

Integration of TVET colleges in UCBP activities directed to local economic development

Concept

- 1. Objective:** To involve students and graduates of TVET colleges in UCBP activities, to upgrade their entrepreneurial, managerial and technical skills and to discover opportunities for employment and start – up businesses.
- 2. Target groups:** TVET students and graduates.
- 3. Locations:** At 4 UCBP sites: Dire Dawa, Kombolcha, Sodo and Nekemte. At the remaining sites from June 2008 on.
- 4. Background + Methodology:** Lack of access to employment and entrepreneurial relevant training in the modern sector of the economy prevents a big part of the Ethiopian youth from making full use of their existing potential in the production and service sectors.

To address this problem and using the TVET system, the UCBP is determined to cooperate with the TVET colleges in their attempt to become more demand-led and employment focused. To this effect, the UCBP/SME Unit provides TVET students with practical up-grades (internships) on UCBP sites and TVET graduates after their studies with facilitating activities to increase their opportunities for employment and business creation.

Cooperation agreements to assist involvement of enterprises and cooperatives in local/regional economic development have already been signed between seven Regional Trade, Industry & Transport Bureaus and UCBP.

TVET colleges should participate in the “UCBP Facilitating Groups”, together with local Trade and Industry Offices, Chambers of Commerce & Sectoral Associations, among other stakeholders.

In a first step, until August 2008, TVET colleges in close range of four UCBP construction sites, shall be identified for cooperation, operational agreements shall be signed. This model, if successful, will be up-scaled to other sites in the second half of 2008.

The proposed model comprises **four components**:

- Business creation for TVET - graduates;
- Support establishment of trade clusters (like cooperatives), formed by selected TVET - graduates, eligible for subcontracting;
- Establish subsidized scheme to employ TVET-graduates by subcontractors;
- Support internship facilities for TVET - students in UCBP related enterprises (General Contractors + Sub - Contractors).

In addition, management and skilled workers of subcontracted enterprises formed by TVET - graduates, will be included in technical + managerial skill up-grading activities.

5. The components:

5. 1 Business creation for TVET graduates:

5. 1. 1 Objective

The possibilities and pre-conditions to realize up to four **CEFE start-up courses with TVET colleges** are analyzed and if favorable CEFE entrepreneurship courses for graduates will start in the first quarter of 2008.

5. 1. 2 Methodology

UCBP/SME Unit will work in close liaison with the regional + local Bureaus/Offices of Trade & Industry and selected TVET colleges near the sites of Dire Dawa, Debre Markos, Sodo and Nekemte.

Identification of competent financial institutions, willing to finance TVET graduates business plans and accompany CEFE training courses are crucial.

The target group amongst TVET graduates would comprise construction related trades such as:

- Masonry, plastering, screeding, HCB/Pre-cast - production, stone masonry/ pavement,
- painting,
- electrical work,
- plumbing,
- metal (welding, shielding, window / door frames, grills) and
- wood work.

The selection of potential trades is based on their availability, qualification and growth potential.

If pre-conditions are met and the outcome of the analysis is favorable for implementation, a “Facilitating Group” comprising delegates of TVET colleges, regional + local Bureaus/Offices of Trade and Industry and UCBP/SME Unit will be set-up to assist the preparation and execution of the CEFE workshops as well as to organize follow-up activities in terms of demand-driven BDS for those who have created new businesses.

5. 1. 3 Activities

- Conduct appreciation workshop, in case of necessity, to present and introduce the CEFE approach to all potential stakeholders.
- Identify financial institutions willing to participate in the programme and interested to finance good business plans for TVET graduates in the construction sector.

In case, **no financial institutions identified – stop activities; otherwise - go on:**

- Select appropriate participants for CEFE entrepreneurship training courses amongst graduates of participating TVET colleges;
- Conduct up to four CEFE entrepreneurship training workshops for 25 participants each (identify viable business ideas, analyse market and supply situations, identify main actors in their sector and produce a viable business plan for funding);
- Disseminate learning and results to TVET colleges in close range to the other UCBP sites and prepare for scale-up of activities.

5. 1. 4 Outcome

The outcome of the initial training will be the preparation of quality business plans (individuals or in groups), their presentation to a credit committee made up of financial institutions and consequently their finance.

Then the set - up of cluster groups or private enterprises to put the business plans into practice. Follow-up assistance comprising technical skill up-grading and BDS is planned.

The number of CEFE training workshops will progressively increase if initial outcome is successful.

5. 2 Support establishment of trade specific clusters of TVET graduates:

5. 2. 1 Objective

TVET graduates of one specific trade organized in clusters related to the UCBP are qualified and sub-contracted on UCBP sites.

5. 2. 2 Methodology

UCBP/SME Unit works in close liaison with the regional + local Bureaus/Offices of Trade & Industry and selected TVET colleges near the sites of Dire Dawa, Debre Markos, Sodo and Nekemte, supporting the organization of specific clusters of trades (associations, cooperatives), qualify them and facilitate sub-contracting them.

