



THE REPUBLIC OF UGANDA

Ministry of Education and Sports

## **Skilling Uganda**

**BTVET STRATEGIC PLAN**

**2011-2020**

**Final Draft – July 2011**

## FOREWORD

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## CONTENTS

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Foreword	ii
List of Acronyms	iv
<b>Executive Summary</b>	<b>vi</b>
<b>1</b>	<b>B</b>
<b>background and Context</b>	<b>1</b>
1.1 The Strategic Plan Development Process	1
1.2 Strategic Context	S 1
<b>2</b>	<b>C</b>
<b>urrent Situation of Skill Development in Uganda</b>	<b>3</b>
2.1 Relevance to Productivity Development and Economic Growth	3
2.2 Quality of Skills Provision	Q 5
2.3 Access and Equity in BTVET	A 5
2.4 Organisational Effectiveness	O 6
2.5 Financing and Internal Efficiency	7
<b>3 Strategic Plan</b>	<b>8</b>
3.1 Skilling Uganda: The Paradigm Shift	8
3.2 Priority Reforms	8
3.3 Priority Investments	10
3.4 Description of Objectives and Strategies	13
<b>4 Management and Implementation</b>	<b>33</b>
<b>5 Costs and Financing</b>	<b>34</b>
5.1 Recurrent Costs	35
5.2 Development Costs	37
5.3 Funding Gap	39
5.4 Reform Task Force	40
<b>6 Monitoring and Evaluation</b>	<b>42</b>
<b>Annexes:</b>	
1. TVET Strategic Plan 2011-2020: Objectives, Strategies, Outputs and Targets	B 44

2.	TVET Strategic Plan 2011-2020: Objectives, Strategies and Outputs with Implementation Schedule	B 57
3.	TVET Strategic Plan 2011-2020: Objectives, Strategies and Outputs with Activities	B 65
4.	Notes on Training Authorities	N 78
5.	Notes on Financial Transfer Mechanisms	N 82
6.	Notes on Training Levies	N 85
7.	Notes on National Training Funds	N 93
8.	Notes and Tables on Cost Estimates	N 99
9.	TVET Sub-sector Analytical Report	B separate papers

## ACRONYMS

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ASDC	Agricultural Skill Development Center
ATP	Assessment and Training Packages
BA	Business Association
BTVET	Business, Technical and Vocational Education and Training
CBET	Competency-based education and training
CBO	Community-based Organization
CGC	Career guidance and counselling
CoE	Centre of Excellence
CPTI	Community Polytechnic Teachers Institute
DATIC	District Agriculture Training and Information Centre
DES	Directorate of Education Standards
DHE	Department of Higher Education
DIT	Directorate of Industrial Training
DTIM	Diploma in Technical Institutions Management
DTIT	Department of Teachers and Instructors Training
E-BTVET	Electronic BTVET
EMIS	Education Management Information System
ESC	Education Service Commission
ESSP	Education Sector Strategic Plan
FBO	Faith-based organization
FUE	Federation of Uganda Employers
GDP	Gross Domestic Product
GoU	Government of Uganda
GWPE	Government White Paper on Education
HAPEB	Health and Allied Professional Examination Board
HRD	Human Resource Development
ICT	Information and Communication Technology
IGA	Income generating activities
IQM	Internal Quality Management
ITC	Industrial Training Council
JAB	Joint Admission Board
KfW	Kreditanstalt für Wiederaufbau (German financial cooperation)
LG	Local Government
LMIS	Labour-market information system
MAAIF	Ministry of Agriculture, Animal Industries and Fisheries
MIS	Management Information System
MoES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning and Economic Development
MoGLSD	Ministry of Gender, Labour and Social Development
MoICT	Ministry of Information, Communication and Technology
MoJ	Ministry of Justice
MoPS	Ministry of Public Service
MoTTI	Ministry of Tourism, Trade and Industry
MSE	Micro and small enterprises
NAADS	National Agricultural Advisory Services
NARO	National Agricultural Research Organization
NCDC	National Curriculum Development Centre
NDP	National Development Plan
NFTP	Non-Formal Training Programme
NGO	Non-governmental organization
NPA	National Planning Authority
NTF	National Training Fund
NUDIPU	National Union of Disabled Persons in Uganda
OFID	OPEC Fund for International Development
PPTP	Promotion of Private Training Providers
IP-BTVET	Investment Programme – BTVET
PPP	Public-Private Partnership
PSFU	Private Sector Foundation Uganda

PWD	Persons with Disabilities
SDB	Skill development body
SDC	Skill Development Centre
SFD	Saudi Fund for Development
SWAp	Sector-wide approach
TI	Training Institute
TNA	Training Needs Assessment
TSC	Technical Sector Committee
TU	Trade Union
TVET	Technical and Vocational Education and Training
UBOS	Uganda Bureau of Statistics
UBTEB	Uganda Business and Technical Education Board
UGAPRIVI	Uganda Association of Private Vocational Institutes
UGX	Uganda Shillings
UMA	Uganda Manufacturers' Association
UNEB	Uganda National Examinations Board
UNMEB	Uganda Nurses and Midwives Examination Board
UPPET	Universal Post-primary Education and Training
USD	US Dollars
UVQF	Uganda Vocational Qualifications Framework
VTC	Vocational Training Centre
VTI	Vocational Training Institute
WAN	Wide-area network
WS	Workshop

## EXECUTIVE SUMMARY

### Background and Context

This Business, Technical and Vocational Education and Training (BTJET) Strategic Plan 2011 – 2020 builds on considerable progress in the reform of the BTJET system achieved during the last decade, notably the BTJET Act of 2008 and the establishment of the Uganda Vocational Qualifications Framework (UVQF). In 2010, the Government of Uganda (GoU), with support from the World Bank and Government of Belgium, commissioned a consultant team of national and international experts to conduct a sub-sector study and subsequently support the drafting of the Strategic Plan. The analytical and conceptual work included substantial stakeholder consultation and was benchmarked against international experience in the reform of technical and vocational education and training systems. The consultant team prepared an analytical report, which forms the basis of this Strategic Plan. It is attached to this Strategic Plan and may be consulted for further elaboration and clarification of objectives and strategies. The Strategic Plan is designed to address the major challenges identified regarding relevance, quality, access and equity, management and financial sustainability of BTJET.

Point of departure of the Strategic Plan is Uganda’s development framework, formulated in Uganda’s Vision 2025, and more specifically in the National Development Plan (NDP) 2010/11 – 2014/15. The Strategic Plan is embedded in the overall education policy framework and hinged on the BTJET Act of 2008. It incorporates ongoing BTJET implementation and development activities by the BTJET Department and the Directorate of Industrial Training (DIT) under the Ministry of Education and Sports (MoES).

### The Strategic Plan – A Paradigm Shift in BTJET

The Strategic Plan is titled “Skilling Uganda”, which denotes a paradigm shift for skills development in Uganda. The BTJET system is expected to emerge from an educational sub-sector into a comprehensive system of skills development for employment, enhanced productivity and growth. The main purpose will be to create employable skills and competencies relevant in the labour market instead of educational certificates. It will embrace all Ugandans in need of skills, including but not only primary and secondary school leavers.

#### Paradigm Shift in BTJET



Re-orienting BTVET to the needs of the labour market does not mean it will not keep strong ties with the education system. Certificates awarded in the formal BTVET system (technical education) remain educational certificates facilitating progression in the educational system. However, training contents will be aligned with skills requirements in the labour market.

### **Critical Intervention Areas and Priority Investment Programmes**

Four main interventions are considered critical to prepare the ground for a successful BTVET reform:

- Development of comprehensive public-private partnership in BTVET
- Building a unified body for managing skills development in Uganda
- Expanding the scope of the UVQF, which includes related curriculum development
- Reforming the system of BTVET funding, including the introduction of a BTVET levy

In line with these critical interventions the Strategic Plan identifies priority investment programmes as follows:

1. Institution-building
2. Expanding BTVET in NDP priority sectors
3. Expansion and improvement of agriculture training
4. Skills for productivity in the informal sector
5. Strengthening of existing BTVET institutions
6. BTVET instructors training

### **Objectives and Strategies**

The 10-year Strategic Plan is designed to contribute during the years 2011 to 2020 to the achievement of the following higher-level development objective for the BTVET system:

*Business, Technical, Vocational Education and Training (BTVET) ensures that Ugandans and enterprises acquire the skills they need to raise productivity and income.*

The Plan has five objectives to reach the sub-sector's higher level objective:

1. Make BTVET relevant to productivity development and economic growth
2. Increase the quality of skills provision
3. Increase equitable access to skills development
4. Improve the effectiveness in BTVET management and organisation
5. Increase internal efficiency and resources available to BTVET

The BTVET Strategic Plan is a full-sub-sector plan, integrating existing and already planned activities with new strategies to further improve and expand skills development in Uganda. The strategies are the following:

**Objective 1:** Make BTVET relevant to productivity development and economic growth



The objective has the following strategies and sub-strategies:

1. Strengthen the role of the business community and employers in BTVET
  - 1.1. Strengthen the role in BTVET planning and decision-making
  - 1.2. Strengthen employer-based training
2. Expand the coverage of the UVQF and accelerate its development
  - 2.1. Clarify the conceptual framework for the UVQF and strengthen related management capacities
  - 2.2. Implement UVQF-based BTVET throughout the BTVET system
3. Make the training supply more flexible and demand-driven
4. Boost BTVET supply in critical occupations
5. Expand and improve agriculture training
  - 5.1. Establish, improve and expand facilities for agriculture BTVET
  - 5.2. Strengthen linkages of BTVET institutions with research institutions, industry and farmers
  - 5.3. Strengthen competency-based training (CBET) in agriculture
6. Promote skills for productivity in the informal sector and for micro and small enterprises (MSEs)
  - 6.1. Establish non-formal training as an integral part of the BTVET system
  - 6.2. Build human and institutional capacities among skills development providers in training for the informal sector
  - 6.3. Create information, cooperation and coordination networks
  - 6.4. Promote innovation in skills development for MSEs and the informal sector
7. Establish Labour Market Information System (LMIS)

**Objective 2:** Increase the quality of skills provisions

The objective has the following strategies and sub-strategies:

1. Strengthen institutional capacities for BTVET provision
2. Achieve better production and deployment of instructors/tutors and managers by reforming qualifications and recruitment practices
  - 2.1. Strengthening institutional capacities of instructors/tutors training institutions and build an appropriate qualification system for BTVET instructors/tutors
  - 2.2. Boost the availability of competent and qualified BTVET instructors and tutors
  - 2.3. Deregulate recruitment and employment and improve the working conditions of BTVET instructors
3. Introduce better quality assurance systems for public and private BTVET providers
  - 3.1. Introduce an accreditation system for BTVET providers
  - 3.2. Introduce an internal quality management system in BTVET institutions

**Objective 3:** Increase equitable access to skills development

The objective has the following strategies and sub-strategies:

1. Ensure access to formal and non-formal BTVET
2. Expand private training provision
3. Build and resource public BTVET supply
4. Create awareness about BTVET
5. Enhance access of disadvantaged target groups to skills development
  - 5.1. Promote access of disadvantaged groups through bursaries
  - 5.2. Promote female participation in BTVET
  - 5.3. Enhance access for persons with disabilities

#### **Objective 4:** Improve effectiveness in BTVET management and organization

The objective has the following strategies and sub-strategies:

1. Consolidate BTVET functions in an integrated body for skills development
2. Gradually devolve authority to public BTVET institutions and make them accountable for performance outcomes
  - 2.1. Decentralization of authority to BTVET institutions
  - 2.2. Introduction of instruments to increase accountability of BTVET institutions
3. Establish an effective management information system and sub-sector monitoring system

#### **Objective 5:** Increase internal efficiency and resources available for BTVET

The objective has the following strategies and sub-strategies:

1. Increase the efficiency of BTVET provision through results-oriented transfer mechanisms
2. Increase the resources available for BTVET through income generating activities of public BTVET institutions and the introduction of a training levy
  - 2.1. Increase income of public BTVET institutions through income generating activities
  - 2.2. Introduce a training levy
3. Establish a Skills Development Fund

### **Management**

BTVET is under the purview of the MoES. The MoES has the main responsibility for the implementation and monitoring of the Strategic Plan within its current procedures for planning, budgeting and annual reviews. Other ministries and stakeholder are involved and assume responsibility for selected strategies, notably the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF).

The Strategic Plan, however, goes beyond the previous mandate of the MoES. The broadened mandate of the BTVET sector, and the implied need for broader partnerships, is reflected in the strategy to establish a new unified body for skills development in Uganda. After its establishment, the new body would become the owner and main implementer of this Strategic Plan. To reflect the new enlarged vision of the BTVET system from the onset, a BTVET Reform Task Force will be formed to oversee the implementation of the Strategic Plan until the new body and its governing structure is established. The Office of the President/Office of the Prime Minister will appoint to the Task Force eminent personalities and experts in the fields of skills development, education, economic and business sector development and social equity. The Task Force will comprise members from the private and public sector, with at least 50% of its members representing the private sector. The Task Force will be facilitated by a BTVET Reform Secretariat comprising a small number of high-level BTVET experts recruited on a contract basis. The life-span of the Task Force and its Secretariat is until the unified skills development body is formally established.

## Costs and Financing

Overall public resource requirements to implement the BTVET Strategic Plan over the nine fiscal years 2011/12 to 2019/20 are estimated at 2 001 billion UGX, or 870 million USD. Over the plan period, recurrent cost account to 55%, and development cost to 45%. The estimates represent full sub-sector cost to government.

433 billion UGX, or 39%, of the entire recurrent budget are earmarked for capitation grants/bursaries to support school leavers attending formal BTVET programmes. The projections envisage a moderate increase in enrolment in formal BTVET from 42 000 to 103 000 in 2019/20 representing an annual enrolment growth rate of 10%, and a gradually increasing per capita funding to ensure that training is provided at good standards. 40% of the entire formal BTVET student population will be provided with a public scholarship.

The Strategic Plan assumes further that non-formal BTVET will be permanently integrated into the public BTVET portfolio. The cost estimates in the plan foresee a total allocation of 160 billion for non-formal BTVET, which represents an increase of publicly sponsored non-formal training enrolment to 40,000 annually in 2015 and 60,000 by 2016, compared to 20,000 in 2010/11.

The major shares of the development expenditure are earmarked for rehabilitating and strengthening the existing network of BTVET institutions, both public and private, and for the further development of agriculture training (much of which will be borne by the MAAIF). During the first phase of the plan period, 21% of total development costs are allocated for the establishment of new BTVET institutions under existing loan agreements. From 2014/15 onwards, no further investment in new public institutions are expected. Instead, incentives for the expansion of the private provider network will be established, i.e. matching grants.

The funding gap for the Strategic Plan in relation to currently projected public expenditure under the revised ESSP (2010 Revision) is substantial. For the first four years of the plan period, covering the current MTEF, the total funding gap amounts to 424 billion UGX, which represents 60% of the total estimated volume. Options for closing the funding gap include increased public allocation to BTVET, an increased engagement of development partners, co-funding by other government sectors, and shifting efforts to the development of more cost-effective training delivery modes. Furthermore, the Strategic Plan envisages the introduction of a training levy, which may become a significant additional revenue source for the BTVET system from 2015/16 onwards. The current cost and expenditure estimates do not include the potential levy proceeds.

Operational priorities within the overall strategic directions of the plan may be defined in case funding gaps remain. The Reform Task Force will facilitate the discussion and agreement on such priorities.

The Reform Task Force has been budgeted separately. It is estimated that the task force will require a total UGX 3 900 million (USD 1.68 million) to accomplish its task over the first four years of the plan period.

## Monitoring

The overall responsibility for monitoring and evaluation of the Strategic Plan and the BTVET development rests with the BTVET Reform Task Force, until the unified body for skills development

is formed. In Annex 1 indicators for all objectives, strategies and outputs are suggested, to be fine-tuned when a comprehensive monitoring system is built. At objective level, the following indicators are suggested:

<b>Objectives</b>	<b>Suggested Indicators</b>
<b>1 – Make BTVET relevant</b>	70% of employers satisfied with competencies of BTVET graduates by 2020; 80% of BTVET graduates entering the labour market have found employment/self-employment generating sufficient income by 2020
<b>2 – Increase quality of skills development</b>	UVQF assessment pass rates increased to 90% by 2020
<b>3 – Increase equitable access</b>	Number of BTVET graduates increased to 450,000 annually, with 50% female participation
<b>4 – Improve effectiveness in management and organization</b>	BTVET reform implementation progressed in line with Strategic Plan
<b>5 – Increase internal efficiency and resources available for BTVET</b>	Unit spending of BTVET institutions increased compared to baseline BTVET functions adequately resourced



## BACKGROUND AND CONTEXT

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### 1.1 The Strategic Plan Development Process

To deepen reforms and guide the use of increasing investment resources in the Business, Technical and Vocational Education and Training (BTJET) sub-sector, the Government of Uganda (GoU), represented by the Ministry of Education and Sports (MoES) and supported by the World Bank and the Government of Belgium, initiated a process to formulate a 10-year BTJET Strategic Plan in 2009. This built on considerable progress in the reform of the BTJET system achieved during the last decade, which included the adoption of the BTJET Act in 2008 and the establishment of the Uganda Vocational Qualifications Framework (UVQF).

In 2010, GoU commissioned a consultant team of national and international experts to conduct a sub-sector study and subsequently support the drafting of the Strategic Plan. The work of the consultant team was overseen by an extended BTJET Working Group, comprising the key BTJET staff in the MoES and a group of experts from other public and private stakeholder organisations. During the initial analytical work, the consultants met with some 300 stakeholders throughout the country and visited some 70 BTJET providers in order to receive information and guidance on the BTJET reform. The analysis was benchmarked against international experience in the reform of technical and vocational education and training systems. The analytical report submitted in January 2011 included six technical papers on different aspects of BTJET development<sup>1</sup> and one synthesis report summarizing the analysis and the main recommendations. This report provided the basis for a national stakeholder workshop in February 2011, during which more than 120 stakeholders discussed and validated the recommendations of the consultant team. The report and the comments obtained at the national stakeholder workshops and in subsequent consultative meetings formed the basis for the formulation of this Strategic Plan. The analytical report is attached to this Strategic Plan and may be consulted for further elaboration and clarification of objectives and strategies.

Further studies have been commissioned to deepen the empirical knowledge about unit costs in the BTJET system, employment destinations of BTJET graduates (tracer study) and the scope and nature of employer-based training in Uganda. Results are expected to be available during 2011. These will inform further the implementation process of the Strategic Plan and assist the fine-tuning of its instruments and targets.

### 1.2 Strategic Context

Point of departure of the Strategic Plan is Uganda's development framework, formulated in Uganda's Vision 2025, and more specifically in the National Development Plan (NDP) 2010/11 – 2014/15. The NDP envisages to transform the Ugandan society "from a peasant to a modern and prosperous country within 30 years", reaching middle-income country status by the year 2017. Accordingly, the theme of the Plan is "growth, employment and socio-economic transformation for prosperity". The Plan puts considerable emphasis on balancing growth with progress in social equity in order to sustainably

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<sup>1</sup> Technical Papers were compiled on (1) Labour Market Analysis; (2) MSE Development and BTJET; (3) Agri-business Development and BTJET; (4) Policy, Management and Organization; (5) BTJET Delivery; and (6) Social Equity.

reduce poverty. It accords high importance to skills development as a means to raise productivity and incomes and enhance competitiveness of the economy, in particular in view of the evolving East African Common Market. NDP targets and strategies to address this national skill gap, notably in its chapters 7.2 to 7.4, have been consolidated and concretized in this Strategic Plan.

The Strategic Plan is embedded in the overall education policy framework. The Government White Paper on Education (GWPE 1992), which underpins the current education sector policy, laid the foundation for the BTVET reform and its important role in poverty reduction. It underscored the need to orient BTVET towards employment and national economic needs. BTVET is an integrated sub-sector of the Education Sector Strategic Plan (ESSP). The BTVET-specific objectives of the ESSP define specific targets to increase relevance and quality, and access and equity. In its most recently updated version, the ESSP (2010-2015) envisages that BTVET will continue to expand particularly at post-primary level, with an enrolment target of 30% of total post primary enrolment. The total BTVET enrolment target for the end of the plan period is set at 290,000 students. Overall, the updated ESSP emphasises a shift towards quality of education and training with a focus on defining and raising standards and improving overall sector governance.

The BTVET Strategic Plan also draws from the Draft BTVET Policy that was formulated in 2003 by a Task Force under the MoES. The draft policy document outlined the framework of an integrated, stakeholder involving and competency-based BTVET system, that aims at wide and equitable access, quality and relevance of training, financial sustainability and institutional efficiency. It describes avenues for the integration and support of different provider systems including formal, non-formal, enterprise-based training, and for the development of an appropriately diversified system of BTVET delivery.

The Strategic Plan is hinged on the BTVET Act of 2008 and incorporates ongoing BTVET implementation and development activities of existing actors, specifically the BTVET Department and the Directorate of Industrial Training (DIT) under the MoES.

## CURRENT SITUATION OF SKILL DEVELOPMENT<sup>2</sup> IN UGANDA

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To identify the strategies and interventions in this Strategic Plan, the present BTVET system was analysed according to the five criteria: (i) relevance to productivity development and economic growth; (ii) quality of skills provision; (iii) access and equity in BTVET; (iv) organizational effectiveness; and (v) financing and internal efficiency. A summary of the key challenges is presented in the problem tree analysis overleaf. Reference is also made to the attached analytical report, which provides further details of the situation analysis.

### 2.1 Relevance to Productivity Development and Economic Growth

Relevance refers to the relationship between the supply of skills and economic and labour market demands. The Ugandan BTVET system can be considered relevant if it equips Ugandans with the right set of skills required by companies to compete in domestic, regional and international markets, or by individuals to successfully make a living through self-employment.

Addressing the challenge of relevance Uganda has progressed well during recent years through introducing the Uganda Vocational Qualifications Framework (UVQF). The UVQF is a major tool to ensure that training contents are aligned with the skill demands in the labour market, and that training is re-focused to practical competencies. However, the UVQF requires more vigour in its implementation.

At the moment, the BTVET system still does not produce the appropriately skilled workforce that Uganda needs to increase incomes and employment, and to compete in the East African and international markets. Less than 40% of large and medium firms regard courses offered by BTVET institutions as relevant.

Too little influence and engagement of employers in the BTVET system, a rather rigid supply structure in the formal BTVET provider system and the lack of a systematic labour market information system are among the major challenges to increasing the demand-responsiveness of the BTVET system.

