

AFD AND VOCATIONAL TRAINING

Working at the core
of development policies

Egypt © Didier Gentilhomme



SCALING UP TRAINING PROVISION IN ORDER TO SUPPORT GROWTH AND PROMOTE THE PROFESSIONAL INTEGRATION OF YOUTH

It is vital for developing countries to invest in vocational training: it has leverage on growth, employment and on these countries' capacity to adapt to the context of globalized trade and to the increasing number of economic, sanitary and climate crises.

Vocational training systems in developing countries often lack resources and are unable to meet economic and social needs. AFD's response is to promote systems guided by economic demand that aim to meet the private sector's needs and foster the social integration of youth via employment.

AFD operates in countries that are open to international markets, but where businesses are sorely lagging in terms of technology, organization and human resources. AFD's aim is to promote the development of training provision tailored to both public and private demand, from the post-primary level to higher vocational education. AFD consequently helps countries boost and modernize their production and service sectors and benefit from the growth opportunities that come with opening up to the global markets.

EXTENSIVE EXPERIENCE IN SUPPORTING PUBLIC SYSTEMS AND ECONOMIC OPERATORS' TRAINING PROJECTS

AFD has been promoting vocational training actions for some thirty years now, in addition to the investments it finances in the various sectors of the economy. As early as in the mid-1990s, it became involved in modernizing vocational training systems in countries seeking to adapt the modern sectors of their economies to international economic competition (Morocco, Tunisia, Vietnam). From 2005 onwards, AFD extended its actions to Sub-Saharan Africa (Congo, Gabon, Mauritania, Senegal, Tanzania). The aim was to adapt training systems to the needs of predominantly informal economies. More recently, AFD and its subsidiary PROPARCO have supported training projects led by private training establishments and economic operators. Higher vocational education is also being tackled, in partnership with the French Ministry of Foreign and European Affairs.

TUNISIA

Vocational training upgrading program

The training and employment upgrading program was launched after Tunisia joined the European Union free trade zone in 1995. The program has benefited from financial and technical support from the World Bank, the European Union and AFD. The main original aspect of this program lies in the government's decision to systematically rely on partnerships with professional sectors.

AFD's successive financings – totaling €73 million – have helped create or restructure 24 vocational training centers in all sectors of activity (tourism, agriculture, industry, construction, etc.), representing an annual influx of roughly 13,000 trainees. AFD's support has also made it possible:

- to institutionalize Tunisian professional federations as long-term interlocutors and partners of the State for the definition of vocational training programs: 18 framework agreements have been signed between the federations and the State, including 15 which are directly linked to projects financed by AFD,
- to successfully test an opportunity for a modern social dialogue between the State and civil society concerning the investments that need to be made in vocational training,
- to contribute to firmly establishing the new training centers at the national and international level (16 partnership agreements signed between Tunisian professional federations and their French counterparts; a tripartite Memorandum of Understanding between the Ministry of Vocational Training and Employment and Employers' Organizations from Tunisia (UTICA) and France (MEDEF),
- to prepare public and private players for their involvement in the autonomous management of the new Centers.





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PRINCIPLE FOR AFD OPERATIONS: PROMOTE PARTNERSHIPS BETWEEN PUBLIC AUTHORITIES AND ECONOMIC OPERATORS

AFD's operations to support both public authorities and private economic operators are based on the fundamental principle of a strategic and operational partnership between the State and civil society (employers' representatives, professional sectors, crafts federations, etc.). The aim is to promote training that is tailored to the actual needs of productive sectors and ensure that the governance of training systems is improved.

Economic actors consequently play a central role in the process for designing, implementing and managing a new qualification system for national human resources.

The training programs are reviewed from the perspective of skills acquisition in order to improve the way their content is adapted to the employment situation. The vocational training program is also designed to combine theoretical courses with practical experience within the companies.

