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Synthesis of the Preliminary Questionnaire: The current situation and prospects for the development of vocational training funds in Africa

December, 7th and 8th 2015 in Abidjan

This paper analyses data provided by 13 of the 17 vocational training funds invited to participate in the seminar on the financing of training which will take place in Abidjan on 8 and 9 December 2015. 11 of these funds are members of the African Network of Vocational Training Funds and Institutions (RAFPRO). The two that are not members of RAFPRO are Mauritania's FAP-FPT and the National Training Fund of Mauritius. The representative of the South Africa's National Skills Fund (NSF), who was unable to attend the seminar, sent documents on the funding of training in the country. These will be included in the final seminar report. Information from Ghana and Kenya is yet to be received. Mali and Guinea provided incomplete replies. A delegation from Madagascar will also attend the seminar. Following the adoption of its National Employment and Vocational Training Policy in 2015, this country intends to establish a vocational training fund and is keen to find out how to go about setting it up and organising it.

1. Introduction to the methodology

The study produced by the Association for the Development of Education in Africa (ADEA) for the French Development Agency (ADEA) identified two different typologies of training funds. The first typology, based on an institutional and functional analysis of over 60 funds in different continents, identified three missions that are common to all of them: continuing vocational training aimed at improving and upgrading the skills of employees in companies; pre-employment training providing young people with the skills they need in order to enter the world work; and equity, to help the most disadvantaged young people and adults acquire knowledge and skills.

The second of these typologies was defined further to a comprehensive analysis of a questionnaire sent to 11 funds that are members of RAFPRO and to Mauritania's fund. It takes into account the way the funds surveyed differ from one another in respect of three criteria: whether or not they are directly receive companies' contributions or taxes; their degree of organisational and financial autonomy with regard to their relevant authorities; and the extent to which they focus on the three priority missions.

This analysis gave rise to several recommendations which have determined the questions addressed in this new survey. These focus primarily on the following points:

- The key role funds play in strengthening skills in the formal and informal private sector, both as far as continuing vocational training and pre-employment training are concerned;
- The targeting of the funds' action at strategic sectors and occupations identified in national development policies and, more broadly, the contribution the funds make to developing effective and lasting national training and qualification systems;
- The new role and organisation of the funds with a view to strengthening the partnerships that manage them, their organisational autonomy and the stabilisation and long-term future of their financial resources;
- The way the funds take into account the equity dimension and in particular the training of disadvantaged groups without detracting from their main missions, namely continuing training and the preparation of young people for employment and entry into the world of work;
- The creation, prior to the provision of financial support, of an effective tool for managing and monitoring training actions financed by the funds, and for evaluating their quality, efficiency and socio-economic impact.

All of these recommendations, which met with the agreement of those who commissioned the study as well as of the funds surveyed, provide a thread throughout the analysis of the results of the preparatory survey for the Abidjan seminar.

2. The different roles the funds play with regard to CVT in companies

The main objective of all of the funds surveyed is to develop training schemes for employees in companies of all sizes and in all sectors. Cross-analysis of the data provided (for the reference period, except for 2014 and 2015) shows it is necessary to make fairly clear distinctions between the diverse and even differing practices of the 13 funds considered.

A first category of fund gives priority to the development of training for the employees of large and medium-sized enterprises. Côte d'Ivoire's FDFP offers the most significant example: from a total 46,350 people trained, 42,744 (or 92.2%) work in companies employing over 10 people, while 3,470 (7.5%) work in companies employing less than 10 people, and only 130 people trained (0.3%) have self-employed status. Togo's FNAFPP adopts a similar approach focused on developing CVT in companies. On a smaller scale, it has trained 1,943 company employees, of whom 76% work in companies with over 10 employees. The former FONDEF trained 4,481 company employees, of who only 280 (or 6%) work in very small companies.