Major gaps include:

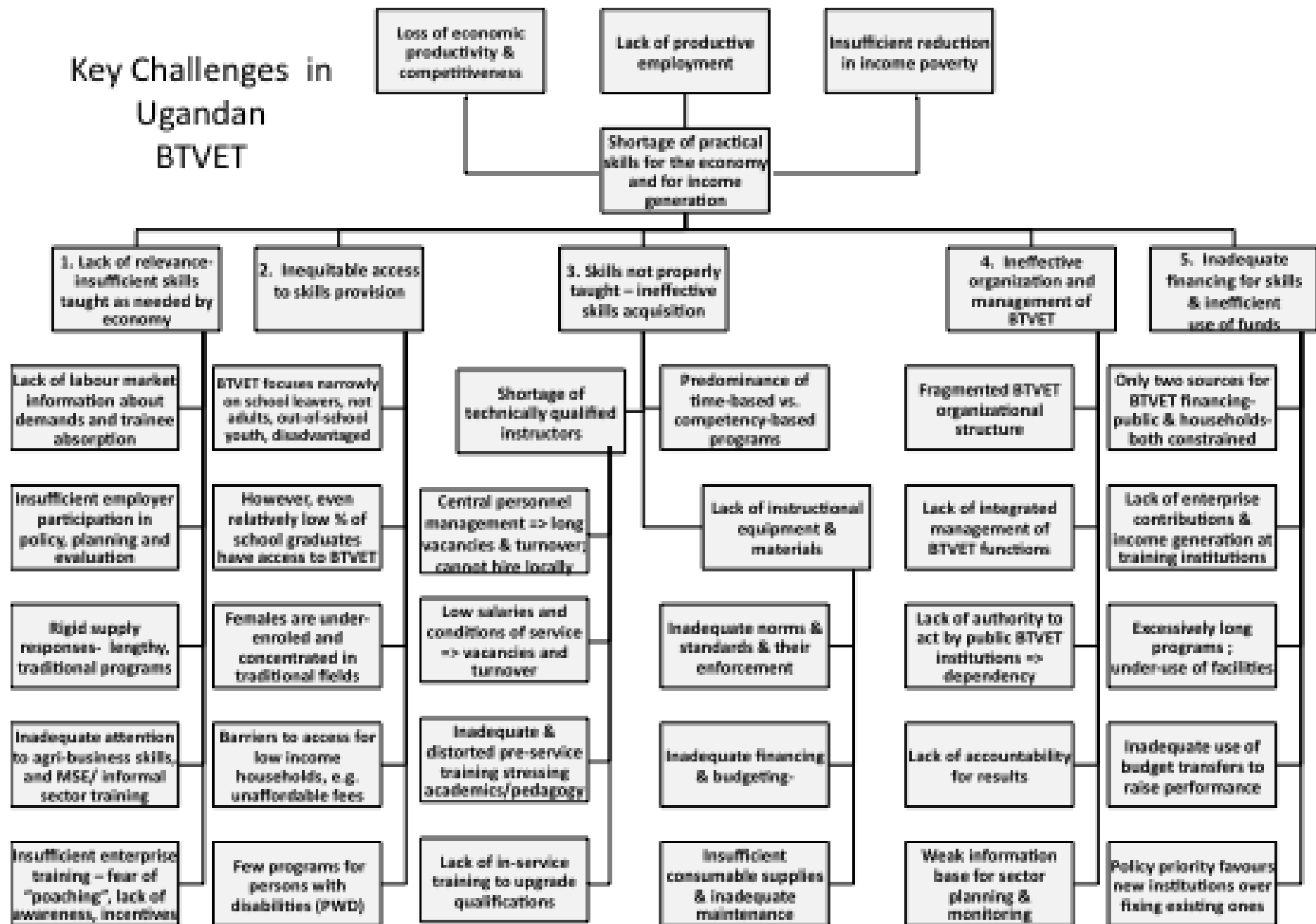
- BTVET programmes for agri-business development and informal sector employment are strikingly insufficient in terms of both enrolment and appropriateness of contents and training methodologies. Yet, agriculture and the informal sector are the most important sub-sectors of the Ugandan labour market and remain so for the foreseeable future. Agricultural employment continues to cater for some 70% of the Ugandan workforce. The non-farm informal sector, which comprises mainly micro enterprises, own account workers and unpaid family workers, has declined in recent years, but still accounts for 18% of total employment, and 58% of the non-agricultural employment.

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<sup>2</sup> The Strategic Plan uses the term “skills development” to refer to the actual process of imparting skills and the outcome of education and training, i.e. improved skills and competencies. The term BTVET is used, if the institutional system, i.e. the source of education and training, is concerned.



# Key Challenges in Ugandan TVET



- The range of occupations for which BTVET programmes are offered is rather narrow, and does not address skills needs in modern and emerging productive sectors. Available studies and labour market indicators point to unmet skills demand in the hospitality industry, ICT sector, business management and financial sector, mining and engineering, oil and gas, and for environmental technologies, among others.
- A major challenge across the BTVET system is the lack of practical competencies of graduates. According to employer surveys, this is especially pronounced at higher qualification levels indicating the need for considerably more practically-oriented BTVET at technician level.
- *Soft skills* necessary to perform well in modern work environments are underdeveloped among the Ugandan workforce and not appropriately taken into account in training programmes. These include communication, computer literacy, customer care, problem solving, work attitudes and ethics.

## 2.2 Quality of Skills Provision

Quality is the effectiveness of training in relation to intended outputs. It refers to the state of training delivery and measures to what extent training institutions implement their programmes in a way that ensures trainees achieve expected competencies.

With the support of government funding and international cooperation, a number of public and private BTVET institutions have been upgraded in recent years. Some are well-managed and resourced, able to deliver training of good quality. The majority of the more than 1,000 private and public BTVET institutions, however, fail to deliver training at a quality commensurate with required standards. One indicator is the low pass rate in BTVET examinations. About half of all registrants for UNEB BTVET examinations fail to pass their examinations. Results in DIT trade testing are slightly better, but also indicate severe problems particularly in modern occupational areas.

Among the main quality challenges are the shortage of appropriately qualified and competent BTVET instructors, and the often appalling state of the training infrastructure. The physical infrastructure of many institutions is dilapidated and inadequate in size to cater for the number of enrolled students. Most workshops lack essential training equipment and tools. The BTVET system does not provide for adequate quality control and support mechanisms. Furthermore, BTVET institutions lack incentives to improve their performance. They are not held accountable for the results of their work.

## 2.3 Access and Equity in BTVET

Access and equity refer to the opportunities of people in need of skills development to complete relevant training programmes. Access is determined by the availability of appropriate training places. Equity addresses the chances of the entire population, including females, persons with disabilities and other disadvantaged groups, to make use of available opportunities.

Enrolment in public BTVET has increased by one quarter between 2007 and 2009, and with the launch of the Non-Formal Training Programme (NFTP) by the MoES in 2010 an increasing number of Ugandans have recently been given the opportunity to acquire employment-relevant non-formal skills training. New BTVET institutions currently under construction in 14 districts will create new training opportunities in presently under-served areas.

Notwithstanding, still relatively few school leavers – and fewer adults and dropouts – access organized training, in particular through formal BTVET. Currently, public providers accommodate only about 1% of primary seven completers, 3% of O’level and 7% of A’level graduates. Even if private provision is taken into account, these levels still fall far short of NDP targets, which envisage the BTVET sub-sector to enrol 10% of all P.7 graduates and 30% of O’level completers. Many BTVET institutions run below capacity.

Important groups of citizens do not benefit fairly from BTVET provision. In particular,-

- Low income groups tend not to participate because of high fees and high opportunity costs caused by long training durations;
- Young people who dropped out of school before completing primary school, constituting almost half of the youth, were not addressed at all until 2010 when the NFTP was initiated.
- Females account for only about one fourth of public BTVET enrolments, and are concentrated in traditional female occupations.
- Persons with disabilities, which constitute around 16% of the population according to the most recent National Household Survey, are virtually excluded from training opportunities in the public system.
- Adults have few avenues to upgrade or learn new skills.
- Persons living in Karamoja and the Northern regions have considerably fewer opportunities to acquire skills through training programmes.

## **2.4 Organisational Effectiveness**

Implementation of the ambitious BTVET development objectives requires strong organization and management of BTVET. Important steps were accomplished in recent years towards consolidating the organisational set-up, including the restructuring of the MoES, the strengthening of the DIT as a semi-autonomous body and not least deepening the culture of public-private partnership in the management and delivery of BTVET. The Uganda Association of Private Vocational Institutions (UGAPRIVI) has emerged as a strong private sector organisation facilitating the development and interest articulation of the largest segment of BTVET provision.

However, the management of BTVET is still very fragmented. Within the MoES sixteen directorates, departments, divisions and institutions are fully or partly charged with different BTVET functions at the moment, including the DIT, the BTVET Department, DES, UNEB, NCDC, the Department of Higher and Vocational Education and Training, the Department of Teachers and Instructor Education and Training, and others. Other ministries and institutions are involved in managing their own BTVET institutions, and in policy development (e.g. the National Planning Authority – NPA). Many of the involved organisations and units are poorly resourced. Responsibilities between different players are often unclear and overlapping. Main decisions on BTVET are made within the Ministry’s SWAp (sector-wide approach) mechanisms, which are dominated by general education stakeholders and have only limited representation of BTVET interests. The expertise of core BTVET stakeholders, such as employers and business sector representatives, employee representatives, civil society as well as other sector ministries is not systematically used for BTVET planning, policy development and monitoring.

Another concern is the lack of power of public BTVET institutions to take action on their own. Governing bodies do have considerable responsibilities, however key decisions, e.g. about training fees and budgets, require MoES approval. Decisions about training courses are in reality taken in the

Ministry. Lack of authority to take action stifles incentives and results in a “dependency syndrome”, where institutions expect the central Ministry to solve their problems. It discourages initiative and innovation at the local level, and constrains flexible responses to local market opportunities and problems. This is reinforced by the lack of accountability in public institutions. Neither the BTVET Department nor governing bodies have performance agreements with institutional managers. Managers, instructors and governing bodies are not held accountable for training results. Good or poor examination pass rates do not lead to recognition, rewards or sanctions. Teacher absenteeism occurs widely without consequences for headmasters or teachers.

## **2.5 Financing and Internal Efficiency**

Shortage of funding is clearly among the binding constraints of BTVET development in Uganda. Resource constraints affect all levels of the BTVET system, including the regulatory structure and the BTVET institutions themselves. At the level of the BTVET institutions funding shortages results in low teachers salaries, outdated equipment and facilities and unavailability of training material, all negatively affecting the quality and the image of BTVET. At the regulatory level, financial constraints lead to understaffing and lack of operational funds resulting in slow movements with respect to key reform undertakings, such as the development of Assessment and Training Packages (ATPs).

Funding sources for BTVET are not appropriately diversified. The current two major sources of BTVET funding, the public budget and private households (through training fees) face tight constraints. The share of BTVET in the MoES budget is relatively low at 4%. Also public unit spending is low even by African standards. Extensive private financing of BTVET through fees in public and private institutions is a strength of the current system. However, poverty and low household incomes limit the scope for increasing private contributions.

## STRATEGIC PLAN

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### 3.1 Skilling Uganda: The Paradigm Shift

The Strategic Plan is titled “Skilling Uganda”. The concept of “Skilling Uganda” denotes a paradigm shift for skills development in Uganda. The BTVET system is expected to emerge from an educational sub-sector into a comprehensive system of skills development for employment, enhanced productivity and growth. The main purpose will be to create employable skills and competencies relevant in the labour market instead of educational certificates. It will keep strong ties with the education system and certificates awarded in the formal BTVET system remain educational

#### Paradigm Shift in BTVET



certificates facilitating progression in the educational system. However, training contents will be aligned with skills requirements in the labour market. The new BTVET system will furthermore embrace all Ugandans in need of skills, including but not only primary and secondary school leavers.

This change requires new thinking and new concepts for the ways BTVET is planned, organized and implemented. It calls for a broader scope of BTVET in terms of target groups and occupations in response to the Ugandan labour market, for adjustments in the way training is delivered in order to improve competences of graduates, and for modifications in the organisational and management set-up.

### 3.2 Priority Reforms

Four main interventions are considered critical to prepare the ground for a successful BTVET reform which responds to the needs of the Ugandan economy and labour market during the next decades: Firstly, building a comprehensive public-private partnership (PPP); secondly, ensuring a strong and

focussed BTVET management controlled by all major stakeholders; thirdly defining the requirements of the world of work as the benchmark for all BTVET programmes and qualifications; and finally reforming the system of financing BTVET in order to achieve long-term sustainability.

#### *Development of comprehensive public-private partnership in BTVET*

Building on existing successful PPP policies, the public sector needs to further strengthen partnerships both with the demand side of skills (employers) and the private supply side (private training providers). International experience shows that effective and relevant skills development systems are always built on strong alliances with employers and the business sector. Such alliances involve joint efforts in policy development, planning, monitoring and quality assurance. However, equally important are partnerships in training delivery and in financing of training.

Until recently, Ugandan employers were by and large passive beneficiaries of the BTVET system. However, private firms show an increasing interest in skills development, and some sectors are planning industry-driven initiatives to skills development. Notable examples include the construction sector and companies in the oil industry. The Plan explicitly welcomes such initiatives and seeks to support employer-based training initiatives with a favourable regulatory environment, appropriate incentives and specific programmes.

Private training providers, already a strong BTVET provider segment with presumably more than 1,000 institutions, will be supported to grow and expand further to foster a market-led expansion of BTVET supply. Private providers (which include private commercial, faith-based and NGO-run institutions) will receive access to all support schemes offered to BTVET institutions, and will be assisted with public subsidies in particular if they invest in under-served regions and build training supply in priority occupations.

Of particular importance is the strategy to make employers part of the governance structures in the BTVET system, both at central level and at the level of BTVET institutions. Employers, and the business community at large, know best, what skills the market requires and therefore must become equal partners of government in all policy development and planning processes and in the governance of the BTVET system, which includes decision on allocation of funds.

#### *Building a unified body for skill development*

To address the current fragmentation and duplication in the management setup, and its lack of responsiveness to changing requirements in the labour market, different options to create a unified BTVET body to more effectively manage the BTVET system will be explored in a consultative way and taking into consideration international experience in other African countries and elsewhere. The aim should be to establish a new autonomous BTVET organisation that would integrate under one roof all major public BTVET management functions currently held by different organisational units in and outside of the MoES. This will provide BTVET with coordinated power and give it a strong voice in Uganda. With the establishment of the new body for skills development the major stakeholders of BTVET are expected to bring their expertise into the policy development, planning and monitoring of the system in a more effective way than currently possible, hence increasing the depths and appropriateness of discussions and decisions. These stakeholders will include employers, representatives of the business community, employee representatives, civil society and other sector ministries that have an interest in skills development.

### *Expanding the scope of the UVQF*

The UVQF has been created to align BTVET programmes and qualifications with the needs of the labour market. The UVQF ensures that employers and industry experts are in the driver's seat when occupational standards and training contents are defined. It is the safeguard against the institutionalization of the supply-driven, academia-focussed formal training programmes, which failed to provide graduates with competencies and skills relevant to the needs of the labour market. To ensure that in the future all BTVET graduates are equipped with employable skills, all formal and (where possible and appropriate) non-formal programmes will be based on UVQF standards and completers assessed against these standards. This will facilitate upwards progression within the BTVET system. Curricula in the formal BTVET system, for which educational certificates are awarded, will be based on UVQF standards as regards their occupation-specific parts.

During the plan period, the UVQF reform will be further elaborated with the aim to increase UVQF levels up to diploma qualifications. This responds to the urgent request of employers to produce more diploma-level BTVET graduates with relevant practical skills.

Curriculum development will be accelerated based on UVQF standards.

### *Reforming the system of BTVET funding*

Under-funding is one of the most striking characteristics of the present BTVET system, contributing significantly to the quality and relevance challenges. The envisaged BTVET reform will induce further funding requirements in order to improve the quality of training delivery, to build systems for quality assurance, and eventually to increase access to skills development. The reform is doomed to failure unless the foundations for an efficient and sustainable financing framework for BTVET are laid right at the initial stages of the reform.

The Strategic Plan calls for an initial two-track strategy to address the sustainability issue: (1) reforming transfer mechanisms and linking these to performance. This is expected to contribute to internal efficiency increases, and to a more result-oriented culture in the management of BTVET institutions and central management units; (2) introducing a diversification of funding sources for BTVET, notably through the introduction of a training levy and more vigorous efforts to increase own income of BTVET institutions.

## **3.3 Priority Investments**

In line with the critical intervention areas outlined above, the Strategic Plan identifies six priority investment programmes to achieve its ambitious objectives:

### *Institution-building*

Establishment and substantial capacity building of institutions is necessary to drive the envisaged reform process and to consolidate the BTVET management system in the long run. This includes the proposed new body for managing skills development, the institutional set-up necessary to implement envisaged reforms in the financing system (training levy and Skills Development Fund), and a new labour market information system. Institution building includes, among others, substantial conceptual and design work in order to develop an appropriate institutional set-up in consideration of lessons

learnt in other countries, legal and regulatory processes, resourcing transformation processes, as well as human capacity building.

#### *Expanding BTVET in NDP priority sectors*

The current BTVET supply is narrow in scope and does not reflect skills needs to accommodate growth and productivity development in modern industries, to drive technology development and innovation, and to assist the implementation of NDP investment programmes. The range of new programmes needed is wide ranging from modern service occupations (e.g. financial services), an array of specialized engineering and construction programmes to energy technologies and more generally green technologies. Specifically the programme structure at tertiary BTVET level needs to be reconfigured to facilitate an increased national enrolment in technology programmes.

At the moment only 15% of all tertiary BTVET enrolment is recorded in Technical Colleges. Specific priorities have to be set with industry, standards and curricula developed with priorities and relevant training capacities expanded. Notably the oil industry and construction sector anticipate a significant demand for trained labour over the next three to five years. In these sectors, industry has indicated strong interest to support necessary skills development, and initiatives to expand the relevant BTVET supply will start immediately.

#### *Expanding and improving agriculture training*

Employment in agriculture accounts for some 70% of the entire employment in Uganda, and this share is not expected to significantly drop in the years to come. More than half a million new labour market entrants every year are likely to find work in the agricultural sector.

Agricultural production in Uganda is largely not competitive. Unacceptably high post harvest losses occur, and farm mechanization is low. Farmers lack modern production skills. Jobs in modern agribusinesses are often held by foreigners. For export promotion and import substitution, farmers need to diversify into new products and enterprises, which require skills that are presently not available.

In spite of the importance of agriculture in the country's economy agriculture training has never been accorded appropriate attention. Enrolment in public and private agriculture BTVET at all levels is low, accommodating only around 4,600 new trainees each year. Training offers are insufficiently diversified in terms of specializations, unevenly distributed throughout the country and not specific to needs of different target groups. Programmes are generally of low quality caused by inadequate resources.

The plan therefore envisages considerable investment in the expansion of the agricultural BTVET supply, rehabilitation and revitalization of training facilities, new and improved curricula and human resource development for instruction and management of training. In total, more than 100 bn UGX are anticipated to be invested during the 9-years plan period into the expansion and improvement of agriculture BTVET.

Agricultural training has long suffered from inadequate communication and coordination between the training system and the relevant actors in agricultural development. Coordination and linkages between the MoES and the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF) and other agriculture stakeholders will be strengthened and institutionally established. The plan foresees considerable investment in improving and expanding, and refocusing, of the institutional network for



agriculture training. The current farm schools will be transformed into Agricultural Skills Development Centers (ASDC) with the mandate to train school leavers as well as farmers upon needs. New and higher-level institutions will have to be built, once the quality of existing institutions is improved. In the long run, it will be considered whether a transferral of farm schools from the MoES to the MAAIF may be instrumental to increase the relevance of agriculture training.

New standard and curricula will be developed to increase quality and relevance of agriculture training. The introduction of post S4 level agriculture training will close existing qualification gaps and will ensure that agriculture trainees have access to educational progression opportunities.

#### *Skills for productivity in the informal sector*

Uganda's informal sector has not grown during recent years. It is operating at low productivity levels, and informal sector employment has declined. Yet the informal sector remains a stronghold of employment, accounting for 58% of non-agricultural employment in Uganda. It needs interventions to increase productivity. Improved skills are not the only means but an important factor in the strategy to develop MSEs and the informal sector as outlined in the NDP.

However, to date the BTVET system has largely neglected the specific training needs for informal sector employment. Pre-employment BTVET for school-age youth is inadequate to prepare graduates for self-employment. There is no systematic approach to skills development for people already in or seeking to enter the informal sector. Many of the training offers are supply driven, not based on market assessments and only duplicate formal sector training at very low levels. Some very effective programmes cannot be replicated due to lack of information exchange and resources. Training for the informal sector is largely donor-financed and therefore not sustainable.

Recognizing the importance of MSE and informal sector development for economic growth and employment generation, the Strategic Plan calls for bold steps to expand training for the informal sector, to improve relevance and effectiveness and to make it an integral part of a comprehensive BTVET system in Uganda. The Plan focuses on building specific targeted approaches to informal sector training based on the needs of local markets. It envisages investments in institutional and human capacity building of non-formal training providers, and plans to establish regional support centers to facilitate decentralised communication, coordination and support networks. An Innovation Challenge Fund will be set up to stimulate new training approaches, and programmes supported to expand and improve traditional apprenticeship training.

#### *Strengthening of existing BTVET institutions*

Sub-standard quality in BTVET delivery has considerably contributed to the low image of skills training in Uganda, and in certain segments of the supply system to low capacity utilization. Quality improvements in the training delivery are therefore a top priority of BTVET development over the next ten years.

Public investment in BTVET will primarily be used to address the quality challenges, hence for strengthening of existing BTVET institutions. It will include rehabilitation and expansion of buildings and workshops, up-to-date training equipment and thorough human resource development. For this, the GoU will seek support from its development partners. Centres of Excellence (CoE) for critical occupations will be set up.

While ongoing projects to establish new BTVET institutions will be finalized, additional new BTVET institutions will be put on halt (except for exceptional cases), until the existing BTVET infrastructure is being improved up to internationally comparable standards.

#### *BTVET instructors training*

The plan also envisages bold investments in the development and upgrading of BTVET instructors, to develop an urgently needed corps of additional instructors, and to make existing instructors fit for the new competence requirements in the course of the UVQF implementation. For this, the current instructors training system will be reconfigured, which includes a curriculum reform and the designation of new BTVET institutions as instructors training centers.

### **3.4 Description of Objectives and Strategies**

The 10-year Strategic Plan is designed to contribute during the years 2011 to 2020 to the achievement of the following higher-level development objective for the BTVET system:

*Business, Technical, Vocational Education and Training (BTVET) ensures that Ugandans and enterprises acquire the skills they need to raise productivity and income.*

It will contribute to the achievement of Uganda's Vision 2025, more specifically the goals and objectives formulated in the National Development Plan (NDP) 2010/11 – 2014/15 in its chapters 7.2 to 7.4, and to the BTVET specific objectives of the Education Sector Strategic Plan.

The Plan has identified the following five objectives to reach the sub-sector's higher level objective:

6. Make BTVET relevant to productivity development and economic growth
7. Increase the quality of skills provision
8. Increase equitable access to skills development
9. Improve the effectiveness in BTVET management and organisation
10. Increase internal efficiency and resources available to BTVET

The BTVET Strategic Plan is a full sub-sector plan, integrating existing and already planned recurrent and development activities with new strategies to further improve and expand skills development in Uganda.

#### **OBJECTIVE 1: Make BTVET relevant to productivity development and economic growth**

Objective 1 clusters seven strategies aimed at making the BTVET system more relevant and responsive to labour market needs.

Achievement of the objective will be measured by the degree of satisfaction of employers with the competencies of BTVET graduates, and by the level and nature of employment graduates enter into after training.

The individual strategies are geared to address the most urgent relevance challenges: the relationship between BTVET and the business community, the reform of occupational standards and curriculum in line with labour market needs, the possibilities of BTVET institutions to adjust training supply with the needs of their clientele, and the need to broaden the BTVET supply in occupations that are vital for the country's development, which includes agriculture, the informal sector and new occupations responding to priorities in the national development agenda.