FINANCING TOOLS TAILORED TO THE NEEDS OF PUBLIC SYSTEMS AND ECONOMIC OPERATORS

AFD has a wide range of financial tools in the vocational training and vocational higher education sector, which includes loans to States, loans to economic operators, guarantees, Debt Reduction-Development Contracts (C2Ds) and grants.

Loans to States, grants and C2Ds to support public systems

AFD supports States or parastatal bodies – in partnership with economic actors – in order to promote reforms and the deployment of initial and continuous technical and vocational training provision, from the post-primary to the higher vocational level. This support is mainly financed via loans to States, Debt Reduction-Development Contracts (C2Ds) or grants, and may possibly be topped up with grants delegated by other partner donors (for example, European Union facilities).



Dong Nai © AFPI

MAURITANIA Setting Up a Vocational Training Center

The National Industrial and Mining Company (SNIM), the country's largest company, produces 10.5 million tons of iron ore every year. It exploits deposits located near the city of Zouerate and transports its production to the mineral port in Nouadhibou. The State owns 78% of this public company and in 2006 SNIM accounted for between 50% and 60% of Mauritania's export revenues and 15% of its GDP. Today, it continues to be the second largest employer after the State, with a headcount of some 6,000 staff.

Due to its size and the quality requirements linked to its activity, SNIM must make every effort to meet its needs in terms of skilled technical staff. Vocational and technical training is also a priority for the Mauritanian authorities, which need to promote youth access to employment and strengthen the productivity of its national labor force. In line with these orientations, SNIM has defined a specific initial and continuous vocational training system, with support from its French professional partner, the Union of Metallurgical Industries and Trades (UIMM). It is designed to meet its needs in terms of skilled staff, as well as those of other companies in the industrial and mining sector. The entire project is managed by SNIM, with support from a committee of partners which gives a voice to companies in the sector.

Based on the needs of the country's most important company, the project, which benefits from €7 million of AFD financing, aims to support the rapid development of an exemplary vocational training system. It supports the Vocational Training component of the National Education Sector Development Program.

A challenge: meet the needs of predominantly informal economies

The economies of Sub-Saharan African countries are generally predominantly informal. It is within this informal economy that the vast majority of youth find employment. Vocational training is mainly based on traditional apprenticeships. However, the technical level is limited and this hampers productivity. AFD, with the national authorities, seeks to develop "basic" vocational training systems that are most likely to meet the needs of the informal economy on a large scale.

This support provided by AFD finances:

- **investments** for the definition of new vocational training programs, training for trainers and tutors, the integration of pedagogical engineering into the vocational training system, etc;
- **physical investments for equipment supplies, training centers' construction or modernization.**

