000,000																				
Activity 1: Conduct meeting with all Agricultural stakeholders	2014	2017	MANR MLF	32,000,000																				
Activity 2: To conduct survey on existing youth Agricultural cooperatives to know their number and status	2014	2017	MANR MLF	32,000,000																				
Activity 3: Sensitization of youth towards Agriculture, livestock and fishery	2014	2017	MANR MLF	32,000,000																				

Outcome	Start Date	End Date	Responsible	Resources in TZS	2014				2015				2016				2017				2018																	
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4														
Activity 4: create enabling environment for youth to join sustainable Agriculture, Livestock and fisheries (To provide tax holidays, subsidiaries to youth groups and the marketing information including infrastructure)	2014	2017	MANR MLF MESWYWC	80,000,000																																		
Activity 5: Capacity building training for youth on Agriculture, livestock and fishery value addition chains	2014	Continuo us	MANR MLF	160,000,000																																		
Activity 6: Provide incentives in forms of tool kits/value addition equipment	2014	Continuo us	MANR MLF	1,600,000,000																																		
Activity 7: Connect this youth to empowerment fund	2014	Continuo us	MESWYWC, MANR, MLF	-																																		
Activity 8: Youth to be supported with Marketing support	2014	continuo us	MANR	64,000,000																																		

2.4 Budget Summaries

2.4.1 Budget Summary: Macroeconomic Policies (Stable Macroeconomic environment with increasing employment opportunities for youth)

Priority Area	Outcomes	Total Amount in TZS	Expected Government Sources	Development Partners	Funding Gap (in TZS)
Macroeconomic Policies (Stable Macroeconomic environment with increasing employment opportunities for young women and men)	Stable macroeconomic environment with increasing domestic revenue, decreasing budget deficit and inflation rate	75,000,000			
	Increasing annual rates of economic growth and export to GDP ratio	175,000,000			
	Youth employment promoted through public works	110,000,000			
	A coordinated labour market Information system with appropriate mechanism of involving all stakeholders including youth is established	140,000,000			
	Strengthened labour market policies with increasing employment opportunities for youth	1,965,000,000			
	Total Amount	2,465,000,000			

2.4.2 Budget Summary: Education and Vocational Training

Priority Area	Outcomes	Total Amount in TZS	Expected Government Sources (in TZS)	Development Partners (Support Committed)	Funding Gap (in TZS)
Education and Vocational Training	Outcome 1: Students have positive attitude towards technical, vocational and entrepreneurship training	200,000,000			
	Outcome 2: Practical and relevant work-skills imparted to VET and college graduates	100,000,000			

	Output 3: To enhance and promote apprenticeship in the formal and informal sectors	410,000,000			
	Outcome 4: Increasingly, more youth attend and graduate from vocational training Employment	6,989,000,000			
	Total Amount	7,699,000,000			

2.4.3 Budget Summary: Entrepreneurship and Sustainable Micro Enterprise Development

Priority Area	Outcomes	Total Amount in TZS	Expected Government Sources (in TZS)	Development Partners (Support Committed)	Funding Gap (in TZS)
Entrepreneurship and Sustainable Micro Enterprise Development	Outcome 1: Existence of Vibrant national framework (MSMEs Authority) for facilitating business development services for MSMEs	2,480,000,000	400,000,000	--	2,080,000,000
	Outcome 2: Existence of vibrant national policy framework for entrepreneurship-led employment creation	112,000,000	32,000,000	-	80,000,000
	Outcome 3: Enhanced business management skills and entrepreneurial mind set from job seeking to job creation	88,000,000	56,000,000	-	32,000,000
	Outcome 4: Provision of Business Development Services increase the proportion of young women and men with business incubation and engaged in MSMEs	6,704,000,000	800,000,000	800,000,000	5,024,000,000
	Outcome 5: Increasing formalization of informal businesses	544,000,000	80,000,000	-	464,000,000
	Outcome 6: Increasing access to microfinance services	168,000,000	80,000,000	-	88,000,000
	Outcome 7: To have effective cooperative linkages	384,000,000	80,000,000	160,000,000	144,000,000
	Outcome 8: Ensure more youth are engaged in Agriculture, livestock and Fishery	2,000,000,000	368,000,000	-	1,632,000,000
	Total Amount	12,480,000,000	1,896,000,000	960,000,000	9,624,000,000

2.5: Budget Summary by Priority Areas

Priority Area	Total Amount in TZS	Expected Government Sources (in TZS)	Development Partners (Support Committed)	Funding Gap (in TZS)
Macroeconomic Policies	2,465,000,000			
Education and Vocational Training	7,699,000,000			
Entrepreneurship and Sustainable Micro Enterprise Development	12,480,000,000	1,896,000,000	960,000,000	9,624,000,000
Total Amount	22,644,000,000			