	<b>Targets</b>
<p><b>Objective 1: Make BTVET relevant to productivity development and economic growth</b></p>	<p>By 2020: 70% of employers satisfied with competencies of BTVET graduates 80% of BTVET graduates entering the labour market have found employment / self-employment generating sufficient income</p>
<p><b>Strategy 1:</b> Strengthen the role of the business community (incl informal sector) and employers in BTVET</p>	<p>Enhanced role of the business community and employers in BTVET</p>
<p><b>Strategy 2:</b> Expand the coverage of the UVQF and accelerate its development</p>	<p>UVQF is the legally recognised and implemented framework for BTVET qualifications up to Level 5</p>
<p><b>Strategy 3:</b> Make the training supply more flexible and demand-driven</p>	<p>BTVET institutions continuously adjust their programmes and curricula in response to changing needs of the labour market</p>
<p><b>Strategy 4:</b> Boost BTVET supply in critical occupations</p>	<p>Share of UTC graduates of all tertiary BTVET graduates increased to 40% by 2020 (baseline: 15% in 2008) At least 50% of all post secondary BTVET enrolment covers defined priority areas</p>
<p><b>Strategy 5:</b> Expand and improve agriculture training</p>	<p>Completers of agriculture BTVET increased to xxx by 2020</p>
<p><b>Strategy 6:</b> Promote skills for productivity in the informal sector and for MSEs</p>	<p>At least 70% of participating informal sector enterprises confirm that upgraded skills contribute to higher productivity and raising of product quality</p>
<p><b>Strategy 7:</b> Establish Labour Market Information System (LMIS)</p>	<p>LMIS regularly produced data and information for BTVET planning and career guidance</p>

**Strategy 1:** Strengthen the role of the business community and employers in BTVET

In many countries, strong employer involvement is a key ingredient in a relevant and dynamic system of skills development, as employers tend to know best what skills are needed. Training delivered by companies is typically better and more aligned with the requirements of the labour market because trainees are exposed to the real world of work. The Strategic Plan therefore aims at further deepening the partnership between employers (and the business community at large), government and training institutions. This will build on the increasing interest of Ugandan employers in recent years in skills development and an increasing preparedness to play a more pro-active role.

The Strategy has two sub-strategies:

1. Strengthen the role in BTVET planning and decision-making:

It is envisaged that on short notice employers and other actors of the business community will be in sufficient numbers incorporated as members in the governing bodies of all BTVET institutions. The target is that by 2015 50% of all members of governing bodies of BTVET institutions represent employers and members of the business community. This will require a modification of the relevant regulations.

Employers will also represent a strong force in the governing board of the new skill development body once created. A stronger role in policy development, planning and monitoring of BTVET also requires capacity building of employers. Therefore, special capacity building programmes will be organised, and employer and business sector representatives will in the future participate in all relevant study tours and other capacity building events for BTVET experts.

2. Strengthen employer-based training:

Own training activities by employers, either in-house or delivered by external training providers, will be supported. To this end, the GoU (including the Ministry of Finance, Planning and Economic Development) in cooperation with employers and their associations will work out and launch an attractive incentive package, which may include tax incentives and cost-reimbursements once the training levy is set up.

The provision of internships is currently not sufficient to meet the growing demand. Together with employers, the BTVET Department will develop a plan to improve the availability of internships. This will include, among others, a flexibilization of the academic calendar to ensure that internships can be provided all year round. Furthermore, pilot programmes for the development of partnerships in training (e.g. dual training), will be supported.

## **Strategy 2: Expand the coverage of the UVQF and accelerate its development**

The UVQF with its occupational profiles, assessment tools and training modules (compiled in the so-called ATPs) has been developed as a core instrument to base training contents on skills requirements of the real world of work. Its further development and systematic implementation is therefore key to improving the relevance of BTVET. Two sub-strategies will work towards this:

1. Clarify the conceptual framework for the UVQF and strengthen related management capacities:

The horizontal and vertical scope of the UVQF still needs to be concluded, and roles and responsibilities in assessment clarified, in order to avoid costly duplicating efforts in curriculum development and assessment/certification. This requires a consultative process among stakeholders, including private employers. Conceptual issues still to be clarified include:

- The inclusion of tertiary BTVET qualifications in the UVQF to address the need for practically oriented technician-level training;
- The horizontal scope of the UVQF, for example with respect to health professions and others;

- The role of the Uganda Business and Technical Examinations Board (UBTEB) and other examinations boards (UNMEB and HAPEB) in assessment/certification vis-à-vis the DIT;
- The programme structure of formal BTVET programmes. This includes the duration of formal BTVET programmes, the formats and rules for integrating technical education with UVQF standards and the best way for modularising for BTVET programmes in order to facilitate flexible entry and exit.

The institutional capacities of DIT, in particular in terms of staffing and resources available, will be significantly strengthened to allow DIT accelerate ATP development and to conduct ATP-based assessments for a wider groups of BTVET leavers. Technical sector committees of the ITC to guide these processes will be established with priority.

## 2. Implement UVQF-based BTVET throughout the BTVET system:

Resources will be provided to DIT for the development of ATPs for all relevant occupations in order to gradually shift all BTVET to competency-based training. The target is that by 2015 ATPs in a total number of 200 occupations are developed. By 2020, ATPs should be available to form the basis of all formal BTVET in Uganda. ATPs for new occupations (see Strategy 1.4) and agriculture training will be prepared with priority. To the extent possible, employers and business associations will be invited to take the lead in ATP development in their respective occupational fields.

Assessment centres will be accredited, the test item bank further developed and substantial capacity building provided to assessors. At the end of the plan period, all leavers of BTVET programmes will have access to assessment and certification under the UVQF. Curricula for formal training programmes will gradually be revised to meet UVQF standards as far as occupation-specific training is concerned.

### **Strategy 3: Make the training supply more flexible and demand-driven**

The present supply structure with its lengthy programmes and concentration on few traditional occupations is not responsive to changes in the labour markets and to requirements of the target groups. However, the introduction of ATPs and the related modularization of BTVET allows for more flexibility and responsiveness. The aim is therefore to make BTVET institutions become pro-active to introduce new programmes, adapt existing curricula and close or suspend programmes with low demand in line with results from tracer studies and market surveys. To this end, governing bodies of BTVET institutions will be offered training to improve their capacities to guide institutions offer demand-responsive training. Capacity building programmes in market and training needs assessments for staff from institutions will complement this. Institutions will be required to regularly conduct tracer studies for monitoring purposes.

The formal BTVET programmes will be reorganised. This will improve their relevance, but also their quality and accessibility. The previous programme structure foresaw very long training durations and a strong curricular bias towards academic subjects, which often released graduates after many years of training without relevant practical skills needed in the world of work. During the Plan period formal training programmes will be modularised in order to facilitate shorter training periods if desired by trainees. All programmes will be based on occupational standards developed by employers under the UVQF.

With respect to post-secondary certificate and diploma level programmes, the ongoing curriculum reform will be continued. It envisages a shortening of the programmes by one year each and the introduction of competency-based modular training.

With regard to post-primary BTVET, the present Technical Schools and Community Polytechnics will be converted into Skills Development Centres (SDC). The centres will be offering modularised programmes with flexible entry and exit points, along short non-formal training programmes in accordance with community needs. Hence, SDCs will continue to target P.7 leavers providing options for both educational progression and employment. However, their mandate will also be to serve training needs for other groups in the communities.

New curricula will be developed and introduced for formal BTVET focussing on skills development in line with labour market needs. This will also include a strong emphasis on developing so-called *soft skills* that are largely underdeveloped among the Ugandan workforce hence causing the dominance of foreign workers in many segments of the labour market.

#### **Strategy 4: Boost BTVET supply in critical occupations**

The range of training programmes currently offered is very narrow dictated by the availability of workshop facilities and instruction staff, rather than needs in the labour market. New skill areas important to keep Uganda abreast to technological developments in the East African region and internationally have been neglected. Training and skills upgrading needs arising from priority investments under the NDP have not been taken up by the BTVET system so far. Available labour market information indicates that urgent training needs have occurred in the ICT and hospitality sectors, for service professionals at higher qualification levels (e.g. financial services), in metal and machinery occupations, construction technologies and machine operators, modern mechanics, oil and gas technologies, among others. Another important field where skills are missing in Uganda are energy and environmental (green) technologies. NDP priorities furthermore call for a re-adjustment of health training in order to meet the country's health targets.

Against this background, the creation of new BTVET programmes and the expansion of enrolment in critical skill areas is a priority under this Strategic Plan. It will require a process of identification and agreement on priority occupation based on available labour market information and perceptions of employers. On the basis of agreed priorities, the existing training infrastructure will be adjusted to accommodate new programme areas. Particularly at tertiary level, the relative enrolment in technology fields will be significantly expanded.

During the first phase of the Strategic Plan, starting immediately, priority will be to develop and implement relevant skills development programmes for the oil industry to accommodate the industry's expected needs. Estimates suggest that at least 10,000 jobs can be created directly and indirectly during the initial phase of establishing oil extraction plants in Uganda. The oil industry has already indicated their interest to drive the process of identification, development and implementation of training. The sector therefore has the potential to spearhead the implementation of the Strategic Plan by producing "quick wins" - such as modular short courses that bring trainees up to international industry standards – which may produce examples and lessons for other key sectors.

### **Strategy 5: Expand and improve agriculture training**

To expand and improve agriculture and agri-business related training, the range of training offers will be widened especially in food processing, animal husbandry, agri-business and agricultural mechanization technologies. Programmes will be modernized in accordance with CBET principles. Coordination between the MoES and the MAAIF will be strengthened. The option to transfer the existing farm schools to the MAAIF may be explored at a later stage. Activities under three sub-strategies include:

1. Establish, improve and expand facilities for agriculture BTVET:

Considerable resources will be invested to improve and expand the training infrastructure for agriculture training. It is the overall thrust of the Strategic Plan to invest in the improvement of existing training facilities rather than in new BTVET institutions. The striking undersupply with relevant agriculture training, however, calls for exceptions in the agriculture sector. It is therefore envisaged that during the plan period the existing Farm Schools are upgraded and converted into Agricultural Skill Development Centres (ASDCs) with the broader mandate for agriculture training. In this context it is paramount that solid coordination mechanisms are established between the MoES and the MAAIF.

Training facilities will be upgraded in the District Agricultural Training and Information Centres (DATIC). One new ASDC will be built in Northern Uganda, which is undersupplied with agricultural training facilities. Furthermore, the Bukalasa Agricultural College and the Fisheries Institute will be upgraded to Centres of Excellence and new specialised departments established in all existing agricultural training centres. Eventually, new BTVET institutions for Veterinary and Food Science and Technology will be established.

2. Strengthen linkages of BTVET institutions with research institutions, industry and farmers:

To improve the training quality, linkages between BTVET institutions and research institutions, industries and farmers will be strengthened, inter alia through the appointment of a special liaison desk officer in the MAAIF.

3. Strengthen competency-based training (CBET) in agriculture:

ATPs for new agricultural occupational areas will be developed and introduction of new courses facilitated through curriculum development and teachers training initiatives. These activities will gain from the strengthened coordination mechanisms between MoES and MAAIF. New standards and curricula need to be developed for post S4 agricultural BTVET to make sure that primary school leavers joining agriculture training in the ASDC (former farm schools) have the chance for educational progression.

### **Strategy 6: Promote skills for productivity in the informal sector and for micro and small enterprises (MSEs)**

To support productivity development and employment generation in the informal sector and among MSEs, appropriately designed and targeted skills development programmes for existing and potential MSE operators and informal sector workers will be expanded. Exploring new markets, value chains and product innovations is essential to develop skills for productivity. This needs to be done at local

levels and requires capacity building of training providers in business viability and training needs assessments. The strategy is built on the assumption that skills development for productivity is organised and provided by a wide range of actors, stretching beyond the traditional BTVET institutions. It aims to unlock also the potential of NGOs, CBOs, or business sector programmes, for example, as well as of traditional apprenticeship training provided by master craftspersons.

The Strategy is clustered into four sub-strategies:

1. Establish non-formal training as an integral part of the BTVET system:

Non-formal skills development will be recognized as a core segment of the national BTVET system. This requires an appropriate representation of informal sector representatives in all BTVET bodies, including the ITC and its technical sector committees, governing bodies of BTVET institutions as well as the any future new governing BTVET body. Public allocation for non-formal training programmes will be integrated into the overall BTVET budget provision. To ensure appropriate attention to non-formal training, a special desk officer for non-formal training will be employed in the BTVET Department.

2. Build human and institutional capacities among skills development providers in training for the informal sector:

Special competencies are required among providers to develop and deliver relevant, market-oriented skills development for informal sector employment, including market and business viability assessment (incl. identification of new markets and products), programme planning and management, curriculum and training material development, and specialized instructional skills. Capacity building programmes will target managers of BTVET institutions, instructors as well as master craftspersons involved in traditional apprenticeship training.

3. Create information, cooperation and coordination networks:

Non-formal training initiatives need to be coordinated and cooperation networks developed at local levels. For this purpose Regional Support Centers (RSC) will be created in each region. These centres will initially take the form of a special function in one selected BTVET institution per defined region, charged with facilitating necessary coordination and capacity building among non-formal skills development providers. Establishing and maintaining an inventory of all providers in the region and other relevant stakeholders would be an initial task of the centers.

4. Promote innovation in skills development for MSEs and the informal sector:

Skills development for informal sector employment cannot follow a uniform approach, but must be specific to target groups and markets. New delivery approaches and new partnership models with other stakeholders can increase specific relevance, quality and cost-effectiveness of programmes. Successful programme in other countries may be adapted to fit Uganda. Skills development needs to be linked to technology research and innovation. An *Innovation Challenge Fund* (ICF) will therefore be created to support providers develop, pilot and evaluate new approaches to non-formal skills development. The purpose of the fund is to stimulate innovation in skills development, and to find out which approaches work well in Uganda and which not. The ICF will therefore specifically emphasize on monitoring and evaluation of supported projects and on stimulating a discussion on best practice in Uganda.



Replication of successful models throughout the country will be supported. The fund will also finance special programmes aiming at expanding and improving traditional apprenticeship training.

**Strategy 7: Establish Labour Market Information System (LMIS)**

Market failure exists on information about demand and supply of skills. Labour market information is currently not systematically and regularly collected in Uganda. Available information is scarce and sketchy, especially on skill needs. However, labour market information is needed to inform BTVET planning processes, but also to inform, guide and vocationally counsel those who have to make training, educational and occupational choices.

The Strategic Plan therefore envisages setting up a BTVET-LMIS for Uganda. The conceptualization process should draw on international good practice and should be harmonized with the already agreed joint initiatives of the EAC partner countries. System design and implementation need to involve relevant stakeholders, specifically the business sector, the Ministry of Gender, Labour and Social Development (MoGLSD) and the Uganda Bureau of Statistics (UBOS). It is not proposed to transfer the current MoGLSD information system to BTVET, but to create capacities within the BTVET system to prepare needed labour market information for BTVET planning purposes. Such a function would consolidate, analyze and interpret existing data, analyze findings from tracer studies and local market surveys conducted by BTVET institutions, as well as organise consultative processes with employers. The LMIS design therefore needs to provide for an operational system of interaction between central and local institutions for data collection and dissemination of information. It should be linked to the BTVET Management Information System (MIS)<sup>3</sup>. Analytical capacities for labour market information need to be developed.

**OBJECTIVE 2: Increase the quality of skills provisions**

Quality improvements in Uganda’s training supply are a pre-requisite for improved relevance in the BTVET system. The Plan intends to improve quality by investments into instructors’ training and strengthening of BTVET institutions, and the introduction of modern quality assurance systems.

	<b>Targets</b>
<b>Objective 2: Increase the quality of skills provision</b>	UVQF assessment pass rates increased to 90% by 2020
<b>Strategy 1:</b> Strengthen institutional capacities of BTVET providers	At least 250 public and private BTVET institutions upgraded by 2020
<b>Strategy 2:</b> Better production and deployment of instructors/tutors	Number of active BTVET instructors increased to xx by 2015 and to xx by 2020
<b>Strategy 3:</b> Introduce better quality assurance systems for public and private BTVET providers	Quality assurance system in place in line with regional standards and practices

<sup>3</sup> See Objective 4, Strategy 3.

Success will be measured by increased pass rates of BTVET completers in national (UVQF) assessments, among others.

**Strategy 1:** Strengthen institutional capacities for BTVET provision

The Strategic Plan envisages considerable investment in the rehabilitation, revitalization and improvement of the existing training infrastructure, which is largely outdated and has often fallen into decay. However, improving the training infrastructure alone is not a sufficient intervention to make training better. It must be accompanied by comprehensive institutional strengthening programmes addressing institutional development planning, human resource development and development of curricula and training material, alongside a better physical infrastructure and workshop equipment.

Throughout the plan period at least 40 public BTVET institutions will gradually be selected to undergo such comprehensive institutional strengthening programmes. Selection criteria will include geographical spread and priority occupational fields for BTVET development. Institutions that qualify for providing training relevant to the further development of the oil industry in Uganda will be given immediate priority. In view of limited capacities within Uganda, the Government of Uganda will seek and encourage engagement of external assistance for this. Partnership arrangements with leading vocational and technical institutions in other countries would be a preferred implementation option.

Furthermore, a *BTVET Investment Fund* will be set-up accessible by private and public BTVET providers on a competitive basis based on institutional development plans. The fund will provide resources for BTVET institutions for justified investments for expansion or rehabilitation, for human resource development and initiatives to introduce new programmes based on labour market needs. The fund is designed to stimulate initiatives from the grass roots. It would require self-assessment and initiatives by institutions to improve quality. In the design of the new fund the model of the PPTP/IP-BTVET financed until recently by the German KfW should be explored.

A concept for Centres of Excellence (CoEs) will be developed based on experiences in other countries, definition of priority occupational areas and the functions desired (e.g. programme development, instructors training, service provision to other centres, etc.). CoEs will be located close to the relevant industries and labour markets to facilitate a close relationship between training and the world of work. Where possible, CoEs will be managed by or in cooperation with industry (or industry associations). Cooperation options will, for instance, be explored in the construction industry, which has expressed its desire to get involved in skills development in its sector.

All public and a number of private BTVET institutions will receive support during the plan period to upgrade their ICT facilities in order to introduce ICT-based training and training management. This will be based on a strategy to introduce “E-BTVET” in Uganda.

**Strategy 2:** Achieve better production and deployment of instructors/tutors and managers by reforming qualifications and recruitment practices

The shortage of skilled instructors is a binding constraint for quality improvement. Institutions have major difficulties in recruiting and retaining required instructor expertise. The shortage of appropriately trained instructors will become more acute with the expansion of CBET in accordance with UVQF standards and the expansion of non-formal training, both of which require more practical instruction. The Strategic Plan addresses this challenge with three sub-strategies. These are further

elaborated in the *Plan for Development of BTVET Instructors and Health Tutors for the BTVET System in Uganda*.

1. Strengthening institutional capacities of instructors/tutors training institutions and build an appropriate qualification system for BTVET instructors/tutors:

Lead institutions for pre- and in-service BTVET instructors/tutors training will be assigned and comprehensive institutional capacity building undertaken to boost the output of well-qualified BTVET instructors each year. These lead institutions include Nakawa VTI, Jinja VTI, Abilonino CPIC and Mulago Health Tutors Training Institute. Another institution to be developed into a lead institution for in-service training will be identified. A major challenge to be addressed includes the initial development of a corps of competent and qualified master trainers.

The curricula of the present technical teachers education qualifications are biased towards theoretical and pedagogical education. They are not appropriate to the requirements of BTVET instructors in the new CBET training system. They will be revised and harmonised with the new Vocational Training Instruction qualifications developed under the UVQF. The aim is to create one unified BTVET Instructors qualification system forming the base of both pre-service and in-service instructors training.

2. Boost the availability of competent and qualified BTVET instructors and tutors:

Enrolment in BTVET instructors/tutors training institutions is expected to increase by 10% annually, in a widened range of occupational areas in line with labour market needs and existing training priorities. Major efforts will also be undertaken to upgrade the existing corps of BTVET instructors to make them fit for the CBET training. The target is to provide up to 500 existing BTVET instructors annually with upgrading training up to 2015. A plan to introduce incentives and rewards aimed at increasing the attractiveness of the BTVET instruction profession will be developed and launched. Funds to kick-start incentive schemes for BTVET instructors have been set aside.

3. Deregulate recruitment and employment and improve the working conditions of BTVET instructors:

The current recruitment system of BTVET instructors/tutors does not allow utilizing skilled practitioners as instructors, even if shortages of qualified instructors are evident. The Strategic Plan therefore envisages revisiting the recruitment criteria to allow such practitioners to join BTVET institutions as instructors. Furthermore, industries and hospitals will be encouraged to second part-time staff for part-time teaching in BTVET institutions. Appropriate incentives will be put in place.

### **Strategy 3: Introduce better quality assurance systems for public and private BTVET providers**

Systematic quality assurance in BTVET institutions is largely absent at the moment. The MoES inspection system lacks resources and technical expertise to address quality issues at BTVET institutions. Particularly private training institutions are currently not addressed by public quality assurance. Private providers account for the bulk of skills training in Uganda, but most are not

registered with the MoES. The current system of official licensing and registration is burdensome and overly centralized. The regulatory barriers make it difficult and costly for institutions to comply, particularly those away from Kampala. The Strategic Plan addresses quality assurance at the level of BTVET providers with two sub-strategies:

1. Introduce an accreditation system for BTVET providers:

In cooperation with stakeholders, in particular UGAPRIVI, a new accreditation system will be developed and launched, based on the evaluation of models and experience in other countries. This system will aim at encouraging private providers to seek formal recognition and at supporting BTVET institutions to improve quality and training standards. Electronic accreditation procedures will lower costs and increase accessibility. It is envisaged that UGAPRIVI will play a key role in the implementation of the accreditation process and is supported by public funding to do so. The initial objective is to bring a larger part of the private training supply into the quality-assured mainstream BTVET, but eventually accreditation should also cover public BTVET institutions.

2. Introduce an internal quality management system in BTVET institutions:

During the plan period, an Internal Quality Management (IQM) system for Ugandan BTVET institutions will be developed and gradually introduced in institutions. Quality management in training institutions is a combination of activities and information, which an institution uses to enable it to better, more consistently and more cost-effectively deliver training services that meet and exceed the needs and expectations of its beneficiaries and customers. It addresses topics such as customer focus, leadership, involvement of people, process approaches, systems of management, decision-making and relationships with beneficiaries and stakeholders. The introduction will require design work based on experiences in other countries and intensive management training.

### **OBJECTIVE 3: Increase equitable access to skills development**

The Strategic Plan addresses the need for increased access by supporting public supply and assisting learners with scholarships and bursaries to attend BTVET programmes. The main strategy to sustainably increase available training places is to stimulate more private providers to open new training institutions. Targeted policies and programmes will act to increase access of learners from poor families, female learners and persons with disabilities (PWD).

#### **Strategy 1: Ensure access to formal and non-formal BTVET**

Under the Strategic Plan, an increasing number of youth will be assisted to attend relevant skills development programmes, under both formal and non-formal programmes.

The non-formal training programme, launched in 2010 with an initial intake of around 15,000, will be integrated as a regular programme of the publicly funded BTVET supply. The target is to increase the number of benefitting youth from 25,000 in 2012 to 40,000 in 2015. The programme will continue to invite BTVET providers to request funding for employment-oriented short courses targeting mainly

youth with different educational background. The range of training providers eligible under this programme will be expanded to also include NGOs, business development projects and private companies. Through special quotas, non-formal courses in the Northern regions and Karamoja will be particularly supported. The initial implementation of the non-formal BTVET programme in 2010 was not without problems. Often, training offers were supply driven. There is no evidence as yet whether and to what extent the programmes supported youth in their way into employment and self-employment. Interventions under Strategy 1.6 comprising capacity building of non-formal BTVET providers, measures to improve coordination and cooperation, as well as the Innovation Challenge Fund will assist improving non-formal training and making it relevant to labour market contexts.