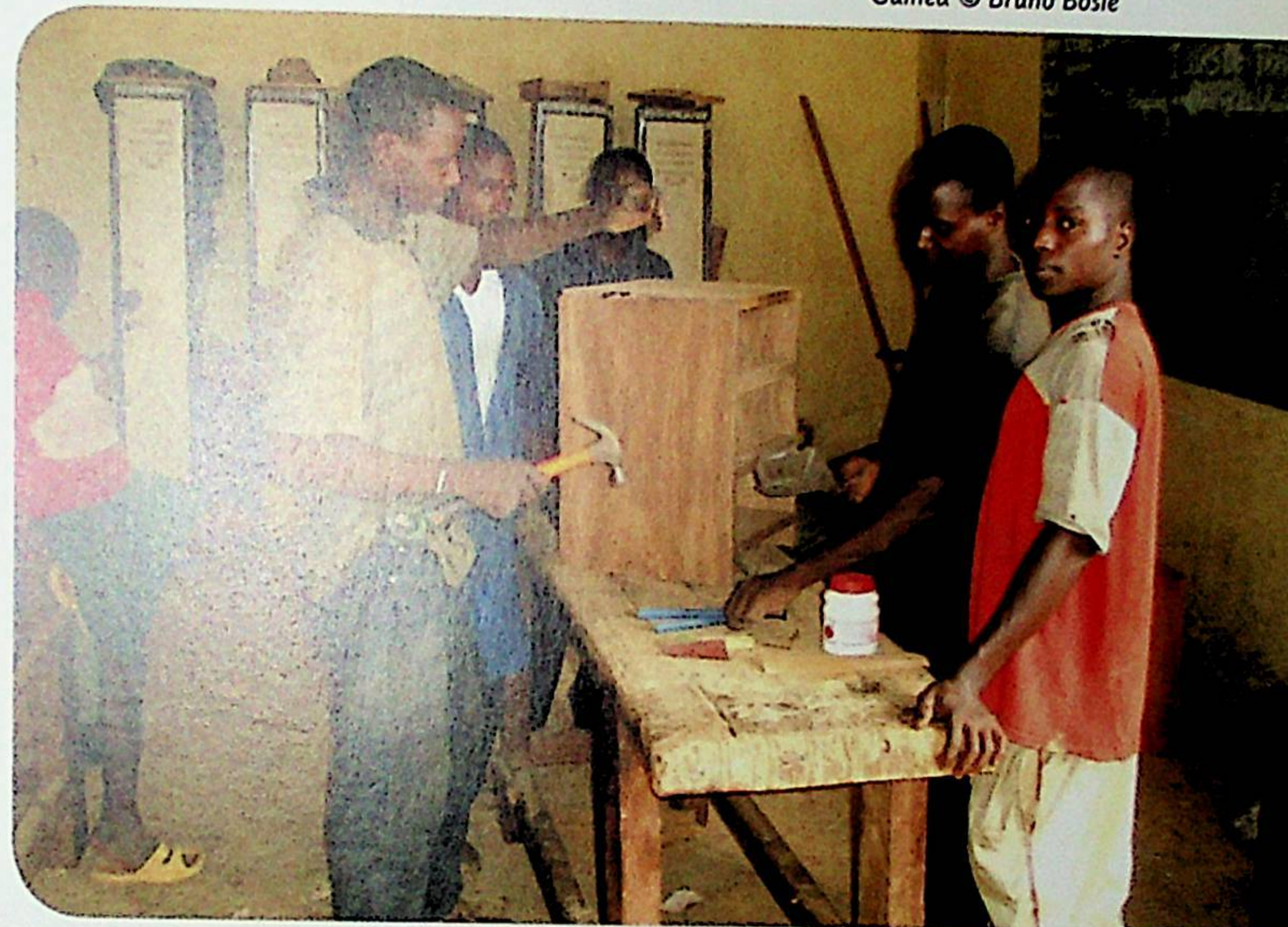
Loans and guarantees to support economic operators

AFD Group also supports training projects led by private companies or training operators.

In addition, AFD can refinance banks for their lending operations for training operators, students or workers in continuous training.

AFD finances these projects when they complement the national policy to diversify and roll out training provision. This financing is provided in the form of loans and guarantees. Loans may be subsidized in order to support the risk taken by these operators, or are completed by grants when the operator can justify the need for capacity building.

