

REGIONAL INITIATIVE TEMPLATE

Please complete each section below.

1. Contact Details

Please provide the following contact details:

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2. Name of Initiative

Building the Human Capital of Pacific Youth: investing in the region's most valuable asset.

3. Background and Rationale

You may consider: What is the issue being addressed by this initiative? What are the causes of this issue? Are there relevant studies that have been carried out to support the issue? Are there links to national, regional or international goals/policies?

Please limit your response to no more than 750 words.

This initiative proposes an innovation in the approach of the Pacific Island leaders to their focus on youth development. The future of the Pacific region is dependent on the calibre of its youth, and their ability to pursue the vision of today's leaders. The pursuit of this vision will require youth to have the capabilities to

engage with, innovate and adapt to diverse internal and external factors affecting issues across the political, economic, social, cultural and environmental spectrum in the Pacific region.

Youth with competencies, talents, skills and attributes are **assets** in the pursuit of national and regional development goals. They are assets in terms of their individual ability to earn a living, raise a family and enhance their well being; and collectively they are assets both to the labour force in the drive for diversified and sustainable economic growth, and in their proactive and responsible engagement in civic affairs in the interests of the public good.

This people-centred asset is referred to as **human capital**. It is called human capital because people cannot be separated from their knowledge, skills, health or values in the way they can be separated from other forms of capital, including financial and physical assets.

Investing in the human capital of youth is an investment in the future of the Pacific region. It is an investment that includes, but goes beyond, education and skills for economic productivity and employment. In addition to employability, it is also an investment in the health of youth, ensuring they have the information and support needed to make the life choices that will allow them to reach their full potential and contribute positively to society. It is also an investment in the agency of youth, empowering them with the knowledge, belief and commitment to engage in civic affairs at the community, national and regional level, thereby adding value to governance systems and strengthening political processes.

Governments across the Pacific region have articulated the priority of youth development through their national policies. Youth policies and ministerial budgets are often supported by strategic action plans at the sectoral and / or thematic level. Despite these, national concerns relating to youth education, unemployment, health status and propensity towards positive civic engagement, are increasing.

National governments may lack the financial resources and human capacity to match policy commitments to youth development, and to turn strategic plans into practical actions that will have positive impacts on youth into the long term. Youth development issues are cross-sectoral in nature, and therefore can get caught in the gaps between the priorities of different ministerial portfolios. Opportunities to leverage the knowledge, experience, skills and commitment to youth development that may exist in the private and / or civil society sectors, within states and across borders, are not maximised.

Despite the priority focus on youth development by governments and their bi- and multi-lateral development partners in the region, strategic investment in the human capital of youth remains inadequate. Strategic investment by the Forum leaders, with the explicit purpose of building the human capital of the regions youth, will bring economic and social returns that will increase the resilience of nation states and strengthen the foundation on which regionalism can flourish.

4. Description

Please provide a brief overview of this initiative. Try to address the following: Does this initiative contribute to a positive change to the region? What makes this initiative of importance to the Pacific region as a whole? Who would implement this initiative? Who are the main beneficiaries? Are regulatory or legislative changes required at the national level to implement this initiative? How would the initiative be funded? Has this initiative been carried out previously? What are the key risks in implementing this initiative? Are there any complementary projects and programmes currently active? What is the proposed timeframe for this initiative? How would the initiative be sustained over the proposed timeframe?

Please limit your response to no more than 750 words.

This initiative proposes the creation of an **investment fund for the human capital of Pacific youth**. The investment fund for the human capital of Pacific youth would fall within the overall governance of the Pacific Island Forum Secretariat, accountable to the Forum leaders and by extension, the people of the Pacific region.