	<b>Targets</b>
<b>Objective: Increase equitable access to skills development</b>	Number of BTVET graduates increased to 450,000 annually, with 50% female participation rate
<b>Strategy 1:</b> Increase access to formal and non-formal BTVET through public subsidies	At least 650,000 learners in formal and non-formal BTVET programmes assisted through bursaries and scholarships by 2020
<b>Strategy 2:</b> Expand private training provision	Enrolment in private BTVET institutions increased by at least 10% annually Enrolment in private BTVET institutions in Northern region and Karamoja increased to xx
<b>Strategy 3:</b> Support and expand public BTVET supply	X number of public BTVET institutions receive base funding
<b>Strategy 4:</b> Create awareness about BTVET career patterns	Career guidance and vocational counselling leads to improved training and career choices of learners Reduced drop-out rates
<b>Strategy 5:</b> Enhanced participation of disadvantaged groups to skills development	Enrolment of disadvantaged groups increased differentiated by target group matched by baseline data

The number of school leavers sponsored under the UPPET programme and through Window 1 at post-secondary level to attend BTVET programmes will be expanded by 10% annually. 40% of all learners in formal BTVET programmes will receive support to study. Capitation grants will be gradually increased to reach full actual costs by 2020. From 2013 onwards, scholarships under the capitation grant scheme will be replaced/complemented by a bursary scheme accessible to needy students.

### **Strategy 2:** Expand private training provision

The expansion of private training supply is the core strategy to significantly increase enrolment in the BTVET system. Private BTVET providers include private commercial training institutions, faith-based training institutions, training run by NGOs, CBO and projects.

The expansion of private training provision has been a successful strategy for increasing the training supply in many countries. Private training providers tend to be market oriented, more flexible, more responsive and more innovative compared to public providers, e.g. in launching new programmes.

Expansion through private training providers would considerably relieve the financial burden on government, in particular for development costs.

It is therefore envisaged to develop a comprehensive policy and strategy for support of private providers, in cooperation with UGAPRIVI. An inventory of formal and non-formal private training providers is an essential first step towards such a policy.

Instruments that will be considered include:

- reduction of regulatory barriers for private training providers and simplifying registration/accreditation procedures;
- incentives for initiating and expanding private provision, e.g. through matching investment grants, introduction of redeemable vouchers, etc;
- access to all support schemes offered to BTVET institutions.

Special incentives will be provided for investment to introduce or expand BTVET in under-served areas such as the Northern region and Karamoja, and in high demand occupations.

### **Strategy 3: Build and resource public BTVET supply**

14 Technical Institutes will be established under existing loan agreements with OPEC Fund for International Development (OFID) and Saudi Fund for Development (SFD) in Hoima, Kamuli, Masaka, Mukono, Nakasongola, Namutamba, Pader, Yumbe, Amuria Adjumani, Bukedea, Kiboga, Lyantonde and Kyenjojo districts.

All public BTVET institutions will receive funding initially to cover salaries of BTVET instructors. To increase incentives for BTVET institutions to improve capacity utilization, institutional funding will gradually be changed to a performance-based funding formula, based on actual enrolment. It is expected that the new funding formula will be introduced from 2015 onwards.

### **Strategy 4: Create awareness about BTVET**

A public campaign to inform the public about job chances and BTVET options will be launched to improve the largely negative image of BTVET in the Ugandan public.

With the exception of a few private providers, there is no career guidance and vocational counselling in Uganda. During the plan period, a strategy for the systematic introduction of career guidance and counselling will be developed. The strategy will define the role of different partners, including schools, BTVET institutions and government, and will provide for a long-term implementation plan.

In addition, programmes will be introduced at primary school level to make school children appreciate BTVET careers as alternative progression pathways.

### **Strategy 5: Enhance access of disadvantaged target groups to skills development**

A major thrust of the Strategic Plan is to increase access of disadvantaged target groups to relevant BTVET offers. The strategy is divided into three sub-strategies, each defining specific instruments for

the three main target groups addressed, i.e. youth from poor households, girls and persons with disabilities (PWD).

1. Promote access of disadvantaged groups through bursaries:

Direct costs for fees coupled with the indirect – i.e. opportunity – costs prevent low income groups from attending BTVET institutions. The current scheme to subsidize trainees, i.e. the capitation-grant-based scholarship scheme, is based on merit and tends to discriminate against students from disadvantaged families. The merit-based scholarship system will therefore be replaced or complemented by a scheme of bursaries accessible to students from low-income families. A concept for fair and reliable means testing will be worked out, drawing on experience in other countries and in cooperation with the Joint Admission Board (JAB). The pilot introduction of demand-side financing, using a voucher scheme, will be considered during the planning. The bursary scheme will also provide for preferential access for poor students from the Northern regions and Karamoja, for example through special quotas. It is expected that the introduction of bursaries will be completed by 2014.

2. Promote female participation in BTVET:

Female enrolment still constitutes only 25% of the total enrolment in the formal BTVET system, concentrated on few female dominated occupations. The training environment in many institutions is often not suitable for girls. Hostels are lacking, sanitary facilities often not appropriate. Sexual harassment is reported to be prevalent. The Strategic Plan therefore foresees to develop and implement a Gender in BTVET Strategy, which will address the need for a national gender awareness programme, improvement of hostel facilities for girls, special assistance in job placements, strict policies on sexual harassment and abuse. Special incentives or quota for girls may be introduced in the bursary scheme, described above. BTVET institutions will be required to operationalize the Gender in BTVET Strategy in institution-specific gender affirmative policies describing concrete measures to put gender affirmation in action in their institutions.

DIT will prioritize the development of ATP in those occupations that are specifically attractive for women, until at least 35% of all available training programmes fall under this category of occupations. At the same time, female BTVET graduates will be given preferential access to BTVET instructors training to increase the share of female instructors in the BTVET system.

3. Enhance access for persons with disabilities:

PWD are hardly represented in the mainstream BTVET system, due to inadequate facilities and absence of special programmes and trained instructors. So far PWD, which constitute some 16% of the Ugandan population, have exclusively been targeted by NGOs and few public programmes. During the plan period, the need to mainstream interests of PWD in skills development will be approached by the development of an integration strategy identifying suitable integration avenues. PWD compatible facilities will be introduced in selected BTVET institutions. Furthermore, specific employment-oriented skills development programmes for PWD will be initiated through the Innovation Challenge Fund (see Objective 1, Strategy 6).

**OBJECTIVE 4: Improve effectiveness in BTVET management and organization**

The implementation of the envisaged key reforms in skills development requires strong organization and management of BTVET. Presently the BTVET management is fragmented. It lacks focussed direction and incentives to increase performance. The Strategic Plan therefore foresees the establishment of an integrated management body for BTVET, devolution of administrative power to training institutions while introducing accountability, and building a management information system dedicated to skills development.

	<b>Targets</b>
<p><b>Objective: Improve effectiveness in BTVET management and organization</b></p>	<p>BTVET reform implementation progressed in line with BTVET Strategic Plan</p>
<p><b>Strategy 1:</b> Consolidate BTVET functions in an integrated body for skills development</p>	<p>The integrated skills development body manages an integrated BTVET system in line with labour market requirements</p>
<p><b>Strategy 2:</b> Gradually devolve authority to public BTVET institutions and make them accountable for performance outcomes</p>	<p>Increased institutional efficiency shown through the MIS</p>
<p><b>Strategy 3:</b> Establish an effective BTVET management information system (MIS) and BTVET sub-sector monitoring system</p>	<p>Updated management information informs BTVET sub-sector monitoring</p>

**Strategy 1: Consolidate BTVET functions in an integrated body for skills development**

To give BTVET a stronger weight in Uganda, to overcome the current fragmentation in the public management of BTVET and to allow different public and private stakeholders to participate in the decision-making on BTVET, a consultative process will be started to explore possible options to create a body for skills development in Kenya. Preferably, it should be an autonomous body. The possibility to create an authority for skills development is one of the options to be further explored. The envisaged body should ideally combine all major functions in the BTVET management under one roof, including the preparation and formulation of policies, standard-setting, assessment and certification and other quality assurance functions, information, monitoring and evaluation, accreditation of training providers, financing and possibly the management of public training institutions. It would thus incorporate functions of existing organisational units in the MoES (DIT, DES, BTVET Department, UBTEB and other examination bodies, and others) and possibly of other ministries.

A main justification for the establishment of an autonomous body is to involve stakeholders, especially employers, in the direction and evaluation of the training system. A single body with comprehensive responsibilities can consolidate fragmented organizational units and achieve economies of scale in performing the various functions, thus potentially reducing the overall resource requirements for BTVET management. If placed outside the normal government bureaucracy the body can respond quickly to changing conditions in the labour market. By involving diverse stakeholders the body can broaden the scope of attention to all forms of skills development and wider



target groups, rather than narrowly focusing on youth in schools. If placed outside the civil service, it could provide incentives and build professional capacity to oversee skills development. In addition, an independent status could help raise the image of skills development and counter the prevailing negative attitude towards technical-vocational training.

Different organisational options will need to be evaluated and analyzed, which will include an assessment of experience in other African countries that have introduced similar bodies. Design issues to be addressed include mechanisms to:

- ensure that employers and other stakeholders have sufficient influence and take their role in governance seriously;
- ensure that the body is headed by a “champion”, a recognised leader for skills development in the country;
- guarantee the necessary independence in the management of the skills development body;
- avoid unclear duplications and functions of the new body vis-à-vis the MoES and other ministries;
- clarify the roles of the MoH and the new body in health-related BTVET to ensure high quality and expanding health training to meet the relevant NDP targets for the health development in Uganda;
- make sure that the body is sufficiently staffed with appropriately qualified and motivated experts;
- manage public BTVET institutions effectively. A key question in this context would be whether public BTVET institutions should be managed under the new body - which could raise issues of conflict of interest in the long run - or remain with their current parent ministries (e.g. the MoES);
- ensure that the body can act effectively at the local level. This may include considerations to create regional branches, as done, for example, in Tanzania.

The conceptual discussion will incorporate a wide stakeholder audience. It will include an in-depth analysis of the performance, strengths and weaknesses of the existing institutions involved in BTVET. Transferring DIT into the new unified body for skills development may be one option that needs to be explored. Once the new body is conceptualized and agreed upon, new legislation is required. The actual establishment of the body is planned for the second phase of the plan period. Institution building will require considerable staff capacity building. After its establishment, the new body, depending on its agreed mandate, may assume the major responsibility for the implementation of this Strategic Plan and the further BTVET development<sup>4</sup>.

**Strategy 2:** Gradually devolve authority to public BTVET institutions and make them accountable for performance outcomes

Lack of authority and accountability at the level of public BTVET institutions has been identified as a major bottleneck to improving the performance of institutions, and the labour market relevance of their training offers. During the plan period, a process of gradual devolution of authority to BTVET institutions will therefore be initiated, starting with pilot arrangements at selected colleges. Necessary amendments in the legal and regulatory environment will be approached in the preparation phase.

Devolution will involve two aspects:

1. Decentralization of authority to BTVET institutions:

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<sup>4</sup> For more information see Annex 4 on national training authorities.

Ultimately, BTVET institutions will be self-governed, able to set their own fees and budgets, receive funds and subsidies from the center, hire and fire teaching and other staff within some flexible national norms, and introduce or change training programmes in response to market needs. Necessary legal amendments, for example with respect to staff management, need to be considered and addressed after evaluation of the piloting phase.

Devolution of authority will be linked to the establishment of an IQM system and the creation of a new accreditation system.

2. Introduction of instruments to increase accountability of BTVET institutions:

More responsibility requires that at the same time institutions and their governing bodies are held responsible for results. This implies the development of targets and institutional strategic plans, against which to monitor institutional performance. Performance measures will be developed, such as pass rates of trainees, or management related indicators such as cooperation with industry. Governing bodies and central authorities should have performance contracts with managers of institutions.

Incentives for increased performance will be created, including linking budget allocation to results, publishing examination results of institutions, providing bonuses and special recognition to individual managers and staff for good performance, and sanctions for poor performance.

**Strategy 3:** Establish an effective management information system and sub-sector monitoring system

An effective management information system for BTVET currently does not exist. However, timely information is essential to support planning and monitoring of the BTVET reform. The development of a BTVET-MIS system will therefore be a priority. It will systematically capture public and private training provision, and will be integrated with the LMIS. The BTVET-MIS will be among the core functions of the new body for skills development. Until this is established, the BTVET module in the Education Management Information System (EMIS) will be upgraded, and data collection improved.

**OBJECTIVE 5:** Increase internal efficiency and resources available for BTVET

Overcoming past neglect and implementing the above reforms will inevitably require additional resources. Adequate and sustainable resource inputs for training delivery and for quality assurance systems need to be ensured. The Strategic Plan identifies two long-term strategic directions: (1) managing existing resources more efficiently, and (2) mobilizing additional resources.

**Strategy 1:** Increase the efficiency of BTVET provision through results-oriented transfer mechanisms

Efficiency can be increased by raising the output for a given level of resources, or by reducing costs for a given level of outputs. Some of the reform strategies outlined before that aim at increasing relevance, quality, access and organizational effectiveness will at the same time act to increase efficiency in the training system. Among these are, for example, the shortening of training durations,

the increase in flexibility in organizing training programmes, and the integration of management functions under the umbrella of a unified body for skills development.

<p><b>Objective: Increase internal efficiency and resources available for BTVET</b></p> <p><b>Strategy 1:</b> Increase the efficiency of BTVET provision through results-oriented transfer mechanisms</p> <p><b>Strategy 2:</b> Increase resources available for BTVET</p> <p><b>Strategy 3:</b> Establish a Skills Development Fund (SDF)</p>	<p><b>Targets</b></p> <p>Unit spending of BTVET institutions increased compared to baseline BTVET management functions adequately resourced</p> <p>Cost effectiveness indicators improved compared to baseline</p> <p>Domestic funding levels of BTVET gradually increased to regional average by 2020</p> <p>BTVET funding managed by SDF</p>
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However, the way funds are transferred can be as important as the amounts transferred. Under this strategy the plan therefore calls for the systematic introduction of competition and performance-criteria in the transfer of funds from the central level to BTVET institutions. Allocating funds in a competitive way and dependent on performance of BTVET institutions will stimulate higher enrolment, more responsive training and more emphasis on strategic institutional management.

During the implementation period of the Strategic Plan, budget allocation to BTVET institutions will be linked to performance results. Currently, institutional base-funding is provided through payment of staff salaries. This funding mode is not related to the actual number of learners enrolled or to other institutional performance indicators. It furthermore discriminates against those institutions that encounter difficulties to attract teachers, for instance because the institution is located in a remote area. A new funding formula will therefore be developed and gradually implemented based on actual performance, thus stimulating institutional initiatives to improve results. As a starting point, allocations should be based on the number of trainees enrolled. More outcome-oriented indicators, for example exam pass rates and success of graduates in securing employment may be introduced at a later stage<sup>5</sup>.

**Strategy 2:** Increase the resources available for BTVET through income generating activities of public BTVET institutions and the introduction of a training levy

The resource base of the BTVET system needs to be increased and diversified. Depending on the type and level of training, annual unit cost of between 1.5 and 3.5 million UGX have to be calculated to deliver training at acceptable standards. Costs involved in non-formal basic level skills development are estimated at around 350,000 UGX for a three months programme. A considerable share of training costs, at least 45%, are currently borne by private households. Considering low average household incomes, the scope for further burdening households with extra costs to finance better quality training is limited. Presently, the low capacity utilization in many training institutions can presumably be

<sup>5</sup> See Annex 5 for more information about financial transfer mechanisms.

explained to a large extent by the relatively high training fees that many potential target groups of BTVET cannot shoulder.

To supplement increased public allocation for BTVET, the Strategic Plan envisages to develop two key additional sources of income for BTVET during the next ten years.

1. Increase income of public BTVET institutions through income generating activities:

Public training institutions will be encouraged to increase income generating activities as a supplementary income source. Such activities may include: sale of items produced during training, services such as car repair or running a restaurant, contract work (e.g. construction), sale of agricultural produce, renting of facilities, organization of special courses, and others.

Currently public providers have considerable discretion in generating income at the institution level, but appear to under-estimate the importance of this source of income. Based on EMIS data, income generated from the sale of products and services only account to 0.2%-2.1%. Experience in other countries (e.g. the Botswana brigades) suggests that up to about one-fourth of total training costs can be recovered from income generation activities. Apart from financial returns, income generating activities can also link the institution better with local markets and stimulate a business culture.

Means to stimulate a more pro-active approach to income generating activities to be considered during the plan period include management training, experience sharing among training institutions – inside and outside of Uganda – and possibly matching grants for investment projects funded by own income. Institutional governing bodies will need to play a key role in monitoring income generating activities, to ensure that attention is not distracted from training delivery and that institutional activities are not distorting local markets.

2. Introduce a training levy:

The introduction of a training levy, stipulated in the BTVET Act of 2008 but put on hold, will be reconsidered, embedded in an independent decision-making structure that provides for a strong influence of employers in the use of the proceeds.

Training levies can effectively expand the resource base for training, as experience in at least 62 countries worldwide shows. A levy system can also encourage enterprises to invest more in training, and can help counter the fear of poaching in those enterprises that train their workers.

During the initial years of the plan period, considerable efforts will be made to facilitate consultative processes about the design of the levy system, in particular with employers and the business community in Uganda. Issues that need to be addressed include:

- How to ensure agreement of employers to the levy, which is important to ensure compliance?
- Does Uganda need a revenue-generating type of levy, whereby all proceeds are used to supplement public BTVET resources, or rather a levy-grant scheme, which reimburses training costs to those enterprises that are investing themselves in training? A mixed type may be an alternative, as in South Africa.

- The rate of the levy and the targeted firms (sectors and size) need to be decided upon.
- What collection methods are appropriate, and who will collect the levy?
- How to ensure that levy proceeds are secured from mismanagement and re-allocation to non-intended uses?
- What exactly should be funded out of the levy proceeds?
- The governance of the levy system is among the most important issues, in particular the question of autonomy of the fund administration and of the role of employers in the governance structures. Managing the levy system through the suggested new body for skills development may be an appropriate solution.
- In case some sectors have set up sector-wide levy systems, how can be ensured that employers are not burdened twice?

Once the most appropriate design for the training levy is decided, the legal framework will be revised and an appropriate institutional arrangement established<sup>6</sup>.

### **Strategy 3: Establish a Skills Development Fund**

Parallel to the introduction of the training levy, a Skills Development Fund (SDF) will be established. The SDF will be used to pool all public resources available for BTVET in Uganda including the income from the training levy, allocations from the public budget, contributions from development partners and other income. The fund will be used to fund training provision, to resource special support and development programmes and to fund the new organisational set-up for BTVET management.

As experience in other countries show<sup>7</sup>, the fund will be instrumental to:-

- Involve employers and foster collaboration among stakeholders in funding decisions;
- Channel resources to labour market priorities;
- Enhance quality through performance conditions placed on recipients (e.g. accreditation, institution development plans);
- Induce efficiencies through competition for financing;
- Focus resources on neglected groups, such as small enterprises, women, unemployed;
- Have the flexibility to redirect resources quickly as priorities change;
- Facilitate resource mobilization, including resources from development partners.

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<sup>6</sup> See Annex 6 for more information about training levies.

<sup>7</sup> See Annex 7 for more information about training funds.

## MANAGEMENT AND IMPLEMENTATION

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BTVET is under the purview of the MoES. As such, the MoES with its different organizational units involved in BTVET has the main responsibility for the implementation and monitoring of the Strategic Plan within its current procedures for planning, budgeting and annual reviews. Other ministries and stakeholder are involved and assume responsibility for selected strategies. The matrix in Annex 1 depicts the organisations and stakeholders expected to drive the implementation of the individual strategies.

The Strategic Plan, however, goes beyond the previous mandate of the MoES. It addresses the development challenges of formal BTVET, but also calls for increased attention and investment in skills development for target groups beyond the realm of the formal education sector. It envisages deepened partnerships with the private sector and with other government ministries. Parts of the planned investments will be borne under other ministries' budgets (e.g. agriculture) or by private sector actors. The broadened mandate of the BTVET sector, and the implied need for broader partnerships, is reflected in the project to prepare and eventually establish a new unified body for skills development in Uganda. After its establishment, the new body would become the owner and main implementer of this Strategic Plan.

To reflect the new enlarged vision of the BTVET system from the onset, a BTVET Reform Task Force will be formed to oversee the implementation of the Strategic Plan until the new body and its governing structure is established. The Office of the President/Office of the Prime Minister will appoint to the Task Force eminent personalities and experts in the fields of skills development, education, economic and business sector development and social equity. The Task Force will comprise members from the private and public sector. Private sector representatives will comprise at least 50% of the members of the Task Force. Responsibilities of the Task Force include:

- Commissioning and overseeing the conceptual process and legal work for the establishment of the new body for skills development, the training levy and the Skills Development Fund;
- Commissioning and overseeing the conceptual and design work on other reform processes in line with the Strategic Plan;
- Facilitating the process of setting strategic priorities in accordance with the resource envelope;
- Facilitation and coordination of the preparation of consolidated annual workplans of the different actors in the implementation of the Strategic Plan;
- Monitoring of the Strategic Plan Implementation, which includes the development of a monitoring system.

The Task Force will be facilitated by a BTVET Reform Secretariat comprising a small number of high-level BTVET experts recruited on a contract basis. The life-span of the Task Force and its Secretariat is until the unified skills development body is formally established.

## COSTS AND FINANCING

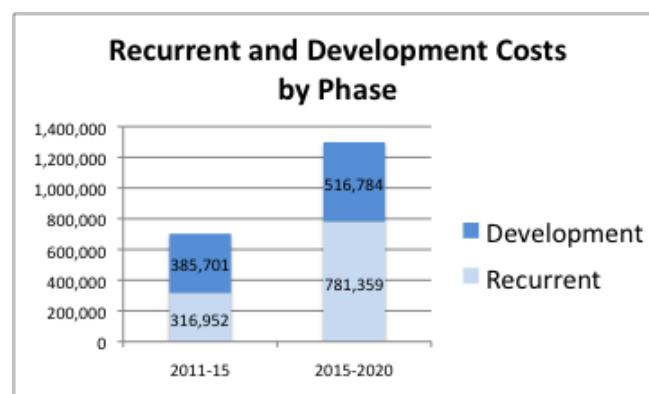
Overall public resource requirements to implement the BTVET Strategic Plan over the nine fiscal years 2011/12 to 2019/20 are estimated at 2 001 billion UGX, or 870 million USD. Over the plan period, recurrent cost account to 55%, and development cost to 45%. The estimates represent full sub-sector cost to government<sup>8</sup>.

**Table 1: BTVET Strategic Plan – Total Estimated (public) Costs**

	Phase I 2011-15		Phase II 2015-20		Total 2011-2020	
	UGX (‘000 000)	USD (‘000)	UGX (‘000 000)	USD (‘000)	UGX (‘000 000)	USD (‘000)
<b>Total Recurrent</b>	316 952	137 805	781 359	339 721	1 098 311	477 526
<b>Total Development</b>	385 701	167 696	516 784	224 689	904 485	392 385
<b>Grand Total</b>	702 653	305 501	1 298 143	564 410	2 000 796	869 911

Source: Strategic Plan estimates, see Annex

The overview of estimated costs by objective in Table 2 shows that access related policy goals require most of the recurrent resources, i.e. 67% during the first phase and 74% on average in the second half the plan period. The major share of development resources will be used to fund interventions aimed at increasing the quality of the BTVET provision. Most of the latter is related to the rehabilitation and capacity building of existing BTVET institutions and increased efforts in instructors training. The major share of development costs to pursue relevance (Objective 1) is used to agriculture infrastructure development.