Guinea © Bruno Bosle



China © Nils Devernois

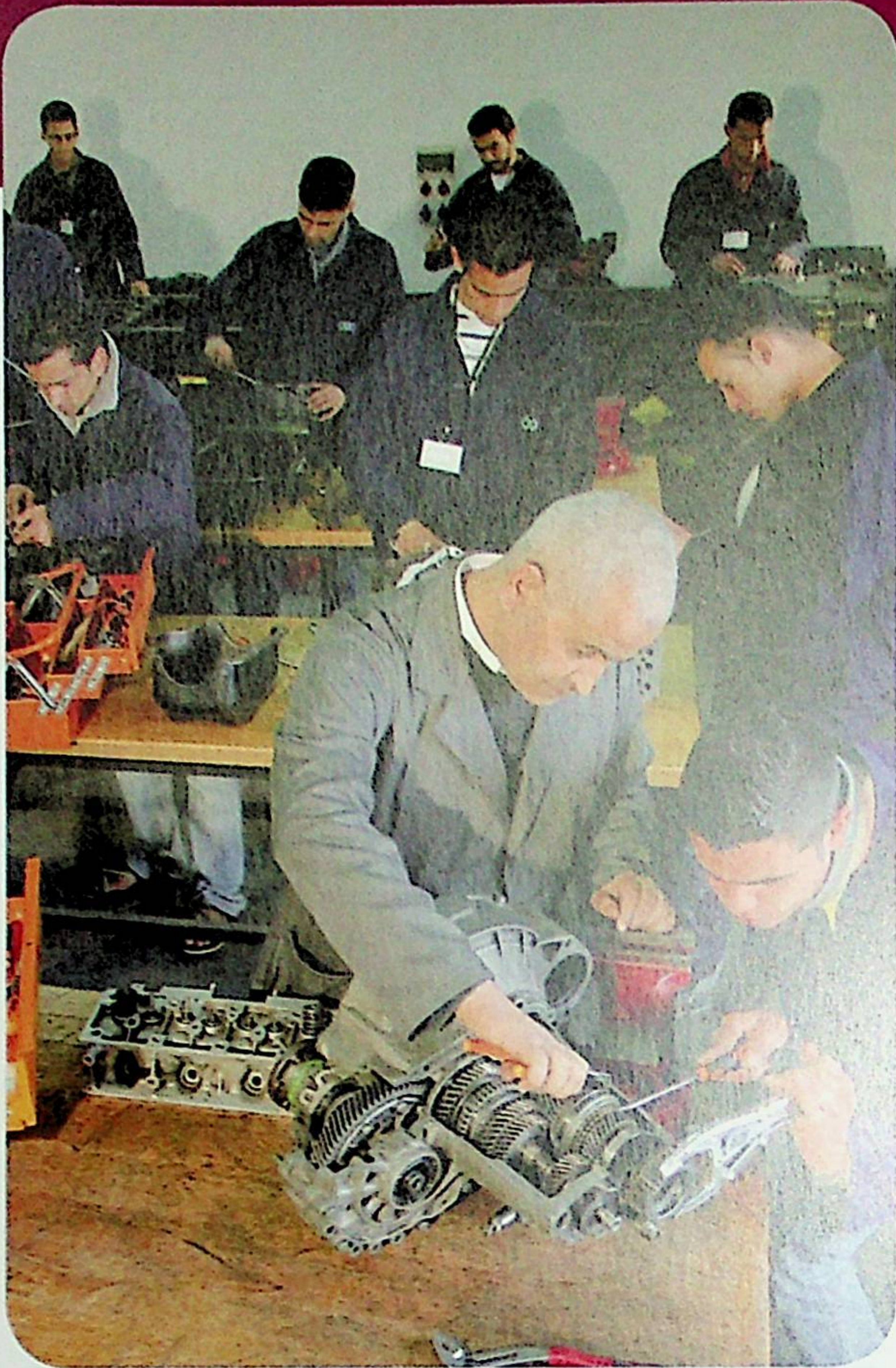
PROMOTING RESEARCH AND PARTNERSHIPS FOR GREATER EFFECTIVENESS

AFD conducts research studies that aim to shed light on and orient its activities in the vocational training sector. It has, along with other partners, specifically focused on vocational training in the informal sector, the cost of vocational training in Sub-Saharan Africa and financing private higher education in the Mediterranean. Other topics are explored, such as the professionalization of faculties of social sciences, or the training requirements of "green jobs".

SOUTH AFRICA "EDULOAN" student loan

In South Africa, the majority of the population was for a long time excluded from education, and particularly vocational training. Today, access to the university system – including via correspondence courses – remains expensive, with annual tuition fees representing on average one month's salary for low-income workers.