The investment fund would be resourced through a regional public-private partnership arrangement. Following endorsement from the Forum leaders, a formula would be developed by PIFS that would calculate the contribution from the national budget of Forum member countries into the youth human capital investment fund. This formula would be developed in a transparent and consultative basis to ensure equity. Technical assistance from the United Nations would be available if requested. It is proposed that the formula for financial contribution would take in to consideration the economic status of the country, its political status (e.g. sovereign nation, representative democracy, trust territory etc) and the size of its youth population. The guiding principle would be that an agreed portion of the investment fund should be contributed from the public sector budget of Forum member states. This principle would serve to generate ownership of the investment fund by the leaders of the member states. The principle would also encourage the practical application of the concept of regionalism, whereby funds from each member state are combined and utilized in a coordinated manner in order to build the human capital of youth throughout the Pacific region.

Following this seed capital, multilateral development agencies working on youth issues in the Pacific, including the United Nations, the World Bank, the Asian Development Bank, the European Commission and the Commonwealth Secretariat, would be formally requested by the Forum leaders to each contribute to the investment fund. The contribution from each agency would be of equal amount, and combined would total not more than 75 per cent of the whole amount contributed by national governments. Additional contributions to the investment fund could be sought from bilateral partners with strategic interests in the Pacific region, including Japan, the United States and China. The resourcing of the investment fund would be completed by donations sought from private sector foundations, such as MasterCard, Kellogg's and Chevron etc. Innovative approaches to resource mobilisation, to include crowd-funding strategies targeting the Pacific diaspora, could also be explored.

The Secretary-General of PIFS would establish the terms and conditions for the management of the investment fund, including eligibility of applicants, the decision-making processes, the criteria for awarding

grants, designing the monitoring and evaluation framework and writing the guidelines for reporting progress and impact.

Management arrangements would ensure alignment with existing agreements on cooperation and partnership with CROP agencies and with regional youth frameworks and representative bodies (e.g. Secretariat of the Pacific Community, SPREP and the Pacific Youth Council). Proposals to the investment fund would be required to demonstrate alignment to national and regional youth policies, and show how the expected results would contribute strategically to plans and programmes already in place. Partnerships between government agencies and civil society and / or the private sector would be prioritised. Technical assistance from multi-lateral agencies could be included within proposals if this adds value to these partnerships. Joint programming between two or more countries within the region, for the purposes of deepening the impact on the youth beneficiaries and strengthening regional cooperation, would be encouraged. Management coordination will help to avoid duplication and wastage and will maximise the use of fund resources and the leverage of regional knowledge and experience.

Sub-regional initiatives could be managed by the UN multi-country offices in Apia and Suva, reporting on a bi-annual basis to the Secretary-General of PIFS in Suva, Fiji. Once again, a formula would be developed which would transparently calculate the maximum award allocation per country. Technical assistance from the United Nations would be available if requested. The guiding principle of equity would serve to protect the interests of smaller island member states and the human capital needs of their youth populations.

The investment fund would serve to catalyse practical actions across the region that would impact positively and sustainably on building the human capital of Pacific youth. A centrally managed fund, with ownership, leadership and decision-making control in the hands of the Forum leaders, would facilitate the coordination of strategic interventions and add value to existing national youth programmes, while ensuring knowledge is exchanged within the region, lessons learned and best practices replicated and scaled-up.

Of course, such an ambitious and innovative initiative would not be straightforward. Sufficient time would need to be allocated to allow for detailed planning, consultations and negotiations. But knowledge on global best practices in development fund management, derived from significant experience, is available through the United Nations Resident Coordinators Office. Under the overall leadership of PIFS, this knowledge and experience could be leveraged and adapted to the specific context of youth in the Pacific region. The annual evaluation of the performance of the fund would focus on the medium- to long-term quality of its investments, rather than the quantity of proposals approved by the fund management unit.

Risks to the success of the investment fund would include political interference in grant allocations, and dominance by a few countries with bigger economies and larger youth populations. Strategies to manage these risks would have to be carefully planned and implemented. A requirement for transparency in financial

reporting would be a key value underpinning risk mitigation.