<sup>8</sup> The plan envisages the establishment of three new institutions, namely the unified BTVET management body, the training levy and the National Training Fund. All three institutions are expected to become operational from the beginning of the second Plan Phase in 2015/16. Recurrent costs of these institutions during the second phase are not yet included in this Plan. More design work that clarifies inter alia the relationship between the new with currently existing institutions is necessary to realistically estimate the financial implications of the new institutional set-up. It can be expected that the envisaged integration of management responsibilities within one unified body will lead to economies of scale, hence more management efficiency.

**Table 2: BTVET Strategic Plan Cost Estimates by Objective, in ‘000 000 UGX and % of total**

	Phase I					Phase II
	2011-12	2012/13	2013/14	2014/15	Total	2015/20
<b>Recurrent:</b>						
Objective 1: Relevance	16 777	20 573	23 334	25 434	86 118	160 226
Objective 2: Quality	5 799	6 683	7 493	8 409	28 385	58 700
Objective 3: Equitable Access	35 922	44 886	54 995	66 408	202 210	560 793
Objective 4: Improve Mgmt	60	60	60	60	240	1 640
Objective 5: Enhance Financing						
<b>Total Recurrent</b>	58 558	72 202	85 882	100 310	316 952	781 359
<b>Development:</b>						
Objective 1: Relevance	49 657	22 743	16 787	24 362	113 549	52 411
Objective 2: Quality	40 348	43 725	46 861	47 151	178 085	449 884
Objective 3: Equitable Access	24 491	30 443	30 329	1 985	87 248	6 955
Objective 4: Improve Mgmt	406	677	913	2 943	4 940	5 660
Objective 5: Enhance Financing	554	225	460	641	1 880	1 875
<b>Total Development</b>	115 456	97 813	95 351	77 082	385 701	516 784
<b>Grand Total</b>	174 014	170 015	181 232	177 392	702 653	1 298 143
<b>in %</b>						
<b>Recurrent:</b>						
Objective 1: Relevance	28.7	28.5	27.2	25.4	27.2	20.5
Objective 2: Quality	9.9	9.3	8.7	8.4	9.0	7.5
Objective 3: Equitable Access	61.3	62.2	64.0	66.2	63.8	71.8
Objective 4: Improve Mgmt	0.1	0.1	0.1	0.1	0.1	0.2
Objective 5: Enhance Financing						
Total Recurrent	100.0	100.0	100.0	100.0	100.0	100.0
<b>Development:</b>						
Objective 1: Relevance	43.0	23.3	17.6	31.6	29.4	10.1
Objective 2: Quality	34.9	44.7	49.1	61.2	46.2	87.1
Objective 3: Equitable Access	21.2	31.1	31.8	2.6	22.6	1.3
Objective 4: Improve Mgmt	0.4	0.7	1.0	3.8	1.3	1.1
Objective 5: Enhance Financing	0.5	0.2	0.5	0.8	0.5	0.4
Total Development	100.0	100.0	100.0	100.0	100.0	100.0

Source: Strategic Plan Cost Assessment

## 5.1 Recurrent Costs

The estimated recurrent BTVET budget for the fiscal year 2010/11 is 58.6 billion UGX. According to the Strategic Plan, it is expected to increase to 100.3 billion in 2014/15. This represents an increase by 71% during the first four years of the Strategic Plan. The planned increase is mainly induced by an enrolment growth in both, formal and non-formal BTVET, and adjustments in per capita funding necessary to ensure sustainable quality improvements in training delivery.

433 billion UGX, or 39%, of the entire recurrent budget are earmarked for capitation grants/bursaries to support school leavers attending formal BTVET programmes. The cost estimates for formal BTVET programmes are based on enrolment projections as demonstrated in the graph overleaf. The



projections envisage a moderate increase in enrolment in formal BTVET from 42 000 to 103 000 in 2019/20 representing an annual enrolment growth rate of 10%.

**Table 3: BTVET Strategic Plan –Recurrent Costs, in ‘000 000 UGX**

	<i>Total Phase I: 2011-2015</i>		<i>Total Phase II: 2015-2020</i>	
		<i>In %</i>		<i>In %</i>
UVQF implementation: DIT operational costs, assessment incl. UNMEB	82 118	25.9	152 047	19.5
Support to non-formal training (RSC, NFP grants)	51 370	16.2	107 250	13.7
Capitation grants/bursaries for formal BTVET	92 033	29.0	341 038	43.6
Instructors Development (Training and incentives)	28 376	9.0	58 657	7.5
Institutional base-funding (salaries for public BTVET institutions) and BTVET Department	60 127	19.0	115 805	14.8
Other	2 928	0.9	6 562	0.8
<b>Total recurrent</b>	<b>316 952</b>	<b>100.0</b>	<b>781 359</b>	<b>100.0</b>

Source: Strategic Plan Cost Assessment

The Strategic Plan envisages an increase in capitation grants (or per capita bursaries). The current capitation grant levels of between 432,000 and 600,000 UGX per year/learner are grossly insufficient to meet training costs. An increase is necessary to improve the quality of training delivery, and to stem extra fees that training institutions impose on students with scholarships to cope with funding shortages. The capitation grant volume on which the cost calculations are based, assume that until 2020, capitation grants will gradually approach a cost-recovery level, i.e. will increase to 1.5 million UGX for post primary BTVET, to 2.1 million UGX for post O’level programmes and 3,2 million on average for tertiary BTVET. These assumptions are based on estimates from the MoES BTVET Department and may be fine-tuned after results from the unit-cost assessment are available.

The calculation finally assumes that 40% of the entire formal BTVET student population will be provided with a public scholarship. This assumption reflects current targets. It may be reconsidered and raised to 100% at a later stage, in the light of new universal secondary education policies.

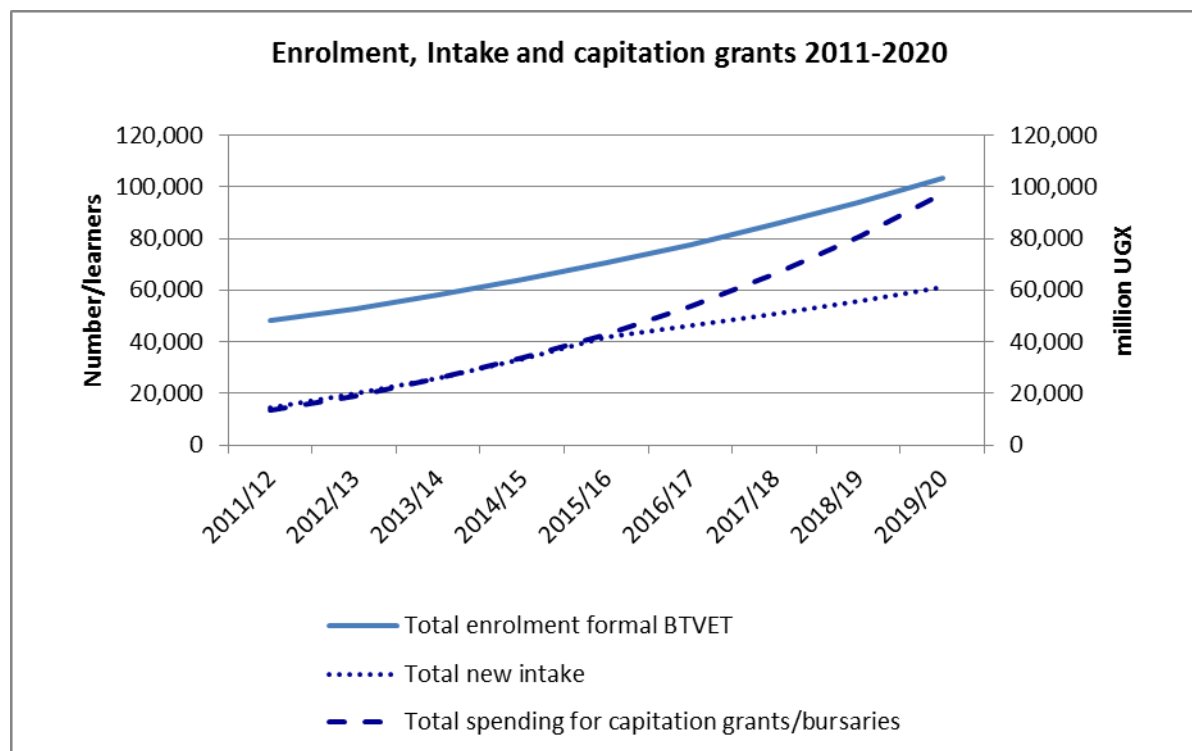
The enrolment target for formal BTVET are set lower than previous targets indicated in the NPD and the Revised ESSP. These plans stipulated a tripling of post P.7 enrolment, and a target of 30% BTVET enrolment of the entire learner population at post S.4 and post-S.6 levels. Accordingly, total formal BTVET enrolment would have increased to some 420 000 learners annually, which would have translated into an annual funding commitment of 390 billion UGX for capitation grants only<sup>9</sup>. The down-adjustment of enrolment targets ensures an increase in public per capita spending while keeping the resource requirements at reasonable levels during the early years of the BTVET reform<sup>10</sup>.

It should be emphasised that the envisaged curricular reform, which foresees a reduction of the training duration at all levels, will increase the intake capacity of the formal BTVET system at constant enrolment levels. The graph shows that a doubling of the enrolment between 2011 and 2020 represents an increase of the total annual intake from 15 000 2011/12 to 61 000 in 2019/20. Assuming that during the first phase of the plan period the post P.7 programmes will gradually be converted into

<sup>9</sup> Compare the calculation in Annex 8-3.

<sup>10</sup> Enrolment estimates quoted here only refer to enrolment in the public formal BTVET system, i.e. those that are relevant for public finance. Total enrolment, including enrolment in the private provider system and in non-formal training programmes are expected to rise from 206 000 in 2011/12 to 448 000 in 2019/20. See also enrolment projections in Annex 8.

modular courses with one year duration on average, the total intake at this level is expected to raise by 540%. The expected increase is 220% for BTVET at post S.4 levels and 185% at post S.6 level.



The prospected enrolment increase will proportionately raise the number of teachers, both in public and private institutions, and consequently, the need to train BTVET instructors and health tutors. The plan estimates that both the number of teachers in the public system and the enrolment in BTVET instructors training institutions will increase by 10% annually. In order to create incentives for skilled technicians to join the BTVET instruction profession, the cost estimates assume that capitation grants/bursaries will be paid to every learner enrolled in BTVET instructors/health tutors training institutions. An additional budget line of 62 billion UGX has been set aside for funding extra incentives for BTVET instructors on top of their regular salaries.

The Strategic Plan is committed to broaden the target groups of the BTVET system, beyond the traditional school leaver group of the previous system. Addressing training needs of out of school youth (with or without primary school certificate), providing Ugandans with second chance education and responding to skills upgrading needs of the existing workforce requires deliberate approaches to non-formal skills development. The Strategic Plan assumes that non-formal BTVET will be permanently integrated into the public BTVET portfolio. The cost estimates in the plan foresee a total allocation of 160 billion for non-formal BTVET, which represents an increase of publicly sponsored non-formal training enrolment to 40,000 annually in 2015 and 60,000 by 2016, compared to 20,000 in 2010/11. Support to non-formal training accounts for 15% of the total recurrent budget on average.

## 5.2 Development Costs

The major share of the development expenditure, 35% during the first and 82% during the second phase of the plan period, are earmarked for rehabilitating and strengthening the existing network of

BTVET institutions (without agriculture), both public and private. This firstly comprises arrangements for comprehensive institutional strengthening for selected public institutions, preferably in partnership with leading technical institutes abroad and with the support of considerable international technical assistance. Programmes, which will include the establishment of Centres of Excellence, will include rehabilitation and expansion of physical facilities, modernization of equipment and workshops, staff development including overseas training of instructors, support to curriculum development and development of training and learning materials, management capacity building and others. The estimated costs also include the BTVET Investment Fund, which will allocate grants for institutional strengthening to public and private BTVET institutions on a competitive basis. It is expected that up to 40 institutions will receive grant support under the Investment Fund every year.

**Table 4: BTVET Strategic Plan – Investment Programmes**

	Phase I: 2011-2015		Phase II: 2015-2020	
		%		%
DIT strengthening, ATP development	8 160	2.1	5 563	1.1
Curriculum development, capacity building BTVET institutions	14 331	3.7	13 007	2.5
Expansion/Improvement of agriculture BTVET	82 226	21.3	20 022	3.9
Skills for productivity	6 681	1.7	12 305	2.4
LMIS	1 610	0.4	1 065	0.2
Institutional strengthening (rehabilitation of BTVET institutions)	135 199	35.1	416 875	80.7
BTVET instructors development (institutional strengthening and in-service training)	40 413	10.5	31 319	6.1
Expansion of private training provision (subventions for new investments and others)	4 954	1.3	5 765	1.1
Establishment of new public BTVET institutions (existing loan agreements)	80 500	20.9		0.0
MIS	3 292	0.9	2 300	0.4
Skill development body	1 030	0.3	2 463	0.5
Levy system	867	0.2	835	0.2
Skill Development Fund	516	0.1	543	0.1
Other	5 922	1.5	4 723	0.9
Total development	385 701	100.0	516 785	100.0

Source: Strategic Plan Cost Assessment

A total of 102 billion UGX accounting for 21.3% of total development costs during the first phase are allocated to the further development of agriculture training, much of which will be borne by the MAAIF. This includes selected new training facilities, the substantial rehabilitation and upgrading of existing institutions both under the MoES and the MAAIF.

During the first phase of the plan period, 21% of total development costs are allocated for the establishment of new BTVET institutions under existing loan agreements. From 2014/15 onwards, no further investment in new public institutions are expected. Instead, incentives for the expansion of the private provider network will be established, i.e. matching grants. Currently, some 11 billion UGX have been budgeted for support and incentives to private provision. However, this allocation may rise once the development plan for private providers is approved.

Another major line in the development budget is earmarked for the implementation of the BTVET instructors and health tutors development strategy, in particular for the rehabilitation and expansion of instructors/tutors training institutions.

The development of new ATPs, the establishment of a sufficient assessment infrastructure, as well as curriculum development will require 41 billion UGX over the plan period. This investment is key for re-orienting the training supply in line with labour market requirements and to complete the UVQF reform in accordance with the BTVET Act of 2008. Most of the curricula for the formal BTVET system need to be revised on the basis of existing and still to be developed ATPs.

A conservative 19 billion UGX have been allocated for the further development of non-formal training, serving out-of-school youth and other non-traditional target groups and aimed at supporting productivity improvements in the informal sector. Development funds in the second phase are mainly earmarked for resourcing the *Innovation Challenge Fund* (ICF). The fund is important to stimulate new, more appropriate and labour market relevant modes of non-formal skills development, and to support non-formal BTVET providers to develop new and innovative training programmes for the informal sector and non-traditional target groups. The ICF will also support the development and expansion of training for PWD.

Funds are finally allocated for consultative and analytical processes, design and institution building of the new unified body for skills development, the training levy system, the Skills Development Fund and other systems and institutions envisaged during the plan, for example accreditation, IQM and others.

### **5.3 Funding Gap**

The currently projected budget for the BTVET sub-sector under the ESSP is not based on a coherent BTVET development framework. Unit costs, for example, are based on the present low expenditure level that caused severe underfunding of BTVET institutions to date. Resource requirements for the rehabilitation of existing BTVET infrastructure and for the development of a competent corps of BTVET instructors were grossly underestimated.

Consequently, the funding gap for the Strategic Plan in relation to currently projected public expenditure under the revised ESSP (2010 Revision) is substantial. For the first four years of the plan period, covering the current MTEF, the total funding gap amounts to 424 billion UGX, which represents 60% of the total estimated volume. For recurrent expenditure, the funding gap increases over the four years from 50% in 2011/12 to 56% in 2014/15, while the gap in the development budget goes down from 77% in 2011/12 to 51% in 2014/15. Overall, the gap decreases over the four years from 68% to 54%.

Option for closing the funding gap include:

- Increasing public allocation to BTVET.
- In view of the importance of skills development within Uganda's overall development framework, development partners - among them the World Bank, the Governments of Belgium and the Netherlands, and others - have indicated considering support to the ambitious yet necessary investment programme necessary to overcome past neglect of the sector.

**Table 5: BTVET Strategic Plan – Total Cost 2011/2015 (UGX ‘000 000)**

	2011/12	2012/13	2013/14	2014/15	Total Phase I
<b>BTVET Strategic Plan</b>					
Recurrent	58 558	72 202	85 882	100 310	316 952
Development	115 456	97 813	95 351	77 082	385 702
Total	174 014	170 015	181 233	177 392	702 654
<b>ESSP Expenditure Projections for BTVET including development partners</b>					
Recurrent	29 120	36 490	36 990	44 320	146 920
Development	27 040	31 650	34 860	37 910	131 460
Total	56 160	68 140	71 850	82 220	278 370
<b>Funding Gap</b>					
Recurrent	29 438	35 712	48 892	55 990	170 032
Development	88 416	66 163	60 491	39 172	254 242
Total	117 854	101 875	109 383	95 162	424 274
<b>Funding gap in %</b>					
Recurrent	50.3	49.5	56.9	55.8	53.6
Development	76.6	67.6	63.4	50.8	65.9
Total	67.7	59.9	60.4	53.6	60.4

Source: Revised ESSP of 2010.

- In its comprehensive approach to skills development, the strategies of the plan go beyond the formal BTVET programmes traditionally catered for under the education sector. The plan serves development interests that are touching responsibilities of other sectors, notably the agriculture sector, the health sector, or the trade, tourism and industry sector. Parts of the total costs are therefore envisaged to be borne by government sectors other than education.
- About 55% of the estimated recurrent expenditure is required to resource (capitation grants, teachers salaries) increasing enrolment in formal BTVET programmes. Enrolment at given resource levels may be increased by channelling more funds through private BTVET providers, and by shifting parts of the BTVET supply towards cooperative (dual) training and enterprise-based training. The latter would require a dedicated approach to the policy of strengthening employer-based and dual training.
- The Strategic Plan envisages the introduction of a training levy, which may become a significant additional revenue source for the BTVET system from 2015/16 onwards. Further investigation to estimate potential levy proceeds is necessary and will be part of the conceptual and design work in preparation of the training levy. The current cost and expenditure estimates do not include the potential levy proceeds.

Operational priorities within the overall strategic directions of the plan may be defined in case funding gaps remain. The Reform Task Force will facilitate the discussion and agreement on such priorities.

#### 5.4 Reform Task Force

The Reform Task Force has been budgeted separately. As shown in Table 6, it is estimated that the task force will require a total UGX 3 900 million (USD 1.68 million) to accomplish its task over the

first four years of the plan period. This covers meeting costs of the Task Force, national and international technical assistance to facilitate the work as well as operational costs. The calculation assumes that two national full-time staff will be employed in the secretariat of the Task Force assisted by about eight months of international expert input every year.

**Table 6: Estimated costs of the Reform Task Force (in ‘000 000 UGX)**

	11/12	12/13	13/14	14/15	Total	<i>(in USD)</i>
Task Force	150	150	150	150	600	260 870
Technical Assistance (national and international)	748	748	748	748	2 992	1 300 870
Secretariat Operational Cost	128	48	48	48	270	117 391
<b>Total</b>	<b>1 026</b>	<b>946</b>	<b>946</b>	<b>946</b>	<b>3 862</b>	<b>1 679 130</b>

## MONITORING AND EVALUATION

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BTVET sub-sector monitoring has been hitherto weak. Yet thorough monitoring is an essential management tool supporting the planning of BTVET and the steering of the Strategic Plan. With the Strategic Plan systematic monitoring of BTVET outcomes will be introduced for the first time. A number of baseline studies will be necessary in the set-up of the monitoring system.

The overall responsibility for monitoring and evaluation of the Strategic Plan and the BTVET development rests with the BTVET Reform Task Force, until the unified body for skills development is formed.

The Strategic Plan (see Annex 1) has preliminarily defined indicators for all objectives, strategies and outputs. These will serve as inspiration and guide, when a comprehensive monitoring system is built in consultation and cooperation between the partners and stakeholders of the Strategic Plan. In the process of developing the monitoring system, suggested indicators need to be revised and quantified, means of verification established, baseline studies identified and commissioned, and data collection responsibilities and methods set. Substantial responsibilities for data collection will rest with the BTVET institutions in form of market assessment and tracer studies. A coordination structure for data collection and analysis between the different levels of the BTVET system will be established.

At objective level, the following indicators are suggested:

<b>Objectives</b>	<b>Suggested Indicators</b>
<b>1 – Make BTVET relevant</b>	70% of employers satisfied with competencies of BTVET graduates by 2020 80% of BTVET graduates entering the labour market have found employment/self-employment generating sufficient income by 2020
<b>2 – Increase quality of skills development</b>	UVQF assessment pass rates increased to 90% by 2020
<b>3 – Increase equitable access</b>	Number of BTVET graduates increased to 450,000 annually, with 50% female participation
<b>4 – Improve effectiveness in management and organization</b>	BTVET reform implementation progressed in line with Strategic Plan
<b>5 – Increase internal efficiency and resources available for BTVET</b>	Unit spending of BTVET institutions increased compared to baseline BTVET functions adequately resourced

## **Annexes**



## ANNEX 1: BTVET STRATEGIC PLAN 2011 – 2020: OBJECTIVES, STRATEGIES, OUTPUTS AND TARGETS

### Development Goal for the BTVET Sector:

Business Technical Vocational Education and Training ensures that Ugandans and enterprises acquire the skills they need to raise productivity and income

### Overview of Objectives:

1. Make BTVET relevant to productivity development and economic growth
2. Increase the quality of skills provision
3. Increase equitable access to skills development
4. Improve the efficiency in BTVET management and organisation
5. Increase internal efficiency and resources available for BTVET

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>11</sup>	Stakeholders
<b>1</b>	<b>OBJECTIVE 1:</b> Make BTVET relevant to productivity development and economic growth	By 2020: 70% of employers satisfied with BTVET output 80% of BTVET graduates entering the labour market have found employment / self-employment generating sufficient income ( <i>to be refined in line with outcome of the tracer study</i> )			
<b>1.1</b>	<b>STRATEGY:</b> Strengthen the role of the business community (including the informal sector) and employers in BTVET	Enhanced role of the business community and employers in policy planning and implementation of BTVET			
<b>1.1.1</b>	<b>Sub-Strategy:</b> Strengthen the role in BTVET planning and decision-making	Increased participation in BTVET planning and decision-making measured in number of policy papers and statements Increased number of active BTVET desk officers in business associations		Reform Task Force, business associations, BTVET Dep.	FUE, BAs, TUs
	<i>Output 1:</i> Business sector representatives and employers have a strong representation in all governing bodies of BTVET institutions	50% of all governing bodies of BTVET institutions represent employers and business sector	50% of Members of the Board of the skill development body constitute of representatives and employers and business community	BTVET Dep, BTVET institutions	BAs, TUs, BTVET Dep.

<sup>11</sup> Responsibilities of the BTVET Department, the Department of Teachers and Instructors Training (DTIT), DIT and other ministerial management units will be shifted to the unified management body once it is established.