In order to reduce inequalities and improve the level of education and employability of disadvantaged populations, the South African microfinance institution EDULOAN, which is specialized in the allocation of loans for training for students and the poorest wage earners, wanted to develop its lending portfolio and raise it from 45,000 students a year in 2002 to 72,000 students in 2006. AFD provided support in the form of a ZAR75 million loan guarantee (i.e. roughly €8.25 million) allocated to EDULOAN via a South African bank. EDULOAN was consequently able to raise the short- and medium-term resources it required to finance its development plan. It has also found a long-term financial partner, since Standard Bank has also become one of its shareholders.



Morocco OFPPT ISTA Mechanical engineering © OFPPT

AFD is also scaling up partnerships for exchanges and cooperation with players - particularly French players - that are likely to contribute to the development of vocational training systems in partner countries (Ministries, donors, specialized bodies, consultancy firms, research institutes, private groups, foundations, regional authorities, social partners and NGOs). AFD is highly mobilized within GEFOP or Group of Experts on Vocational Training, which gathers African, European and Asian experts working on topics such as financing vocational training, training in the informal sector, high-potential professions, etc.

In addition, AFD has forged partnerships with cooperation institutions from Germany (GTZ) and Luxembourg (Lux-Dev) – both a reference in the sector – and signed a partnership agreement with them in September 2009.

AFD is also one of the mainsprings in seeking convergence in development strategies for vocational training and higher vocational education at the Mediterranean level, particularly in the framework of the Union for the Mediterranean.

SENEGAL

Supporting the restructuring of traditional apprenticeship

In Senegal, AFD has supported the Ministry of Vocational Training through a pilot action to train 700 apprentices in the sectors of car mechanics, building and public works, dressmaking and food processing. This operation was conducted in partnership with representatives from professional organizations in these sectors.

The project made it possible to clearly identify actions to be implemented for the large-scale rollout of training by apprenticeship:

- Selection of workshops with a capacity to receive apprentices,
- Identification of suitable industries and territories,
- Cost management,
- Selection of operators capable of managing the apprenticeship process,
- Overhaul of certification frameworks.