The target group amongst TVET graduates would comprise construction related trades such as:

- Masonry, plastering, screeding, HCB/Pre - cast - production, stone masonry/ pavement,
- painting,
- electrical work,
- plumbing,
- metal (welding, shielding, window / door frames, grills) and
- wood work.

The selection of potential trades is based on their availability, qualification and growth potential.

The development of this component for TVET integration into the UCBP requires a favorable economic environment and business chances for enterprises in the

construction sector as a whole and not necessarily related to those offered by the UCBP contractors.

5. 2. 3 Activities

- Identify and select at least one cluster in one trade at the four initial sites for participating TVET colleges.
- Conduct managerial and technical up-grade trainings for selected clusters.
- Assist and advice (together with local Offices of Trade & Industry) for appropriate legal registration for cluster (eventually as cooperative).
- Facilitate sub-contracting qualified cluster groups (cooperatives).
- Disseminate learning and results to TVET colleges in close range to the other UCBP sites and prepare for scale-up of activities.

5. 2. 4 Outcome

- An increased number of companies eligible to be subcontracted and hence in increased competition in the construction sector with positive impact on overall competitiveness in the sector.
- Increased opportunities for TVET graduates.
- Enhanced competitiveness of the local/regional construction sector.

5.3 Subsidized scheme to employ TVET graduates in local sub - contractors:

5. 3. 1 Objective

A total of 60 selected TVET graduates will be engaged in work contracts (duration at least 9 months) with UCBP contracted and sub-contracted local/regional enterprises at four sites.

5. 3. 2 Methodology

UCBP/SME Unit works in close liaison with the local + regional Offices of Trade & Industry and selected TVET colleges near the sites of Dire Dawa, Debre Markos, Sodo and Nekemte.

The target group amongst TVET graduates would comprise construction related trades such as:

- Masonry, plastering, screeding, HCB/Pre - cast - production, stone masonry/ pavement,
- painting,
- electrical work,
- plumbing,
- metal (welding, shielding, window / door frames, grills) and
- wood work.

The selection of potential trades is based on their availability, qualification and growth potential.

In order to overcome the barriers to entry into the labour market for TVET graduates UCBP/SME Unit will facilitate employment promotion to reduce risks and costs for potential employers in UCBP related construction companies, by providing well qualified and carefully selected staff, subsidizing labour costs for nine months and offering further upgrading of staff (newly recruited and existing) in technical and business skills.

5. 3. 3 Activities

- Identify and select 60 highly skilled graduates amongst participating TVET colleges.
- Identify among participating UCBP related construction companies + sub-contracted enterprises their willingness and ability to recruit a total of 60 TVET graduates on four sites for a work contract for at least nine months.
- Cover salary cost of 50% for each newly recruited employee.
- Organize skills up-grading during the employment for new recruits at host companies.
- Follow-up activities including advice on specific up-grading needs and employment beyond nine months period.
- Disseminate learning and results to TVET colleges in close range to the other UCBP sites and prepare for scale-up of activities.

5. 3. 4 Outcome

- Access to highly qualified and carefully screened staff for UCBP related companies and reduced costs of recruitment and employment for nine months. Access to enlarged training and up-grading for new recruits and existing staff.
- Improved employability for TVET graduates and increased chances in the labour even if recruitment end after one year.
- Improved standing and acceptance of TVET colleges if program is successful. Possibility to adapt curricula based on feedback of employed graduates.

5. 4 Internships for TVET students:

5. 4. 1 Objective

Technical and commercial skills of TVET-students are up-graded and by deepening their practical knowledge their readiness for employment and self-employment increased. TVET students of main construction related trades are trained on - the - job in enterprises on UCBP sites.

5. 4. 2 Methodology

Offering on – the – job training to TVET students, UCBP/SME Unit works in close liaison with the regional + local Bureaus/Offices of Trade & Industry and selected TVET colleges near the sites of Dire Dawa, Debre Markos, Sodo and Nekemte as well as all UCBP General Contractors and their related Sub-contractors.

The target group amongst TVET students would comprise construction related trades such as:

- Masonry, plastering, screeding, HCB/Pre - cast - production, stone masonry/ pavement,
- painting,
- electrical work,
- plumbing,
- metal (welding, shielding, window / door frames, grills) and
- wood work.

The selection of potential trades is based on their availability, qualification and growth potential.

5. 4. 3 Activities

- Identify and select a total of 120 students (of participating TVET colleges).
- Identify among participating UCBP related construction companies their willingness, ability and specific requirement to host TVET internship students for two months.
- Cover insurance cost for host companies.
- Organize follow-up activities including advice on specific up-grading needs and keeping records for post-graduate employment possibility in host companies.
- Disseminate learning and results to TVET colleges in close range to the other UCBP sites and prepare for scale-up of activities.

5. 4. 4 Outcome

The outcome of the internship will be:

- **For the students:** an improved practical knowledge and commercial understanding of two months which might lead to an increased opportunity for his future employment (possibly in the host company).
 - **For the host company:** access to qualified young professionals for two months with perspective of future recruitment.
 - **For TVET colleges:** if proper feedback given, eventually further development of their curricula better adapted to requirement of the labour market in the construction sector.
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