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>II</sup>	Stakeholders
			Chairman of the Board delegated by the employers		
	<i>Output 2:</i> Capacities of employers and business associations and their members increased to articulate their interests and stakes in the BTVET system	BTVET policy making and administrative capacities established in social partner organisations (FUE and TUs, PSFU, UMA, etc.) and business associations at national and local levels		FUE , business associations, TUs	BTVET Dep., DIT,
<b>1.1.2</b>	<b>Sub-Strategy:</b> Strengthen employer-based training	Employer based training in terms of firms, employees, interns and apprentices has increased by 30% in 2020 ( <i>to be adjusted according to baselines established through employer-based BTVET scoping study</i> )		FUE, business associations, Reform Task Force	BAs, BTVET Dep.
	<i>Output 1:</i> Incentive system for employer-based training developed and in place	Incentive concept developed by 2012 Incentives in place by 2013		Reform Task Force, MoFDP, BAs	FUE
	<i>Output 2:</i> Access to and quality of internships improved	Internship improvement concept agreed upon All trainees have access to relevant internships by 2015	All BTVET trainees have access to relevant internships	BTVET Dep., FUE, BAs	FUE, TIs, BAs
<b>1.2</b>	<b>STRATEGY:</b> Expand the coverage of the UVQF and accelerate its development	UVQF is the legally recognized and implemented framework for BTVET qualifications up to level 5			FUE, BAs
<b>1.2.1</b>	<b>Sub-Strategy:</b> Clarify the conceptual framework for the UVQF and strengthen related management capacities	Regulatory framework for a clarified UVQF in place as agreed upon by the key stakeholders		Reform Task Force, DIT, MoES	FUE, BAs
	<i>Output 1:</i> UVQF concept agreed and legal framework amended	UVQF concept agreed upon by 2013 Legal framework amended by 2014		Reform Task Force, DIT, MoES	FUE, BAs
	<i>Output 2:</i> DIT appropriately resourced and staffed	DIT staff increased to at least xx DIT budget in accordance with tasks and responsibilities	DIT functions integrated into new skills development body	MoES, MoPS, ESC	MoFPED
	<i>Output 3:</i> Technical Sector Committees (TSC) operational	TSC appointed and operational by 2012	TSCs continuously identify new skill demands according to changes in the labour market	DIT, MoES	BAs, BTVET Dep.
<b>1.2.2</b>	<b>Sub-Strategy:</b> Accelerate ATP development and UVQF-based	All BTVET learners are by default assessed on the basis of UVQF standards		DIT	TIs, TSCs, BAs

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>II</sup>	Stakeholders
	assessment				
	<i>Output 1:</i> ATPs for all relevant occupations developed and approved	ATPs developed and approved: 2012 2013 2014 2015 30 30 30 30	ATP development and revision in line with labour market needs	DIT, BAs, MAAIF	TIs, TSCs, BAs
	<i>Output 2:</i> UVQF-based assessment and certification provided for BTVET graduates and prior learners	<i>Include targets</i>	Assessment centres accessible for all trained candidates and prior learners	DIT	TIs, TSCs, BAs
<b>1.3</b>	<b>STRATEGY:</b> Make the training supply more flexible and demand-driven	BTVET institutions continuously adjust their programmes and curricula in response to changing needs of the labour market		BTVET Dep.	BAs, TIs
	<i>Output 1:</i> Governing bodies of BTVET institutions have the capacity to guide institutions to offer demand-responsive training	Governing bodies of BTVET institutions upgraded through capacity building by 2015		BTVET Dep.	BAs
	<i>Output 2:</i> BTVET institutions regularly conduct training needs assessments	BTVET institutions trained and resourced to conduct TNAs: 2012 2013 2014 2015 20 50 60 60	All BTVET institutions base their training offers on market demand	TPs	BTVET Dep. FUE, UGAPRIVI, RSCs, BAs
	<i>Output 3:</i> Curricula for formal BTVET programmes are revised into modular programmes integrating ATPs, soft skills and cross cutting skills	ATP-based curricula developed 2012 2013 2014 2015 xxx xxx xxx xxx	All formal BTVET curricula are based on ATPs	DIT	TSCs
<b>1.4</b>	<b>STRATEGY:</b> Boost BTVET supply in critical occupations	Share of UTC graduates of all tertiary BTVET graduates increased to 40% by 2020 (Baseline: 15% in 2008) At least 50% of all post secondary BTVET enrolment covers defined priority areas		DIT/DHE, BTVET Dep.	Universities, research institutes, TSCs, NPA
	<i>Output 1:</i> New programmes introduced in critical occupational areas	Priority list of occupational fields developed by 2012 ATPs according to priority list developed by 2015			Universities, research institutes, TSCs, NPA
<b>1.5</b>	<b>STRATEGY:</b> Expand and improve agriculture training	Enrolment in agriculture training increased to xxx by 2020 (baseline 4,600 in 2009)			BTVET Dep. LGs, MoFPED
<b>1.5.1</b>	<b>Sub-Strategy:</b> Establish, improve and expand facilities for agriculture BTVET	Facilities for agriculture BTVET established and/or upgraded, well spread across agricultural zones		MAAIF	BTVET Dep. MoLG, MoFPED
	<i>Output 1:</i> Agricultural Skill Development Centers (ASDCs) established	4 Farm schools upgraded to ASDCs. 5 DATICs upgraded. 1 new ASDC in Northern Uganda.		BTVET Dep, MAAIF	BTVET Dep., MoLG, MoFPED

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>II</sup>	Stakeholders
	<i>Output 2:</i> Veterinary Training Institute established		VTI established	MAAIF	BTVET Dep. MoFPED
	<i>Output 3:</i> Departments for food science, technology and value addition, and for irrigation and water management established in selected ASDCs	Xxx Departments established		MAAIF	BTVET Dep. MoTTI, LG, MoFPED
	<i>Output 4:</i> Bukalasa Agricultural College and Fisheries Training Institute upgraded into Centres of Excellence	Colleges upgraded Curricula reviewed Title deeds obtained	Capacity increased: Bukalasa +450 FTE students, FTI +400 FTE students	MAAIF	BTVET Dep. MoFPED
	<i>Output 5:</i> Food Science and Technology College established		College established by 2018	MAAIF	BTVET Dep. MoTTI, MoFPED
<b>1.5.2</b>	<b>Sub-Strategy:</b> Strengthen linkages of BTVET institutions with research institutions, industry and farmers	Coordination networks with BTVET agriculture institutions established and made operational		BTVET Dep., MAAIF	Universities, NARO, NAADS
	<i>Output 1:</i> Coordination mechanisms established for agricultural training	Desk Office established Register of service providers and of farmer associations and groups established.		BTVET Dep., MAAIF	Universities, Agric. associations
	<i>Output 2:</i> Linkages established/strengthened between research, extension, industry and training institutions	Accommodation and training facilities built at NARO field stations Liaison officers appointed Information sharing programmes conducted Industry based demonstrations established at training institutions.		NARO	NAADS, TIs, BAs
<b>1.5.3</b>	<b>Sub-Strategy:</b> Strengthen competency-based training (CBET) in agriculture	Expanded agricultural CBET based on UVQF		BTVET institutions, DIT, MAAIF	BAs, MAAIF, Agric. associations
	<i>Output 1:</i> ATPs developed for agriculture, fisheries and value addition training in cooperation between MAAIF, DIT and private sector	50 ATPs for agriculture and fisheries developed by 2020		DIT	BAs, MAAIF, Agric. associations
	<i>Output 2:</i> Capacity of instructors for agriculture training improved	Capacity of xx instructors built and of xx instructors upgraded by 2010		MoES (DTIET), MAAIF	BTVET Dep. MAAIF, MoTTI
<b>1.6</b>	<b>STRATEGY:</b> Promote skills for productivity in the informal sector and for micro and small enterprises (MSEs)	At least 70% of the participating informal sector enterprises confirm that upgraded skills contribute to higher productivity and raising of product quality			RSCs UGAPRIVI BAs, TPs, CSOs, LGs,
<b>1.6.1</b>	<b>Sub-Strategy:</b> Establish non-formal training as an integral part of the BTVET system	Non-formal training is part of the regular BTVET portfolio			BAs, RSCs

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>II</sup>	Stakeholders
	<i>Output 1:</i> Desk Office at the BTVET Department established and operational	Desk Office for non-formal sector established in BTVET Dep by 2013		BTVET Dep.	BAs, RSCs
	<i>Output 2:</i> Regulatory framework and operational plan for non-formal training designed and implemented in collaboration with stakeholders	Framework and plan drafted and agreed upon by 2013		MoES, Reform Task Force	BTVET Dep. BAs, RSCs, UGAPRIVI
	<i>Output 3:</i> Funding mechanisms for non-formal training established	Funding window defined and budgeted for by 2012		MoES	MoES, MoFPED, NTF, BAs
<b>1.6.2</b>	<b>Sub-Strategy:</b> Create information, cooperation and coordination networks	Non-formal training better adapted to local requirements of the informal sector and facilitating MSE development			TPs, BAs, MSE support services
	<i>Output 1:</i> Regional Support Centers (RSC) established and operational	Plan for RSC agreed by 2012 Regional Support Centres established by 2013	RSC facilitate development of non-formal training as an ongoing task	BTVET Dep.	TPs, BAs
	<i>Output 2:</i> Regional inventories of non-formal training providers and other stakeholders compiled	Inventories conducted by 2014	Inventories permanently upgraded and published	RSCs	TPs, BAs, LG
	<i>Output 3:</i> Information, coordination and cooperation networks operational	Networks built up and operational by 2015	Networks operational from 2016	RSCs	TPs, BAs, MSE support services, LGs
<b>1.6.3</b>	<b>Sub-Strategy:</b> Build human and institutional capacities among skills development providers in training for the informal sector	Skill development providers capable to conduct business viability and training needs assessment and to develop and implement training programmes accordingly		BTVET Dep.	BAs, TPs, RSCs
	<i>Output 1:</i> Capacities of instructors and managers of training providers involved in skills development for productivity increased (market assessment, curriculum development and others)	Training workshops targeting staff of non-formal BTVET providers 2012   2013   2014   2015 20   80   80   80	Capacity building targeting staff of non-formal BTVET providers ongoing task	BTVET Dep.	BAs, TPs, RSCs
<b>1.6.4</b>	<b>Sub-Strategy:</b> Promote innovation in skills development for MSEs and the informal sector	New skills development designed and implemented on the basis of a diversified range of products and services of MSEs/informal sector		BTVET Dep.	RSCs, BAs, MoTTI, MSEs, support services
	<i>Output 1:</i> Innovation Challenge Fund (ICF) established and launched	ICF established and launched by 2013		BTVET Dep.	BAs, RSCs, MoTTI, NTF
	<i>Output 2:</i> Research and innovation in skills development for the informal sector and MSEs stimulated, including projects in support of traditional apprenticeship training	Number of projects supported: 2012   2013   2014   2015     20   20	Annually 20 new innovation projects supported between 2016 and 2020	RSCs	BTVET Dep. BAs, MoTTI, research institutes
<b>1.7</b>	<b>STRATEGY:</b>	LMIS regularly produces data and information for BTVET planning and career			MoGLSD, FUE,

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>11</sup>	Stakeholders	
	Establish labour market information system (LMIS)	guidance			BAs, TIs, RSCs, TUs	
	<i>Output 1:</i> LMIS system as a BTVET function designed and operational	BTVET-LMIS concept agreed upon by 2014		BTVET Dep., Reform Task Force	MoGLSD, FUE, BAs, TIs, RSCs, UBOS	
	<i>Output 2:</i> BTVET institutions conduct annually tracer studies	All BTVET institutions conduct tracer studies by 2013	Yearly tracer studies conducted and assessed for planning purposes	BTVET Dep, UGAPRIVI, BTVET institutions	TIs, RSCs	
	<i>Output 3:</i> LMIS system is providing regularly data and information	BTVET-LMIS functional by 2015	LMIS regularly upgraded according to the needs of BTVET stakeholders	BTVET Dep.	RSCs, TIs, BAs, MoTTI, UIA, MoGLDS,	
<b>2</b>	<b>OBJECTIVE 2:</b> Increase the quality of skills provision	UVQF assessment pass rates increased to 90% by 2020				
<b>2.1</b>	<b>STRATEGY:</b> Strengthen institutional capacities of BTVET providers	At least 250 private and public BTVET institutions upgraded by 2020				
	<i>Output 1:</i> Capacities of selected BTVET institutions improved in cooperation with international partners	Capacity (civil works, equipment, HRD) increased in 10 public institutions by 2015	Capacity (civil works, equipment, HRD) increased in 30 public institutions by between 2016-2020	BTVET Dep.	TIs, UGAPRIVI,	
	<i>Output 2:</i> Capacities of BTVET institutions improved through targeted support (BTVET Investment Fund)	BTVET Investment Fund operational by 2013 Institutional Capacity Building grants awarded to 12 institutions in 2014 and 2015	Institutional Capacity Building grants awarded to 40 institutions annually	BTVET Dep. / UGAPRIVI	BTVET institutions	
	<i>Output 3:</i> Selected Centres of Excellence in critical occupational fields established and operational	Concept and selection agreed by 2012 2 CoEs operational by 2015	4 additional CoEs operational by 2020	BTVET Dep. / FUE / BAs	TIs, UGAPRIVI, companies, sector ministries	
	<i>Output 4:</i> BTVET institutions are equipped with ICT	Plan for the introduction of E-BTVET developed by 2015 ICT equipment upgraded in BTVET institutions	ICT equipment upgraded for 300 BTVET institutions by 2020	BTVET Dep. /UGAPRIVI	MoICT, BTVET institutions	
		2012 20	2013 50	2014 50	2015 50	
<b>2.2</b>	<b>STRATEGY:</b>	Number of active BTVET instructors increased to ??? by 2015 and to ??? by 2020				

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>11</sup>	Stakeholders
	Achieve better production and deployment of instructors/tutors and managers				
<b>2.2.1</b>	<b>Sub-Strategy:</b> Strengthen institutional capacities for instructors/tutors training institutions	Lead institution for instructors pre- and in-service training operational by 2015 Competent and qualified master trainers available for all BTVET instructors training programmes by 2020		MoES, DTIT	
	<i>Output 1:</i> Lead institution for pre-service and in-service training of BTVET instructors, health tutors, managers and master trainers established in accordance with the <i>Plan for the Development of BTVET Instructors and Health Tutors for the BTVET system in Uganda</i>	Jinja VTC, Abilonino CPIC and Mulago Health Tutors Training Centre upgraded and operational as instructors training centres by 2015	Further lead institutions established according to plan	DTIT, MoES	BTVET institutions
	<i>Output 2:</i> Competent master trainers developed for BTVET instructors/tutors training	100 master trainers trained by 2015	20 master trainers trained annually	DTIT	
<b>2.2.2</b>	<b>Sub-Strategy:</b> Increase availability of competent and qualified BTVET instructors and tutors	Output of qualified BTVET instructors/tutors increased to annually ?? by 2020			
	<i>Output 1:</i> Curricula for BTVET instructors/tutors training revised and developed on the basis of UVQF-based standards and qualifications	X number of curricula revised and introduced by 2015	Continuous revision of curricula according to changes in market demand	DIT, DTIT	NCDC, ITIs, BAs
	<i>Output 2:</i> Increased output of newly qualified BTVET instructors/tutors	Number of graduates from BTVET instructors training programmes 2012    2013    2014    2015	Annual output of qualified BTVET instructors increased to ?? by 2020	DTIT	companies
	<i>Output 3:</i> In-Service BTVET instructors/tutors upgraded to meet requirements of CBET training	X number of in-service instructors/tutors received upgrading 2012:    2013:5    2014:    2015: 250    500    500    500	100 BTVET instructors/tutors upgraded annually	DTIT	ITIs, companies
	<i>Output 4:</i> Incentive and reward system in place to increase the attractiveness of BTVET instruction/tutoring profession	Incentive/reward scheme adopted and in place from 2015 onwards	Payment system is balanced and in line with market needs A bonus system for good performance of instructors introduced	ESC, MoPS	BTVET institutions
<b>2.2.3</b>	<b>Sub-Strategy:</b> Deregulate recruitment and deployment of BTVET instructors	Management of BTVET institutions can decide on the composition of their instructor teams according to needs		ESC, MoES	BTVET institutions
	<i>Output 1:</i> Recruitment criteria and conditions of service for BTVET instructors/tutors reviewed and	Regulations governing recruitment and conditions of service revised by 2012	Number and quality of instructors diversified and raised in order to meet	ESC, DTIT	BTVET institutions

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>II</sup>	Stakeholders
	revised to allow recruitment of experienced practitioners		demand of BTVET system		
	<i>Output 2:</i> Incentives in place for industry and hospitals to cooperate in instructors training and to second qualified staff for part-time teaching in BTVET institutions	Incentive scheme approved and in place by 2013	Number of part-time instructors from industry in BTVET institutions increased by 20% every year	MoFED, FUE	TIs, BAs, companies
<b>2.3</b>	<b>STRATEGY:</b> Introduce better quality assurance systems for public and private BTVET providers	Quality assurance systems in place in line with regional standards and practices			
<b>2.3.1</b>	<b>Sub-Strategy:</b> Introduce accreditation system for BTVET providers	Accreditation system in place in line with regional standards		UGAPRIVI, Reform Task Force, MoES	BTVET institutions
	<i>Output 1:</i> Performance-based accreditation system of BTVET providers developed and operationalized	Accreditation system agreed upon and operational by 2014		UGAPRIVI, Reform Task Force, MoES	BTVET institutions
	<i>Output 2:</i> BTVET providers accredited	20 private providers accredited by 2015	100 new providers accredited annually	<i>Upon regulations</i>	BTVET institutions UGAPRIVI
<b>2.3.2</b>	<b>Sub-Strategy:</b> Introduce internal quality management systems in BTVET institutions	IQM management systems in place in at least all accredited institutions by 2020		BTVET Dep. / UGAPRIVI	BTVET institutions
	<i>Output 1:</i> Appropriate IQM system for BTVET institutions developed, piloted and implemented	IQM system developed by 2015 IQM system piloted in 10 institutions by 2015		BTVET Dep. /UGAPRIVI	BTVET institutions
	<i>Output 2:</i> IQM systems introduced in public and private BTVET institutions		Number of BTVET institutions with IQM system increased by 20% annually	BTVET Dep. /UGAPRIVI	BTVET institutions
<b>3</b>	<b>OBJECTIVE 3:</b> Increase equitable access to skills development	Number of BTVET graduates increased to 450,000 annually by 2020, with 50% female participation rate			
<b>3.1</b>	<b>STRATEGY:</b> Increase access to formal and non-formal BTVET	At least 650,000 learners in formal and non-formal BTVET programmes assisted through bursaries and scholarships by 2020			
	<i>Output 1:</i> Increased number of Ugandans without access to formal BTVET enabled to participate in	Number of Ugandans who have completed non-formal programmes:	Number of Ugandans who completed non-formal programmes: targets	BTVET Dep., MoES	LGs, BTVET providers



No	Objectives, Strategies and Outputs	Phase I (2011-2015)				Phase II (2016 – 2020)	Responsibilities <sup>11</sup>	Stakeholders
		2012	2013	2014	2015			
	non-formal training programmes through public subsidies	25,000	30,000	35,000	35,000	according to needs		
	<i>Output 2:</i> School leavers assisted to participate in formal training	Capitation grants (and related support awarded), from 2013 as bursaries to				40% of all formal BTVET learners receive bursaries	BTVET Dep., MoES	BTVET institutions
		2012	2013	2014	2015			
		19,200	21,100	23,300	25,500			
<b>3.2</b>	<b>STRATEGY:</b> Expand private training provision	Enrolment in private BTVET institutions increased by at least 10% annually Enrolment in private BTVET institutions in Northern region and Karamoja increased to xx						
	<i>Output 1:</i> Policy to promote private investment in BTVET developed	Policy developed and adopted by 2013					Reform Task Force, UGAPRIVI	UIA, MOFPED
	<i>Output 2:</i> Incentives provided for increased investment of private BTVET providers in priority regions and sectors	Incentives according to policy granted from 2014				Incentives for private investment in BTVET granted	MoFPED	MoES, UGAPRIVI
<b>3.3</b>	<b>STRATEGY:</b> Support and expansion of public BTVET supply							
	<i>Output 1:</i> New public training capacities created through establishment of technical institutes	14 new TIs established in accordance with loan agreements with OFID and SDF					BTVET Dep.	FUE, BAs
	<i>Output 2:</i> Public BTVET institutions supported with base-funding	Public BTVET institutions receive base-funding through instructors salaries until 2014, thereafter in accordance with new funding formula				Base-funding for public institutions gradually increasing	BTVET Dep.	BTVET institutions
<b>3.4</b>	<b>STRATEGY:</b> Create awareness about BTVET career patterns	Career guidance and counselling leads to improved training and career choices of learners Reduced drop-out rates					MoES	UGAPRIVI, MoGLDS, TIs
	<i>Output 1:</i> Career guidance and counselling strategy developed and implemented	CGC Strategy adopted by 2015				BTVET institutions have integrated CGC as core function by 2020	MoES, BTVET institutions	TIs, LGs, BAs
<b>3.5</b>	<b>STRATEGY:</b> Enhance participation of disadvantaged target groups to skills development	Enrolment of disadvantaged groups increased differentiated by target group matched by baseline data					BTVET Dep.	MoGLSD, LGs, FUE, TUs, BAs
<b>3.5.1</b>	<b>Sub-Strategy:</b> Promote access of disadvantaged groups through bursaries	Disadvantaged learners in formal BTVET programmes receive bursaries					BTVET Dep.	LGs, FUE, TUs, BAs

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>II</sup>	Stakeholders
	<i>Output 1:</i> Bursary scheme in place targeting disadvantaged groups, including girls, PWD and youth from under-served areas	Bursary scheme developed and implemented from 2013 onwards		BTVET Dep.	MoGLSD, LGs, FUE, TUs, BAs
<b>3.5.2</b>	<b>Sub-Strategy:</b> Promote female participation in BTVET	Female participation in formal BTVET increased to 35% by 2015	Female participation in formal BTVET increased to 50% by 2020	BTVET Dep. / UGAPRIVI	MoGLSD, LGs, FUE, TUs, BAs
	<i>Output 1:</i> Gender in BTVET Policy developed and launched	Policy launched by 2013		BTVET Dep.	MoGLSD, LGs, FUE, TUs, BAs
	<i>Output 2:</i> Share of female BTVET instructors increased	Share of female BTVET instructors increased to: 2012 xx      2013 xx      2014 xx      2015 xx	Share of female instructors increased to 40% by 2020	ESC/DTIT	BTVET institutions, BTVET Dep.
	<i>Output 3:</i> Increased BTVET choices for girls and women	35% of all ATPs developed in occupations attractive to female students by 2015	50% of all ATPs are in occupations attractive to female students	DIT	BAs, BTVET institutions, MoGLSD
<b>3.5.3</b>	<b>Sub-Strategy:</b> Enhance access for persons with disabilities	Percentage of PWD learners in BTVET increased by ?? % by 2020			
	<i>Output 1:</i> Strategy for the integration of PWD into BTVET developed	Strategy launched by 2013		BTVET Dep. / NUDIPU	MoGLSD, LGs, FUE, TUs, BAs
	<i>Output 2:</i> PWD-compatible facilities introduced in selected BTVET institutions	50 number of BTVET institutions equipped with PWD-compatible equipment by 2015	100 number of BTVET institutions equipped with PED-compatible equipment by 2020	BTVET Dep.	MoGLSD, LGs, FUE, TUs, BAs, NUDIPU
	<i>Output 3:</i> Employment-oriented skills development programmes for PWD launched	X number of PWD annually complete skills development programmes from 2013	X number of PWD annually complete skills development programmes	BTVET Dep.	MoGLSD, LGs, FUE, TUs, BAs, NUDIPU
<b>4</b>	<b>OBJECTIVE 4:</b> Improve effectiveness in BTVET management and organization	BTVET reform implementation progressed in line with BTVET Strategic Plan			
<b>4.1</b>	<b>STRATEGY:</b> Consolidate BTVET functions in an integrated body for skills development	The new unified body for skills development manages an integrated BTVET system in line with labour market requirements			
	<i>Output 1:</i> Concept/design and road map for the establishment of a unified skills development body agreed upon	Concept/road map agreed upon by 2013		Reform Task Force	FUE, BAs, MoES, all other stakeholders