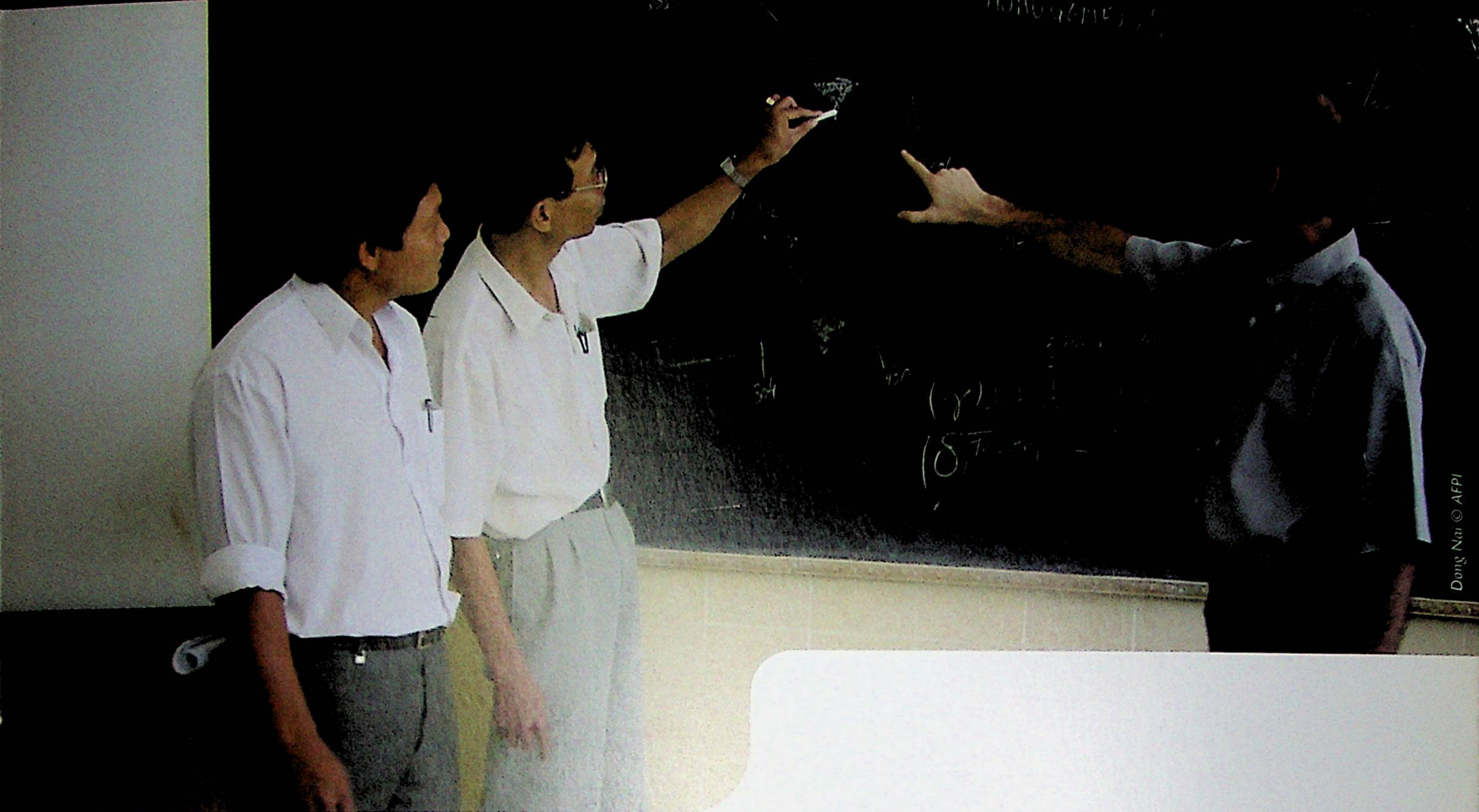


Burkina Faso © Paul Kabré

AFD's corporate university: CEFEB (Centre d'études financières économiques et bancaires)

Based in Marseille, AFD's corporate university designs and implements a wide range of capacity building programmes including professional academic degrees and short and medium-term seminars offered to beneficiaries of AFD's projects, partners in developing and emerging countries, other organisations in developed countries, and AFD employees in France and abroad.

The Centre offers a professional Master's degree in public and private long-term project design and management, as well as more than 60 short and medium-term seminars and workshops aiming at transferring development knowledge, resulting from AFD's operational experience in the following areas: macroeconomic and macro-financial management, local and urban development (including in French overseas territories), public-private partnerships, sustainable development and CSR, financial innovations for development, training design and development.



Dany Ndi © AFPI

AFD stands for the Agence Française de Développement. AFD is a public development finance institution that has worked to fight poverty and support economic growth in developing countries and the French Overseas Communities for almost 70 years. AFD executes the French government's development aid policies.

Through offices in more than fifty countries and nine French Overseas Communities, AFD provides financing and support for projects that improve people's living conditions, promote economic growth and protect the planet: schooling, maternal healthcare, help for farmers and small business, water supply, preservation of tropical forests, and fighting climate change, among other concerns.

In 2009, AFD committed more than €6.2 billion to financing aid activities in developing and emerging countries and the French Overseas Communities. The funds will help vaccinate 1.8 million children, improve drinking water access for 7.3 million people and support 900,000 private sector jobs, while energy efficiency projects save nearly 5 million tons of carbon dioxide emissions per year.

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PROPARCO, AFD's subsidiary dedicated to private investment, promotes private investment in emerging and developing countries in order to boost growth, promote sustainable development and reach the Millennium Development Goals. Its financing is tailored to the specific needs of investors in the productive sector, financial systems, infrastructure and private equity investment.



www.ffem.fr

FFEM is a bilateral public facility set up by the French Government in 1994 following the Rio Summit. It aims at promoting global environmental protection via sustainable development projects in developing or transition countries. The French Global Environment Facility supports physical projects in recipient countries. Its operations are learning-based and support experimental, innovative or exemplary approaches.



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