A second category of fund primarily develops training for employees in small and very small companies, many of which operate in the informal sector. The most characteristic fund in this area is Niger's FAFPCA, which trained 5,213 company employees in 2015, of whom 595 (11%) work in companies with over 10 employees. Mauritania's FAP-FPT is similar to the FAFPCA, in that, of the 13,150 people trained, 150 have self-employed status and about 10,000 (77%) work in companies with less than 10 employees.

A third category of fund trains equal numbers of company employees and self-employed workers and/or individuals seeking training. In this category, Benin's

FODEFCA trains 3,108 people, of whom 45.3% are self-employed or employed in very small businesses, and 54.6% work in companies with over 10 employees. Another fund in this category is Burkina Faso's FAFPA, which trains 20,570 people, of whom 11,413 (53%) are self-employed, and 8,986 (43.7%) are employees in companies with over 10 employees. There is also Senegal's ONFPP, which trains 8,103 people, of whom 2,199 are individual jobseekers. The National Training Fund of Mauritius also trains a wide range of groups. Of the 41,258 people trained in 2014, 23,728 were trained in companies, and 13,991 were trained in formal training schemes leading to a recognised qualification. The FFFPT, which replaced FONDEF, is also in this category cause its statutes and missions state that it should meet individual requests for training while also training company employees. Lastly, FONAP can also be included in this category, as data from the 15 last years shows that 41,362 people were trained, including 26,142 who are members of local or professional groups or associations. The same applies to the ACFPE, which, from a total 1,159 people, trained 364 members of NGOs.

This diverse range of situations has no direct bearing on sectors of activity because the various training schemes are multisectoral (service sectors as well as industry and agriculture). However, it shows that there are a wide range of different objectives, because the funds which target companies primarily seek to improve and update workers' capacities and skills while the other funds also help to provide jobseekers and the self-employed with qualifications.

The Abidjan seminar should help to further refine these categories and above all to debate how well financial resources collected from companies are allocated.

- **What proportion of these resources goes to contributing companies and what proportion is shared out fairly among the different economic stakeholders, including those in the informal economy?**
- **Which beneficiaries of these resources come under the responsibility of the funds and which come under the state budget?**
- **Does the greater emphasis on funds meeting individual requirements reflect an implicit request by public authorities to have the funds finance training schemes that would normally be under their responsibility?**
- **Put in other terms, is the equity mission of the funds – which is primarily reflected in the training some of them provide for employees in the informal sector and for local professional associations with high demand for skills and qualifications – always evolving so that greater account is taken of the individual needs of groups who are educationally, socially or professional vulnerable?**

3. Pre-employment training that is and unequally developed and hard to consolidate

While CVT for employees in companies is one of the training priorities of each of the funds surveyed, pre-employment training (including apprenticeship schemes and/or dual training schemes) are poorly represented. Certain funds do not support it at all.

The funds that are most supportive of this type of scheme are those from countries who have committed themselves to reforming traditional apprenticeships and to incorporating them into a dual apprenticeship system leading to recognise qualifications. For example, FODEFCA trained 1,879 apprentices in 2014, of whom 90% acquired the CQP vocational qualification certificate. It also trained 3,108 young people in the informal urban and agricultural sector and in the modern sector, by enabling them to acquire a vocational skills certificate. Burkina

Faso's FAFPA trained 2,638 apprentices, of whom 90% acquired the CQP, and 85% were taken on by their employer. It also organised skills training for 11,413 young people. Niger's FAFPCA has developed various forms of apprenticeship and dual apprenticeship schemes for 2,887 young people leading two types of qualifications: the CQM occupational qualification certificate and the CQB basic qualification certificate. The fund also organised initial skills training for 2,138 young people, at the end of which participants received a certificate. The challenge for all of these funds is to stem the declining number of apprentices. Studies show that in both Benin and Burkina Faso, the number of apprentices is barely increasing for reasons that it will be important to analyse.

Two other funds have been extensively involved themselves in pre-employment training. In 2014, Mauritania's FAF-FPT trained 760 young people through apprenticeship schemes and dual training schemes and about 6,000 young people in skills development schemes leading to qualifications. The National Training Fund of Mauritius trained 1,278 young people during the same year as part of its apprenticeship schemes, bringing the total to 13,000 apprentices since 2009.