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>II</sup>	Stakeholders
	<i>Output 2:</i> Legal framework developed and adopted	Necessary modifications of legal/regulatory framework completed by 2014		Reform Task Force, GoU	FUE, BAs, MoES, all other stakeholders
	<i>Output 3:</i> Skills development body is operational and gradually integrates major BTVET functions		The new skills development body gradually integrated all agreed functions in BTVET management	Reform Task Force / SDB	FUE, BAs, MoES, all other stakeholders
<b>4.2</b>	<b>STRATEGY:</b> Gradually devolve authority to public BTVET institutions and make them accountable for performance outcomes	Increased institutional efficiency shown through the MIS			
<b>4.2.1</b>	<b>Sub-Strategy:</b> Devolve authority to public BTVET institutions	All BTVET institutions are self-governing by 2020		MoES	BTVET institutions
	<i>Output 1:</i> Concept/Design and Roadmap developed for devolution of authority to public training providers	Concept/road map agreed upon by 2013		BTVET Dep.	BTVET institutions
	<i>Output 2:</i> Public BTVET pilot institutions are self-governing	Autonomous management introduced in 10 pilot institutions by 2015	On the basis of pilot phase autonomy introduced in all institutions	BTVET Dep.	BTVET institutions
	<i>Output 3:</i> Improved day-to-day management in BTVET institutions	Head instructors and senior staff received management training. Institutions covered: 2012:    2013:    2014:    2015: 30        30        30	Ongoing capacity development upon needs	BTVET Dep.	BTVET institutions
<b>4.2.2</b>	<b>Sub-Strategy:</b> Introduce instruments to increase accountability of BTVET institutions	Operations in public BTVET institutions are based on performance contracts		BTVET Dep.	TIs, MoFPED, FUE, BAs
	<i>Output 1:</i> Performance contracts for senior management staff in place	All senior management staff have new contracts by 2014	Results-oriented management established by 2016	BTVET Dep.	TIs, ESC
	<i>Output 2:</i> Performance-based transfer mechanisms for institutional funding in place (see Strategy 5.1)	Revised transfer mechanisms established by 2015		BTVET Dep.	TIs, NTF
<b>4.3</b>	<b>STRATEGY:</b> Establish an effective BTVET management information system (MIS) and BTVET sub-sector monitoring system	Updated management information informs BTVET sub-sector monitoring			
	<i>Output 1:</i> EMIS BTVET module upgraded	Complete upgraded records of BTVET		EMIS	BTVET Dep.,

No	Objectives, Strategies and Outputs	Phase I (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>11</sup>	Stakeholders
		formal system available by 2013			BTVET institutions
	<i>Output 2:</i> MIS developed and introduced	Road map for MIS system available by 2013	BTVET MIS introduced by 2016	Reform Task Force	BTVET institutions, MoES, all other stakeholders
	<i>Output 3:</i> M&E system developed and established	Manual with guidelines for M&E developed by 2012	Multi-level M&E system introduced for the BTVET system by 2016	Reform Task Force, SDB	BTVET institutions, MoES
<b>5</b>	<b>OBJECTIVE:</b> Increase internal efficiency and resources available for BTVET	Unit spending of BTVET institutions increased compared to baseline BTVET management functions adequately resourced			
<b>5.1</b>	<b>STRATEGY:</b> Increase the efficiency of BTVET provision through results-oriented transfer mechanism	Cost effectiveness indicators improved compared to baseline			
	<i>Output 1:</i> New funding formula introduced for BTVET institutions based on performance	Revised funding system agreed upon and started by 2015		BTVET Dep,	BTVET institutions, MoES
<b>5.2</b>	<b>STRATEGY:</b> Increase the resources available for BTVET	Domestic funding of BTVET gradually increased to regional average level in terms of % GDP per student by 2020			
5.2.1	<b>Sub-Strategy:</b> Increase income of public BTVET institutions through income generating activities	Proceeds from IGA at 15% of institutional budgets on average by 2020 All public BTVET institutions have developed a viable business plan by 2015		BTVET Dep./ BTVET institutions	BAs
	<i>Output 1:</i> Sensitization and capacity building	Senior staff of public BTVET institutions trained in drafting and implementing business plans by 2014		BTVET Dep.	BTVET institutions
	<i>Output 2:</i> Revision of regulations	New regulations on IGA approved by 2012		MoES	BTVET Dep. MoFPED, BTVET institutions
	<i>Output 3:</i> Incentive schemes (matching grants) in place		Matching grant scheme operational in accordance with agreed incentive scheme by 2016	MoES, MoFPED	BTVET institutions, BTVET Dep.
5.2.2	<b>Sub-Strategy:</b> Introduce a training levy	Increasing annual levy income according to estimates		Reform Task Force	Employers, MoFPED
	<i>Output 1:</i> Concept/design for a skills development levy developed through public/private dialogue	Concepts agreed with stakeholders approved by Cabinet by 2013		Reform Task Force	Employers, MoFPED

No	Objectives, Strategies and Outputs	Phase 1 (2011-2015)	Phase II (2016 – 2020)	Responsibilities <sup>II</sup>	Stakeholders
	<i>Output 2:</i> Legal framework in place	Modified legal framework adopted by 2014		Reform Task Force /GoU/ MoJ	Employers
	<i>Output 3:</i> Levy management system developed and established	Management system in place by 2015		Reform Task Force	Employers
	<i>Output 4:</i> Training levy collected		Levy introduced and collected	SDF	Employers
<b>5.3</b>	<b>STRATEGY:</b> Establish a Skills Development Fund (SDF)	BTVET funding managed by SDF			
	<i>Output 1:</i> Concept for a Skills Development Fund developed	Concept agreed and approved by 2013		Reform Task Force	FUE, BAs, GoU
	<i>Output 2:</i> Legal framework in place	Legal framework adopted by 2014		GoU/MoJ	
	<i>Output 3:</i> Management system developed and established	System in place by 2015		Reform Task Force	FUE, BAs, GoU, MoES
	<i>Output 4:</i> SDF operational		SDF operating from 2015 onwards	SDF	All stakeholders

**Annex 2:**

**BTVET Strategic Plan 2011 – 2020: OBJECTIVES, STRATEGIES AND OUTPUTS WITH IMPLEMENTATION SCHEDULE**

**Development Objective:**

Business Technical Vocational Education and Training ensures that Ugandans and enterprises acquire the skills they need to raise productivity and income

**Overview of Objectives:**

1. Make BTVET relevant to productivity development and economic growth
2. Increase the quality of skills provision
3. Increase equitable access to skills development
4. Improve the efficiency in BTVET management and organisation
5. Increase internal efficiency and resources available for BTVET

No	Objectives, Strategies and Outputs	Phase I				Phase II				
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
<b>1</b>	<b>OBJECTIVE 1:</b> Make BTVET relevant to productivity development and economic growth									
<b>1.1</b>	<b>Strategy:</b> Strengthen the role of the business community (including the informal sector) and employers in BTVET									
<b>1.1.1</b>	<b>Sub-Strategy:</b> Strengthen the role in BTVET planning and decision-making									
	<i>Output 1:</i> Business sector representatives and employers have a strong representation in all governing bodies of BTVET institutions	X				X				
	<i>Output 2:</i> Capacities of employers and business associations and their members increased to articulate their interests and stakes in the BTVET system	X	X							
<b>1.1.2</b>	<b>Sub-Strategy:</b> Strengthen employer-based training									
	<i>Output 1:</i> Incentive system for employer-based training developed and in place	X	X							
	<i>Output 2:</i> Access to and quality of internships improved	X	X							

No	Objectives, Strategies and Outputs	Phase I				Phase II				
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
<b>1.2</b>	<b>Strategy:</b> Expand the coverage of the UVQF and accelerate its development									
<b>1.2.1</b>	<b>Sub-Strategy:</b> Clarify the conceptual framework for the UVQF and strengthen related management capacities									
	<i>Output 1:</i> UVQF concept agreed and legal framework amended	X	X	X						
	<i>Output 2:</i> DIT appropriately resourced and staffed	X	X	X	X	X	X	X	X	X
	<i>Output 3:</i> Technical Sector Committees (TSC) operational	X	X	X	X	X	X	X	X	X
<b>1.2.2</b>	<b>Sub-Strategy:</b> Accelerate ATP development and UVQF-based assessment									
	<i>Output 1:</i> ATPs for all relevant occupations developed and approved	X	X	X	X	X	X	X	X	X
	<i>Output 2:</i> UVQF-based assessment and certification provided for BTVET graduates and prior learners	X	X	X	X	X	X	X	X	X
<b>1.3</b>	<b>Strategy:</b> Make the training supply more flexible and demand-driven									
	<i>Output 1:</i> Governing bodies of BTVET institutions have the capacity to guide institutions to offer demand-responsive training	X	X	X	X					
	<i>Output 2:</i> BTVET institutions regularly conduct market and training needs assessments	X	X	X	X	X	X	X	X	X
	<i>Output 3:</i> Curricula for formal BTVET programmes are revised into modular programmes integrating ATPs, soft skills and cross-cutting skills	X	X	X	X	X	X	X	X	X
<b>1.4</b>	<b>Strategy:</b> Boost BTVET supply in critical occupations									
<b>1.4.1</b>	<b>Sub-Strategy:</b> Enhance skills development in cross-cutting sectors									
	<i>Output 1:</i> New programmes introduced in critical occupations	X	X	X	X					
<b>1.5</b>	<b>Strategy:</b> Expand and improve agriculture training									
<b>1.5.1</b>	<b>Sub-Strategy:</b> Establish, improve and expand facilities for agriculture BTVET									
	<i>Output 1:</i> Agricultural Skill Development Centers (ASDCs) established			X	X	X				
	<i>Output 2:</i> VTI established							X	X	X

No	Objectives, Strategies and Outputs	Phase I				Phase II				
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	<i>Output 3:</i> Departments for food science, technology and value addition, and for irrigation and water management established in selected ASDCs			X						
	<i>Output 4:</i> Bukalasa Agricultural College and Fisheries Training Institute upgraded and converted into Centers of Excellence		X	X						
	<i>Output 5:</i> Food Science and Technology College established						X	X	X	
<b>1.5.2</b>	<b>Sub-Strategy:</b> Strengthen linkages of BTVET institutions with research institutions, industry and farmers									
	<i>Output 1:</i> Coordination mechanisms established for agricultural training	X								
	<i>Output 2:</i> Linkages established/strengthened between research, extension, industry and training institutions		X	X						
<b>1.5.3</b>	<b>Sub-Strategy:</b> Strengthen competency-based training (CBET) in agriculture									
	<i>Output 1:</i> ATPs developed for agriculture, fisheries and value addition training in cooperation between MAAIF and DIT and the private sector	X	X	X						
	<i>Output 2:</i> Capacity of instructors for agriculture training improved		X	X	X					
<b>1.6</b>	<b>Strategy:</b> Promote skills for productivity in the informal sector and for micro and small enterprises (MSEs)									
<b>1.6.1</b>	<b>Sub-Strategy:</b> Establish non-formal training as an integral part of the BTVET system									
	<i>Output 1:</i> Desk Office at the BTVET Department/SDB established and operational		X							
	<i>Output 2:</i> Regulatory framework and operational plan for non-formal training designed and implemented in collaboration with stakeholders		X	X						
	<i>Output 3:</i> Funding mechanisms for non-formal training established	X								
<b>1.6.2</b>	<b>Sub-Strategy:</b> Create information, cooperation and coordination networks									
	<i>Output 1:</i> Regional Support Centers established and operational		X							
	<i>Output 2:</i> Regional inventories of non-formal training providers and other stakeholders compiled		X							
	<i>Output 3:</i> Information, coordination and cooperation networks operational		X	X	X	X	X	X	X	X
<b>1.6.3</b>	<b>Sub-Strategy:</b>									



No	Objectives, Strategies and Outputs	Phase I				Phase II				
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	Build human and institutional capacities among skills development providers in training for the informal sector									
	<i>Output 1:</i> Capacities of instructors and managers of training providers involved in skills development for productivity increased (market assessment, curriculum development and others)	X	X	X	X	X	X	X	X	X
<b>1.6.4</b>	<b>Sub-Strategy:</b> Promote innovation in skills development for MSEs and the informal sector									
	<i>Output 1: Innovation Challenge Fund (ICF)</i> established and launched		X	X						
	<i>Output 2:</i> Research and innovation in skills development for the informal sector and MSEs stimulated, incl. projects in support of traditional apprenticeship training			X	X	X	X	X	X	X
<b>1.7</b>	<b>Strategy:</b> Establish labour market information system (LMIS)									
	<i>Output 1:</i> LMIS system as a BTVET function designed and operational			X	X					
	<i>Output 2:</i> BTVET institutions conduct regularly tracer studies		X	X	X	X	X	X	X	X
	<i>Output 3:</i> LMIS system is providing regularly data and information					X	X	X	X	X
<b>2</b>	<b>OBJECTIVE 2:</b> Increase the quality of skills provision									
<b>2.1</b>	<b>Strategy:</b> Strengthen institutional capacities of BTVET providers									
	<i>Output 1:</i> Capacities of selected BTVET institutions improved in cooperation with international partners	X	X	X	X					
	<i>Output 2:</i> Capacities of BTVET institutions improved through targeted support (BTVET Investment Fund)		X	X	X	X	X	X	X	X
	<i>Output 3:</i> Selected Centres of Excellence in critical occupational fields established and operational	X	X	X	X	X	X	X		
	<i>Output 4:</i> BTVET institutions are equipped with ICT	X	X	X	X	X	X	X	X	X
<b>2.2</b>	<b>Strategy:</b> Achieve better production and deployment of instructors/tutors and managers									
<b>2.2.1</b>	<b>Sub-Strategy:</b> Strengthen institutional capacities for instructors/tutors training institutions									

No	Objectives, Strategies and Outputs	Phase I				Phase II				
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	<i>Output 1:</i> Lead institutions for pre-service and in-service training of BTVET instructors, health tutors, managers and master trainers established in accordance with the <i>Plan for Development of BTVET Instructors and Health Tutors for the BTVET System in Uganda</i>	X	X	X	X	X	X			
	<i>Output 2:</i> Competent master trainers developed for BTVET instructors/tutors training	X	X	X	X	X	X			
<b>2.2.2</b>	<b>Sub-Strategy:</b> Increase availability of competent and qualified BTVET instructors and tutors									
	<i>Output 1:</i> Curricula for BTVET instructors/tutors training revised and developed on the basis of UVQF-based standards and qualifications	X	X	X	X					
	<i>Output 2:</i> Increased output of newly qualified BTVET instructors/tutors			X	X	X	X	X	X	X
	<i>Output 3:</i> In-Service BTVET instructors/tutors upgraded to meet requirements of CBET training	X	X	X	X					
	<i>Output 4:</i> Incentive and reward system in place to increase the attractiveness of BTVET instruction/tutoring profession			X	X					
<b>2.2.3</b>	<b>Sub-Strategy:</b> Deregulate recruitment and deployment of BTVET instructors									
	<i>Output 1:</i> Recruitment criteria and conditions of service for BTVET instructors/tutors reviewed and revised to allow recruitment of experienced practitioners	X								
	<i>Output 2:</i> Incentives in place for industry and hospitals to cooperate in instructors training and to second qualified staff for part-time teaching in BTVET institutions		X							
<b>2.3</b>	<b>Strategy:</b> Introduce better quality assurance systems for public and private BTVET providers									
<b>2.3.1</b>	<b>Sub-Strategy:</b> Introduce accreditation system for BTVET providers									
	<i>Output 1:</i> Performance-based accreditation system of BTVET providers developed and operationalized		X	X						
	<i>Output 2:</i> BTVET providers accredited				X	X	X	X	X	X
<b>2.3.2</b>	<b>Sub-Strategy:</b> Introduce internal quality management systems in BTVET institutions									
	<i>Output 1:</i> Appropriate IQM system for BTVET institutions developed and piloted			X	X	X				
	<i>Output 2:</i> IQM systems introduced in public and private BTVET institutions						X	X	X	X
<b>3</b>	<b>OBJECTIVE 3:</b>									

No	Objectives, Strategies and Outputs	Phase I				Phase II				
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	Increase equitable access to skills development									
<b>3.1</b>	<b>Strategy:</b> Increase access to formal and non-formal BTVET									
	<i>Output 1:</i> Increased number of Ugandans without access to formal BTVET enabled to participate in non-formal training programmes through public subsidies	X	X	X	X	X	X	X	X	X
	<i>Output 2:</i> School leavers assisted to participate in formal training	X	X	X	X	X	X	X	X	X
<b>3.2</b>	<b>Strategy:</b> Expand private training provision									
	<i>Output 1:</i> Policy to promote private investment in BTVET developed	X	X							
	<i>Output 2:</i> Incentives provided for private BTVET investment in priority regions and sectors		X	X	X	X	X	X	X	X
<b>3.3</b>	<b>Strategy:</b> Support and expansion of public BTVET supply									
	<i>Output 1:</i> New public training capacities created through establishment of technical institutes	X	X	X	X					
	<i>Output 2:</i> Public BTVET institutions supported with base-funding	X	X	X	X	X	X	X	X	X
<b>3.4</b>	<b>Strategy:</b> Create awareness about BTVET									
	<i>Output 1:</i> Career guidance and counselling strategy developed and implemented		X	X	X	X	X	X	X	X
<b>3.5</b>	<b>Strategy:</b> Enhance participation of disadvantaged target groups to skills development									
<b>3.5.1</b>	<b>Sub-Strategy:</b> Promote access of disadvantaged groups through bursaries									
	<i>Output 1:</i> Bursary scheme in place targeting disadvantaged groups, including girls, PWD and youth from under-served areas		X							
<b>3.5.2</b>	<b>Sub-Strategy:</b> Promote female participation in BTVET									
	<i>Output 1:</i> Gender in BTVET Policy developed and launched		X							
	<i>Output 2:</i> Share of female BTVET instructors increased		X	X	X	X	X	X	X	X
	<i>Output 3:</i> Increased BTVET choices for girls and women	X	X	X	X	X				
<b>3.5.3</b>	<b>Sub-Strategy:</b>									

No	Objectives, Strategies and Outputs	Phase I				Phase II				
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	Enhance access for persons with disabilities									
	<i>Output 1:</i> Strategy for the integration of PWD into BTVET developed		X	X						
	<i>Output 2:</i> PWD-compatible facilities introduced in selected BTVET institutions				X	X				
	<i>Output 3:</i> Employment-oriented skills development programmes for PWD launched			X	X	X	X	X	X	X
<b>4</b>	<b>OBJECTIVE 4:</b> Improve effectiveness in BTVET management and organization									
<b>4.1</b>	<b>Strategy:</b> Consolidate BTVET functions in an integrated body for skills development									
	<i>Output 1:</i> Concept/design and road map for the establishment of a SDB agreed upon	X	X	X						
	<i>Output 2:</i> Legal framework developed and adopted				X					
	<i>Output 3:</i> SDB is operational and gradually integrates major BTVET functions					X	X	X	X	X
<b>4.2</b>	<b>Strategy:</b> Gradually devolve authority to public BTVET institutions and make them accountable for performance outcomes									
<b>4.2.1</b>	<b>Sub-Strategy:</b> Devolve authority to public BTVET institutions									
	<i>Output 1:</i> Selected BTVET pilot institutions operate under autonomous management			X						
	<i>Output 2:</i> Public BTVET institutions are self-governing					X	X	X	X	
	<i>Output 3:</i> Improved day-to-day management in BTVET institutions		X	X	X	X	X	X	X	X
<b>4.2.2</b>	<b>Sub-Strategy:</b> Introduce instruments to increase accountability of BTVET institutions									
	<i>Output 1:</i> Performance contracts for senior management staff in place		X							
	<i>Output 2:</i> Performance-based transfer mechanisms for institutional funding introduced (see Strategy 5.1)		X	X	X					
<b>4.3</b>	<b>Strategy:</b> Establish an effective management information system and sub-sector monitoring system									
	<i>Output 1:</i> EMIS BTVET module upgraded	X	X							
	<i>Output 2:</i> MIS developed and introduced		X	X	X	X				
	<i>Output 3:</i> M&E system developed and established	X	X	X	X	X	X	X	X	X

No	Objectives, Strategies and Outputs	Phase I				Phase II				
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
<b>5</b>	<b>OBJECTIVE 5:</b> Increase internal efficiency and resources available for BTVET									
<b>5.1</b>	<b>Strategy:</b> Increase the efficiency of BTVET provision through results-oriented transfer mechanisms									
	<i>Output 1:</i> New funding formula introduced for BTVET institutions based on performance			X	X					
<b>5.2</b>	<b>Strategy:</b> Increase the resources available for BTVET									
<b>5.2.1</b>	<b>Sub-Strategy:</b> Increase income of public BTVET institutions through income generating activities									
	<i>Output 1:</i> Sensitization and capacity building		X	X	X					
	<i>Output 2:</i> Revision of regulations		X							
	<i>Output 3:</i> Incentive schemes (matching grants) in place					X	X	X	X	X
<b>5.2.2</b>	<b>Sub-Strategy:</b> Introduce a training levy									
	<i>Output 1:</i> Concept/design for a training levy developed through public/private dialogue	X	X	X						
	<i>Output 2:</i> Legal framework in place			X						
	<i>Output 3:</i> Levy management system developed and established				X					
	<i>Output 4:</i> Training levy collected					X	X	X	X	X
<b>5.2.3</b>	<b>Sub-Strategy:</b> Increase public funding for BTVET									
<b>5.3</b>	<b>Strategy:</b> Establish a Skills Development Fund (SDF)									
	<i>Output 1:</i> Concept for a Skills Development Fund developed in a consultative process	X	X	X						
	<i>Output 2:</i> Legal framework in place			X						
	<i>Output 3:</i> Management system developed and established				X					
	<i>Output 4:</i> SDF operational					X				

**Annex 3:**

**BTVET Strategic Plan 2011 – 2020: OBJECTIVES, STRATEGIES AND OUTPUTS WITH ACTIVITIES**

(compiled at a workshop with public and private BTVET experts in February 2011)