The potential returns to the region from strategic investment in the human capital of its youth are worth the risks involved. The future of the nations in the Pacific region is dependent on the calibre of its youth to pursue the vision of today's leaders. Strategic investment in the human capital of youth will bring returns to economic growth that is diversified, creates local employment and is resilient to the impacts of climate change. A larger and deeper pool of youth skills will facilitate labour mobility and diversified economic growth; more productive investment of remittances will be enabled; opportunities for tourism development created, and policies on agricultural import substitution activated. Strategic investment in the human capital of youth will bring returns in terms of better life choices that lead to enhanced well-being and improved economic productivity. Strategic investment in the human capital of youth will bring returns to positive civic engagement in political processes and strengthened governance systems. And strategic, long-term investment in the human capital of youth, seeded and nurtured by the Pacific leaders, will bring returns to deeper regionalism and its inherent multiplier effects.

5. Alignment to Regional Vision, Values and Objectives

Briefly describe how your initiative supports the vision, values and objectives set out in the Framework for Pacific Regionalism. These can be found in the Framework for Pacific Regionalism document or in the submissions guideline document.

Please limit your response to no more than 500 words

The initiative to create an Investment Fund for the Human Capital of Pacific Youth is directly aligned to the vision, values and objectives articulated by the leaders of the Pacific region. The Pacific Plan underlines the importance of youth development to the region. One of its thirteen strategic objectives is to enable the 'Enhanced involvement of Youth'. This objective is identified as necessary to meet its overall goal 'To Enhance and stimulate economic growth, sustainable development, good governance and security for Pacific countries through regionalism.'

In their September 2011 meeting, the leaders again emphasised the priority of youth development and the need for action. Their communiqué stated:

"...the need for greater action in mainstreaming youth issues nationally and regionally, increasing employment and other meaningful opportunities for youth, and including the voice of youth in decision-making."

In addition to economic productivity, the concept of human capital captures the underpinning importance of well-being and the civic engagement by youth that strengthen good governance systems, upholds human rights and promotes peaceful, stable communities.

The Investment Fund for the Human Capital of Pacific Youth will be a mechanism that will catalyse the action that is needed to meet this demand. Management of the fund, including the monitoring and evaluation

processes, will ensure that investment in the human capital of youth promotes gender equality and is inclusive of those who are marginalised from mainstream economic and social life.

6. Additional Information

Please provide or attach additional information in support of this initiative.

Please limit your response to no more than 5 pages.

Young people make up a significant portion of Pacific society.

- More than half of the population is under the age of 25.
- Approximately one in five people are youth by the narrow UN definition of 15 to 24 years old.
- 15 to 24 year olds comprise one third of the adult working population.¹
- Citizens of voting age up to 34 years old make up approximately half the electorate in the Pacific.²

With their large numbers and dynamism young people are key agents of positive change in the Pacific. Despite varied and complex challenges they face, including cultural norms that may hinder full participation in decision-making processes, limited economic opportunities and the mismatch between educational outcomes and labour market demands, young people in the Pacific have displayed a strong sense of resilience and have devised coping mechanisms that define them more in positive terms rather than by negative attributes.

Although often referred to as future leaders, many are already occupying roles as leaders and role models in their communities and countries. In order to accentuate their positive attributes, youth need to be recognized from an asset-based perspective whereby they are empowered due to their own initiatives versus being viewed in a deficit-based manner that perceives them as negative elements and recognizes only outside entities as being capable of empowering youth.³ In this context, it is imperative to allow spaces in which empowering more young people to be able to further maximize their potential is critical to ensuring long-term progress in the sociocultural and economic development in the Pacific.

In 2013, the Secretariat of the Pacific Community (SPC) led a consultative process⁴ to develop a Pacific

¹ United Nations, Department of Economics and Social Affairs (2012), Population Data Tables. http://esa.un.org/unpd/wpp/unpp/panel_population.htm on February 28, 2012; UNICEF and SPC (2011), State of Pacific Youth 2011. UNICEF and SPC. Noumea.