Aside from these five funds, there are also a number of specific pre-employment training measures: 463 young people trained to work in companies by the ONFP; 53 young people trained by the FDFP; 72 apprentices and a thousand young unemployed people given careers information by the ACFPE; a few dozen young people trained by FONAP; a plan to introduce apprenticeships by the FNAFPP and the FFFTP, which would in future finance specialised certificates, apprenticeship contracts and dual apprenticeship schemes. However, these measures are not priorities for the funds that organise them.

All of this data highlights the fact that none of the funds have fully taken on board their mission to develop pre-employment training. Given that in many countries about 90% of young people enter the labour market without any qualifications, the funds must make an effort to enable a significant number of these young people to require the vocational qualifications required to do existing or future jobs.
Apprenticeship and dual training schemes are effective because they provide a good response to the skills required by both formal and informal companies. It will thus be necessary for the seminar to establish an inter-fund dialogue on the way to pool existing experiences, and to debate the following questions :

- What are the obstacles preventing funds which are committed to developing apprenticeship from significantly increasing the number of apprentices?
- Aside from these apprenticeship experiences, some long-term schemes (2 to 3 years) lead to CQP-type qualifications, as well as short-term schemes (six months for example) which provide training but do not necessarily lead to a qualification. Which criteria can be used to justify the choice between these two types of measures?
- Some funds finance very short training courses (lasting just a few dozen hours). What is the professional and social utility of such courses?

4. The need for more qualified staff and more effective tools to manage the funds

While the ADEA/AFD study highlights the needs for better partnership-based management of the funds and the need for more autonomous management with regard to the relevant authorities, the current study stresses that, with the exception of the ONFPP and the ACFPE, which emphasise the importance of being able to acquire such autonomy, the necessary improvements to the funds require each of them to make a certain number of internal changes. These changes can be summarised as follows.

First change: draw up a strategic plan to develop the fund and, to this end, identify <u>the key skill needs of the economy</u> and the skills requirements of the funds' beneficiaries.

The preparation of such a plan means that the funds should take the initiative to "train those training providers in how to identify needs", "finance studies on training needs taking into account the specific needs of small firms in particular" as well as the key skill needs of the economy, "to ask both companies and associations and NGOs to vice their training needs," "to train human resources managers and their advisors and better analyse their needs" and finally to "ask training advisors to assist those concerned in the identification of their needs." To implement these measures, the funds need to have "comprehensive data on the labour market", which is rarely the case. They also need advisers who are trained and equipped for conducting needs analysis and evaluating the importance of requests made by beneficiaries.

Second change: introduce new internal management tools (results-focused management, structuring and itemisation of expenditure, tendering procedures, impact studies, information and monitoring systems, and so on).

All of the responses stress the need to introduce, reform or improve the funds' internal management systems. It will be important to:

- train "fund advisers and managers responsible for tendering procedures" and have fund staff and training providers introduce "monitoring and evaluation tools";
- "update the manual of procedures, modernise and optimise the IT system in order to manage training plans online, from the assessment of applications to the payment of training expenses";
- have relevant monitoring and evaluation indicators;
- "itemise expenditure and the fixed costs of different services in order to have standard costs";
- "introduce a systematic approach to ensure better evaluation and monitoring of measures financed in order to be able to conduct an impact study every two years";
- "adapt tendering and selection procedures to the specific needs of small businesses, which do not use the funds finance enough".

All of the funds need to organise extensive training for their staff and the various categories of providers, and to acquire effective tools to monitor and evaluate the measures they finance.
The Abidjan seminar will thus be an important opportunity to debate the following points:

- **To what extent can inter-fund cooperation lead to the development of shared tools to permit better analysis of training needs and subsequently to short and medium-term strategic development plans?**
- **How can a model for the funds' internal management be jointly developed, covering analysis of funding needs, impact studies and the optimisation of various procedures such as tendering, selection, monitoring of schemes selected and analysis of the achievement of objectives?**
- **How can staff training measures for both training managers and training providers be pooled, with a view to boosting in a concerted and cooperative manner the effectiveness of the various funds surveyed?**

5. How the funds' action can be incorporated effectively within national vocational training policies

The responses provided are unanimous with regard to the need to give the funds a better place in the framework of national vocational training policies. Using information provided by the survey, it is possible to identify three ways in which the funds can position themselves better at national level.

Increased and if possible direct allocation of resources collected

Several countries, including Benin, Burkina Faso, Guinea, Mauritania, Niger and Togo, are lobbying for an increase in government subsidies, which would be the optimal solution given that the funds receive the tax directly and can thus increase their financial resources and ensure the long-term future. This would enable them to anticipate their income and plan their action. It will thus be important for the Abidjan seminar to lead to a form of inter-country appeal stressing the importance for all of the funds to be the ultimate recipient of the tax, which is already the case for the FDFP, the ACFPE and FONAP. This reallocation of resources would above all make it possible for the funds to prepare medium and long-term strategic development plans, which the survey identifies as being lacking but necessary. An appeal for the direct payment of the tax cannot however just be a declaration of intent. It means that the funds should make common proposals for regulatory reforms that can advocate both the autonomy of the funds and the direct allocation of the tax. Such an appeal would mean, as FAFPCA is suggesting, regularly disseminating the results of the measures financed, so the funds need to introduce a transparent system for publicising and monitoring their measures as well as impact studies to promote the results achieved.

Stronger involvement of all of the partners concerned

Various funds agree that is necessary to enlarge their partnerships. This is necessary in order to better identify the priority needs of the economy. Its calls for a more direct cooperation with company managers, professional organisations and NGOs in order to identify their training and qualification needs and involve them in training programme implementation. In the case of Mali's FAFPA, it was decided to involve local authorities, as they have service platforms and have thus become essential partners in training and job schemes aimed at developing the local economy. Almost all of the funds consider the partnership with public authorities to be sufficient and even perfect. Management committees include all of these public stakeholders and are thus an excellent place from dialogue and cooperation. Nevertheless, the survey stresses the need to improve the visibility of the funds actions and their contribution to efforts to improve national training provision. It is thus suggested that the funds help establishments to develop a better partnership with companies, both with regard to development of apprenticeship/dual training schemes and continuing training schemes.

Sharing and pooling of good financing practices

The various funds cite examples of good practice which give a concrete image of their fields and modes of intervention. These include:

- examples of training in production and commercialisation in rural areas in Benin;
- a dual training scheme for electricity grid technicians and area officials in Côte d'Ivoire;

- capacity building in informal enterprises in the Central African Republic, training of welders and crane drivers in Chad;
- training of young people in Niger who have never been to school or who have dropped out;
- managerial skills training for 529 women from the informal sector in Senegal, training for women from the informal agricultural sector in techniques for producing vegetable labels (organic market gardening) using organic fertilisers in Togo;
- training of 300 young people in audio-visual techniques in Mauritania;
- training of 463 young people in the framework of the creation of a mining company and a national road infrastructure construction project in Senegal, leading to vocational qualifications recognised in collective sectoral agreements;
- development of dual apprenticeship schemes in Mauritius, in which apprentices receive a training stipend and the fund reimburses companies part of the training costs.

For the time being, none of these initiatives have been extended to other countries, even though the funds could have cooperated together in order to design and develop training schemes and set up inter-fund dialogue on the best conditions for doing so in each country.

The Abidjan seminar should help to develop inter-fund cooperation in the following three areas at least:

- **How to issue a joint appeal for better financing of vocational training and the direct allocation of taxes to each fund.**
- **How to do more than just include partners in managing the funds by involving representatives of the world of business, professional organisations and the urban and rural informal sector in forecasting, analysis and monitoring.**
- **How to create the right conditions for funds to share and disseminate good practice on continuing training and apprenticeship.**