² Minimal voting age in the Pacific is varied: 18 years old (Fiji, FSM, RMI, PNG, Palau, Tuvalu, Cook Islands, Kiribati, Niue), 19 years old (Vanuatu), 20 years old (Nauru), and 21 years old (Samoa, Tonga, Sol).

³ Boston University School of Social Work (n.d.). Definition of positive youth development. *Integrating a Youth Development Perspective into Transition Planning: A Curriculum for Child Welfare Workers*. Retrieved from <http://www.stepsumms.org/uploadedFiles/DefinitionsandKeyCharacteristicsofPositiveYouthDevelopmentApproach.pdf>

⁴ The Secretariat of the Pacific Community (SPC) is the nominated regional organisation to lead the development of a regional youth strategy. The process of development has been collaborative, guided by Steering Committee that includes representatives from the Commonwealth Youth Programme (CYP),

regional youth strategy. Among the conclusions of the consultative process was the observation that:

....” Notably, previous youth strategies, policies and political statements have not been matched with implementation plans, budgets or work programmes”,

and....

“ While there have been some successful youth initiatives, few have been taken to scale to address the demand that exists”.

In November 2013, a policy paper entitled ‘A Coordinated Approach to Youth Centred Development in the Pacific 2014–2023 was released. The policy paper stated that a Pacific Youth Development Framework:

“...1) requires a commitment from countries to establish a national coordination mechanism with shared responsibilities to allow equal partnership with young people;

2)...This (Pacific Youth Development) Framework needs to respond to national priorities, increase national commitment to youth investments, strengthen national capacity to deliver services for youth and have direct impact on the lives of young people, by involving them throughout the process.

The four development outcomes proposed for the Pacific Youth Development Framework were:

1. More young people secure decent employment;
2. Young people’s health status is improved;
3. Governance structures empower young people to increase their influence in decision-making;
4. More young people participate in environmental action.

Youth were particularly active in the preparations for the Small Island Developing States (SIDS) Conference held in Apia, Samoa in September 2014. The SIDS Outcome document included the following statement from Pacific youth...

“ We the Pacific youth articulate the future we want: an inclusive, peaceful, and healthy Pacific where

young people are partners in sustainable small island development. We have identified four issues that are important to enhancing sustainable development of our small islands and future generations of Pacific Islanders. These issues are access to a quality education, youth employment, health, and climate change. To effectively address them, we need a solid foundation of good governance and freedom of information, creating an enabling and inclusive environment, free from crime, violence and discrimination that provides equal opportunities for all. We feel that it is important to explicitly mention the issue of violence and discrimination, as it is not something we can be quiet about – it happens right across the Pacific”.

“We want governments of the Pacific to foster strong partnerships with all stakeholders to adhere to a human rights approach to achieve our sustainable development goals. This approach should be inclusive of young people with disabilities, rural and outer island youth, young people of diverse sexual orientation and gender identity, young women and young men”.

“It is not easy being young in the labour market today. Pacific youth face the challenge of having limited opportunities for decent work. A gap between capacity and opportunity exists even for young people with qualifications. Failure to provide opportunities perpetuates the vicious cycle of poverty, crime and violence that prevails in our societies today”.

“We believe that continuous investment in youth development is central to sustainable futures. We call upon the public and private sectors, in both the formal and informal economies, to provide decent work for young people. This includes enabling policy environments to cater for young people of all abilities and to prevent all forms of discrimination. With access to finance, skills-building and training, young people can create their own opportunities for self-employment.”

The proposed Investment Fund to build the Human Capital of Pacific Youth would serve to catalyse practical actions across the region that would impact positively and sustainably on building the human capital of Pacific youth. A centrally managed fund, with ownership, leadership and decision-making control in the hands of the Forum leaders, would facilitate the coordination of strategic interventions and add value to existing national youth programmes, while ensuring knowledge is exchanged within the region, lessons learned and best practices replicated and scaled-up.