No	Objectives, Strategies and Outputs	Suggested Activities
1	<p><b>OBJECTIVE 1:</b> Make BTVET relevant to productivity development and economic growth</p>	
1.1	<p><b>Strategy:</b> Strengthen the role of the business community (including the informal sector) and employers in BTVET</p>	
1.1.1	<p><b>Sub-Strategy:</b> Strengthen the role in BTVET planning and decision-making</p>	
	<p><i>Output 1:</i> Business sector representatives and employers have a strong representation in all governing bodies of BTVET institutions</p>	<ul style="list-style-type: none"> <li>• Design and implement an international study visit for decision- and policy makers to assess successful cooperation models abroad</li> <li>• Ensure that sufficient high level influence is allocated to pro-active employers in the to be established SDB</li> <li>• Establish/revitalise Technical Committees under ITC alongside strategy 1.2.1</li> <li>• Employers, employee representatives and BTVET authorities</li> <li>• design and implement development plan for upgrading the BTVET internship system at all levels</li> <li>• Organise theme based annual conferences to discuss and promote deeper involvement of business community in BTVET policy making</li> <li>• Joint participation of business community, line ministries and BTVET authorities in EAC initiative in Innovation Systems and Cluster Programme Design a plan for cooperation thereby addressing key potential areas of cooperation: strengthened role of employers in: governance of training providers, generation of LMI, internship promotion, guest training by skilled workers, provision of equipment and materials, industrial training of instructors, participation in assessment of learners, use of training institutions for enterprise-based training, curriculum development, implementation of guidance and counselling policies, placement promotion, etc.</li> </ul>
	<p><i>Output 2:</i> Capacities of employers and business associations and their members increased to articulate their interests and stakes in the BTVET system</p>	<ul style="list-style-type: none"> <li>• Capacity building of employers and their representatives in BTVET policy issues</li> <li>• Study tour</li> </ul>
1.1.2	<p><b>Sub-Strategy:</b> Strengthen employer-based training</p>	
	<p><i>Output 1:</i> Incentive system for employer-based training developed and in place</p>	<ul style="list-style-type: none"> <li>• Joint policy for promotion of enterprise based training drafted and implemented through incentives</li> </ul>

No	Objectives, Strategies and Outputs	Suggested Activities
		for employers with focus on small and medium enterprises <ul style="list-style-type: none"> <li>• Pilot programmes to develop cooperative training models (internships, upgraded apprentice systems)</li> <li>• Develop and incentive scheme for employer-based training</li> <li>• Study tour</li> </ul>
	<i>Output 2:</i> Access to and quality of internships improved	<ul style="list-style-type: none"> <li>• Ensure curricular flexibility in order to promote internships and strengthened cooperation with business community</li> </ul>
<b>1.2</b>	<b>Strategy:</b> Expand the coverage of the UVQF and accelerate its development	
<b>1.2.1</b>	<b>Sub-Strategy:</b> Clarify the conceptual framework for the UVQF and strengthen related management capacities	
	<i>Output 1:</i> UVQF concept agreed and legal framework amended	<ul style="list-style-type: none"> <li>• Consensus building workshop among key stakeholders on issues such as defining qualification levels, roles and functions of various actors, relationships between examination and assessments, assessment system, role of instructors manuals vis-à-vis curriculum, etc</li> <li>• Study tours involving more stakeholders</li> <li>• International TA to moderate the workshop</li> <li>• Drafting of regulations (cost neutral)</li> <li>• Ministerial approval (cost neutral)</li> <li>• Wider stakeholder consultation workshops</li> <li>• Legal drafting</li> <li>• Approval</li> </ul>
	<i>Output 2:</i> DIT appropriately resourced and staffed	<ul style="list-style-type: none"> <li>• Staff recruitment and development</li> <li>• Provision of equipment and infrastructure</li> <li>• Website development/WAN</li> </ul>
	<i>Output 3:</i> Technical Sector Committees (TSC) operational	<ul style="list-style-type: none"> <li>• Expedite the setting up of technical sector committees</li> <li>• Align economic sectors to NDP requirement</li> </ul>
<b>1.2.2</b>	<b>Sub-Strategy:</b> Accelerate ATP development and UVQF-based assessment	
	<i>Output 1:</i> ATPs for all relevant occupations developed and approved	<ul style="list-style-type: none"> <li>• Prioritize ATP development according to labour market needs</li> <li>• ATP development workshops</li> <li>• CB for facilitators</li> <li>• Develop instructors manual (DIT)</li> <li>• Print and disseminate manuals</li> </ul>
	<i>Output 2:</i> UVQF-based assessment and certification provided for BTVET graduates and prior learners	<ul style="list-style-type: none"> <li>• Capacity building of assessors</li> <li>• Inspect and accredit centers</li> <li>• Assess and accredit assessors</li> <li>• Test item development</li> </ul>

No	Objectives, Strategies and Outputs	Suggested Activities
		<ul style="list-style-type: none"> <li>• Test item bank development</li> <li>• Conduct assessments</li> <li>• Award certificates</li> </ul>
1.3	<p><b>Strategy:</b> Make the training supply more flexible and demand-driven</p>	
	<p><i>Output 1:</i> Governing bodies of BTJET institutions have the capacity to guide institutions to offer demand-responsive training</p>	<ul style="list-style-type: none"> <li>• Run capacity building programmes for members of governing bodies</li> </ul>
	<p><i>Output 2:</i> BTJET institutions regularly conduct market and training needs assessments</p>	<ul style="list-style-type: none"> <li>• Capacity building in TNA, curriculum development</li> <li>• Conduct regular TNA</li> </ul>
	<p><i>Output 3:</i> Curricula for formal BTJET programmes are revised into modular programmes integrating ATPs, soft skills and cross-cutting skills</p>	<ul style="list-style-type: none"> <li>• Develop curricula for formal training based on ATPs</li> <li>• Restructure post-primary training programmes (shorten)</li> </ul>
1.4	<p><b>Strategy:</b> Boost BTJET supply in critical occupations</p>	
1.4.1	<p><b>Sub-Strategy:</b> Enhance skills development in cross-cutting sectors</p>	
	<p><i>Output 1:</i> New programmes introduced in critical occupations</p>	<ul style="list-style-type: none"> <li>• STI: Provide for skill needs assessment compiled in consultation with technical colleges, universities, research institutes, industry and responsible line ministries</li> <li>• STI: Revise and upgrade educational programmes and curricula for skills required by STI promotion with focus on tertiary BTJET and technical institutes</li> <li>• STI: raise the capacity of the technical/engineering segment of BTJET</li> <li>• ICT: Provide for skill needs assessment compiled in consultation with technical colleges, universities, search institutes, ICT oriented industry and services, and Ministry of ICT: Enhance initial training and in-service training of qualified ICT on basis of needs assessment</li> <li>• ICT: Revise and upgrade educational programmes and curricula for skills required by ICT experts (software developers, hardware specialists) with focus on technical and business colleges and technical institutes</li> <li>• Mainstream ICT user skills in all levels of BTJET system</li> <li>• ICT: Provide BTJET training providers with IT hardware, software and accessories to enable e - BTJET training</li> <li>• Job greening: Identify key areas of environmental development priorities ( like waste management, water pollution, forestry) ,in consultation with technical and agricultural colleges, universities, search institutes, agriculture and industry and responsible line ministries</li> <li>• Job greening: Provide for skill needs assessment compiled in consultation with stakeholders mentioned above</li> <li>• Job greening: Adapt educational programmes and curricula in (tertiary) BTJET in view of newly identified environmental specialist needs</li> <li>• Job greening: support the promotion of green skills in BTJET on the basis of needs assessment</li> <li>• Define in consultation with NPA,line ministries, investors and sectoral employer representatives,</li> </ul>



No	Objectives, Strategies and Outputs	Suggested Activities
		<p>the priority sectors for skill development plans based on the size and urgency of the current investment and budget plans (likely: oil&amp;gas, energy, infrastructure, agriculture and health requiring most investment)</p> <ul style="list-style-type: none"> <li>• Establish sectoral skill development committees either as technical committees of ICT or as ad hoc committees consisting of sectoral HRD specialists from line ministries, BTVET department, industry, (potential) investors and BTVET training providers</li> <li>• Develop HRD and BTVET skill demand plans for the sectors thereby taking into consideration existing and future supply demand gaps</li> <li>• Enhance capacities in technical and vocational institutes and colleges according to plans</li> <li>• Adapt educational programmes and curricula in (tertiary) BTVET in view of skill demand plans</li> </ul>
1.5	<p><b>Strategy:</b> Expand and improve agriculture training</p>	
1.5.1	<p><b>Sub-Strategy:</b> Establish, improve and expand facilities for agriculture BTVET</p>	
	<p><i>Output 1:</i> Agricultural Skill Development Centers (ASDCs) established</p>	<ul style="list-style-type: none"> <li>• Consider evaluating the option of transferring farm schools (upgraded to ASDCs) to MAAIF.</li> <li>• Establish one new ASDC in Northern Uganda</li> <li>• Upgrade and convert 4 farm schools to ASDCs</li> <li>• Upgrade training facilities in 5 DATICS</li> <li>• Coordinated development of teaching materials</li> </ul>
	<p><i>Output 2:</i> VTI established</p>	<ul style="list-style-type: none"> <li>• Revive the VTI</li> </ul>
	<p><i>Output 3:</i> Departments for food science, technology and value addition, and for irrigation and water management established in selected ASDCs</p>	<ul style="list-style-type: none"> <li>• Establish Food Science, Tech and Value addition depts. At 4 regional ASDCs</li> <li>• Establish Depts. of Irrigation and water management in ASDCs in 4 regions</li> </ul>
	<p><i>Output 4:</i> Bukalasa Agricultural College and Fisheries Training Institute upgraded and converted into Centers of Excellence</p>	<ul style="list-style-type: none"> <li>• Review and develop training curriculum</li> <li>• Re-equip and staff Bukalasa</li> <li>• Survey Boundaries and obtain title to land</li> </ul>
	<p><i>Output 5:</i> Food Science and Technology College established</p>	<ul style="list-style-type: none"> <li>• Review and develop training curriculum</li> <li>• Re-equip and staff FTI</li> </ul>
1.5.2	<p><b>Sub-Strategy:</b> Strengthen linkages of BTVET institutions with research institutions, industry and farmers</p>	
	<p><i>Output 1:</i> Coordination mechanisms established for agricultural training</p>	<ul style="list-style-type: none"> <li>• Create office for Donor/NGO Coordination in MAAIF</li> <li>• Develop national Register of Service Providers and extension agents</li> <li>• Develop Register of Farmers Associations and groups</li> </ul>
	<p><i>Output 2:</i> Linkages established/strengthened between research, extension, industry and training institutions</p>	<ul style="list-style-type: none"> <li>• Build accommodation and training facilities at NARO Field Stations</li> <li>• Appoint liaison office(ers) at NARO centres</li> <li>• Conduct information sharing and dissemination programs</li> <li>• Establish industry based demonstrations at the training institutions</li> </ul>

No	Objectives, Strategies and Outputs	Suggested Activities
1.5.3	<b>Sub-Strategy:</b> Strengthen competency-based training (CBET) in agriculture	
	<i>Output 1:</i> ATPs developed for agriculture, fisheries and value addition training in cooperation between MAAIF and DIT and the private sector	<ul style="list-style-type: none"> <li>• Develop ATPs for agriculture, Fisheries and value addition</li> </ul>
	<i>Output 2:</i> Capacity of instructors for agriculture training improved	<ul style="list-style-type: none"> <li>• Capacity building of instructors in ATPs</li> </ul>
1.6	<b>Strategy:</b> Promote skills for productivity in the informal sector and for micro and small enterprises (MSEs)	
1.6.1	<b>Sub-Strategy:</b> Establish non-formal training as an integral part of the BTVET system	
	<i>Output 1:</i> Desk Office at the BTVET Department/SDB established and operational	<ul style="list-style-type: none"> <li>• Create a desk office at BTVET Department/SDB</li> </ul>
	<i>Output 2:</i> Regulatory framework and operational plan for non-formal training designed and implemented in collaboration with stakeholders	<ul style="list-style-type: none"> <li>• Operationalize demand-driven skills for employment and self-employment</li> <li>• Introduce result-based/impact monitoring, including tracer studies Draw guidelines to operationalize the BTVET act</li> <li>• Create adequate representation of informal sector representatives in decision making bodies</li> </ul>
	<i>Output 3:</i> Funding mechanisms for non-formal training established	<ul style="list-style-type: none"> <li>• Create a permanent budget line for non-formal BTVET under the BTVET budget</li> </ul>
1.6.2	<b>Sub-Strategy:</b> Create information, cooperation and coordination networks	
	<i>Output 1:</i> Regional Support Centers established and operational	<ul style="list-style-type: none"> <li>• Strengthen institutional support i.e. Regional Support Centres, to provide for demand-oriented non-formal skills delivery</li> </ul>
	<i>Output 2:</i> Regional inventories of non-formal training providers and other stakeholders compiled	<ul style="list-style-type: none"> <li>• Compile an inventory of all non-formal training providers and other stakeholders</li> <li>• Publish documentation regularly</li> </ul>
	<i>Output 3:</i> Information, coordination and cooperation networks operational	<ul style="list-style-type: none"> <li>• Build mechanisms among non-formal training providers and between training providers and other development stakeholders</li> <li>• Harmonize the existing coordination efforts</li> <li>• Promoting linkages between MSEs and non-formal training providers for complementary apprenticeship support</li> <li>• Promote skills transfer between formal (large) to informal enterprises</li> </ul>
1.6.3	<b>Sub-Strategy:</b> Build human and institutional capacities among skills development providers in training for the informal sector	
	<i>Output 1:</i> Capacities of instructors and managers of training providers involved in skills development for productivity increased (market assessment, curriculum development and others)	<ul style="list-style-type: none"> <li>• Provide capacity building of training providers in market assessment, including the identification of new markets (e.g. “green” skills, value chains and product innovations) to develop skills for productivity at local levels</li> <li>• Provide capacity development in programme planning and management, curriculum and training material development</li> </ul>

No	Objectives, Strategies and Outputs	Suggested Activities
		<ul style="list-style-type: none"> <li>• Identify the specific challenges and training gaps of informal sector trainers</li> <li>• Design a ToT programmes tailored to the challenges faced by the informal sector/MSEs</li> <li>• Provide upgrading courses in technical, entrepreneurial and of instruction skills of master craftspeople</li> </ul>
1.6.4	<p><b>Sub-Strategy:</b> Promote innovation in skills development for MSEs and the informal sector</p>	
	<i>Output 1: Innovation Challenge Fund (ICF) established and lauched</i>	<ul style="list-style-type: none"> <li>• Investigate in options and modalities to establish an innovation fund</li> </ul>
	<i>Output 2: Research and innovation in skills development for the informal sector and MSEs stimulated, incl. projects in support of traditional apprenticeship training</i>	<ul style="list-style-type: none"> <li>• Further research and pilot programmes for strengthening traditional apprenticeship through cooperative/dual training</li> <li>• Introduce of new products and processes</li> <li>• Provide resources to priority training programmes</li> <li>• Provide research and innovation programmes</li> <li>• Upgrade facilities and equipment of non-formal training providers and MSEs</li> </ul>
1.7	<p><b>Strategy:</b> Establish labour market information system (LMIS)</p>	
	<i>Output 1: LMIS system as a BTVET function designed and operational</i>	<ul style="list-style-type: none"> <li>• Use TA to design a detailed LMIS in a phased way, harmonized with EAC planning and guidelines:</li> <li>• Phasing:</li> <li>• Phase 1: provide for urgent direct demand and skills information on the basis of tracer studies, employment surveys and existing reports, statistics</li> <li>• Phase 2: provide for demand, supply, earnings and labour conditions information differentiated according to skills, occupations, sectors, personal characteristics, etc.</li> <li>• Phase 3: provide for demand, supply and discrepancy projections relevant for skills development planning</li> <li>• Provide in the design for the following three functions: BTVET policy making and planning, functional mapping for ATP development, public dissemination in the framework of an upgraded guidance and vocational counselling policy</li> <li>• Following design principles to be taken into account:</li> <li>• Good collaboration with MoGLDS</li> <li>• Harmonize with EAC guidelines</li> <li>• Bottom up approach from local level and sufficient locality</li> <li>• Good linkage with BTVET-MIS (see 4.4.)</li> <li>• Gradually progressing towards an e-based data collection and dissemination system</li> </ul>
	<i>Output 2: BTVET institutions conduct regularly tracer studies</i>	<ul style="list-style-type: none"> <li>• Capacity building of BTVET institutions</li> <li>• Develop standard format and procedures for tracers tudies</li> <li>• Support (incl. funding support) of tracer studies</li> <li>• Collect and analyse data on central level</li> </ul>
	<i>Output 3: LMIS system is providing regularly data and information</i>	<ul style="list-style-type: none"> <li>• Collect data from responsible institutions at all levels under support by Regional Support Centres</li> </ul>

No	Objectives, Strategies and Outputs	Suggested Activities
		<ul style="list-style-type: none"> <li>• Formulate and implement an analytical plan and outsource part of the analysis by taking the three key functions into account</li> <li>• Formulate and implement an information dissemination plan to 1) stakeholders at various levels, 2) general public in framework of guidance and counselling policy</li> </ul>
<b>2</b>	<b>OBJECTIVE 2:</b> Increase the quality of skills provision	
<b>2.1</b>	<b>Strategy:</b> Strengthen institutional capacities of BTVET providers	
	<i>Output 1:</i> Capacities of selected BTVET institutions improved in cooperation with international partners	<ul style="list-style-type: none"> <li>• Comprehensive institutional strengthening, including rehabilitation, expansion, new workshops, curriculum development, human resource development, in cooperation with development partners and foreign training institutions</li> </ul>
	<i>Output 2:</i> Capacities of BTVET institutions improved through targeted support (BTVET Investment Fund)	<ul style="list-style-type: none"> <li>• Develop concept for BTVET Investment Fund along the experience of PPTP/IP BTVET (KfW programme, now terminated)</li> <li>• Invite institutional strengthening proposals from BTVET institutions</li> <li>• Select and fund good proposals</li> <li>• Monitoring</li> <li>• Facilitation of proposal preparation</li> </ul>
	<i>Output 3:</i> Selected Centres of Excellence in critical occupational fields established and operational	<ul style="list-style-type: none"> <li>• Develop concept of CoCs</li> <li>• Select potential CoEs (about 5) on basis of tender procedure. Consider also their function as DIT assessment centres for BTVET providers</li> <li>• Provide for one CoE having international significance within EAC Region in collaboration with MTTI and business community</li> <li>• Locate CoEs near relevant industries and require strong collaboration with world of work</li> <li>• Resource and staff the CoEs adequately - Upgrade institutions with funding under Output 1</li> <li>• Establish twinning arrangements with foreign training institutions</li> <li>• Provide for dissemination of evaluated best practices to other BTVET providers</li> </ul>
	<i>Output 4:</i> BTVET institutions are equipped with ICT	<ul style="list-style-type: none"> <li>• Develop plan for the introduction of ICT in BTVET institutions</li> <li>• Develop realistic E-BTVET concept for Uganda and prepare implementation</li> <li>• Secure funding for BTVET ICT development</li> <li>• Equip institutions, private and public with ICT equipment</li> </ul>
<b>2.2</b>	<b>Strategy:</b> Achieve better production and deployment of instructors/tutors and managers	
<b>2.2.1</b>	<b>Sub-Strategy:</b> Strengthen institutional capacities for instructors/tutors training institutions	
	<i>Output 1:</i> Lead institutions for pre-service and in-service training of BTVET	<ul style="list-style-type: none"> <li>• Create a Centre of Excellence for instructor s training (either by upgrading an existing one) or by</li> </ul>

No	Objectives, Strategies and Outputs	Suggested Activities
	instructors, health tutors, managers and master trainers established in accordance with the <i>Plan for Development of BTVET Instructors and Health Tutors for the BTVET System in Uganda</i>	<ul style="list-style-type: none"> <li>creating a new one under reshuffling of the existing ones</li> <li>Equip instructors training centres in line with the draft BTVET Instructors Development Strategy</li> </ul>
	<i>Output 2: Competent master trainers developed for BTVET instructors/tutors training</i>	<ul style="list-style-type: none"> <li>Use newly designed Centres of Excellence (see recommendation 4, below) for the development of master trainers (trainers of BTVET instructors)</li> <li>Design and implement masters training according to best practice international examples</li> </ul>
<b>2.2.2</b>	<b>Sub-Strategy:</b> Increase availability of competent and qualified BTVET instructors and tutors	
	<i>Output 1: Curricula for BTVET instructors/tutors training revised and developed on the basis of UVQF-based standards and qualifications</i>	<ul style="list-style-type: none"> <li>Introduce the new UVQF instructor qualifications (C/DVTI and DTIM) as the mainstream instructors' qualification</li> </ul>
	<i>Output 2: Increased output of newly qualified BTVET instructors/tutors</i>	<ul style="list-style-type: none"> <li>Boost output from teacher training institutions by introducing new instructor training programmes in appropriate institutions</li> </ul>
	<i>Output 3: In-Service BTVET instructors/tutors upgraded to meet requirements of CBET training</i>	<ul style="list-style-type: none"> <li>Continue for the short run recruiting of foreign experts to accelerate the training of masters trainers.</li> <li>Design and implement an industrial training programme for instructors in collaboration with the private sector and make it structural as part of an inservice training programme</li> <li>Design and install a systematic, tailor made, inservice upgrading programme for public and private BTVET instructors. Focus on industrial, income generating and pedagogical training according to needs of individual instructors</li> </ul>
	<i>Output 4: Incentive and reward system in place to increase the attractiveness of BTVET instruction/tutoring profession</i>	<ul style="list-style-type: none"> <li>Assess the barriers for tutors training in the health sector (especially as to nurses and midwives) and take steps to remedy for them (labour and payment regulation for senior health staff applying for tutor training)</li> <li>Workshops with instructors</li> <li>Develop a plan to improve working conditions</li> </ul>
<b>2.2.3</b>	<b>Sub-Strategy:</b> Deregulate recruitment and deployment of BTVET instructors	
	<i>Output 1: Recruitment criteria and conditions of service for BTVET instructors/tutors reviewed and revised to allow recruitment of experienced practitioners</i>	<ul style="list-style-type: none"> <li>Assign recruitment and management of instructors to BTVET institution management</li> <li>Reconsider the requirement that instructors hold a formal teaching qualification</li> </ul>
	<i>Output 2: Incentives in place for industry and hospitals to cooperate in instructors training and to second qualified staff for part-time teaching in BTVET institutions</i>	<ul style="list-style-type: none"> <li>Design in collaboration with the private sector a strategy to broaden the recruitment by training institutions to staff and experts from the world of work.</li> <li>Provide for seconding of skilled workers as part-time instructors to BTVET training providers. Draft guidelines for contracting and payment</li> </ul>
<b>2.3</b>	<b>Strategy:</b> Introduce better quality assurance systems for public and private BTVET providers	
<b>2.3.1</b>	<b>Sub-Strategy:</b> Introduce accreditation system for BTVET providers	

No	Objectives, Strategies and Outputs	Suggested Activities
	<i>Output 1:</i> Performance-based accreditation system of BTVET providers developed and operationalized	<ul style="list-style-type: none"> <li>• Organise a study on best practice international examples for accreditation of BTVET providers</li> <li>• Replace the cumbersome system of licensing and registration of BTVET public and private providers by the new accreditation system. Redefine the role of the MoES Inspection Services</li> <li>• Base the design on the study mentioned</li> <li>• Provide for various levels of recognition in the accreditation</li> <li>• Decentralize accreditation authority to regional levels</li> <li>• Introduce for e-based accreditation procedures</li> </ul>
	<i>Output 2:</i> BTVET providers accredited	<ul style="list-style-type: none"> <li>• Apply accreditation system designed by prioritizing the private institutions first and by taking into consideration the various levels of recognition</li> </ul>
2.3.2	<b>Sub-Strategy:</b> Introduce internal quality management systems in BTVET institutions	
	<i>Output 1:</i> Appropriate IQM system for BTVET institutions developed and piloted	<ul style="list-style-type: none"> <li>• Implement an international study on best international practices and take performance-oriented management into account</li> <li>• Agree upon the concept of IQM, its scope and management use, in consultation with institution managers</li> <li>• Provide for linking with BTVET-MIS system for central level</li> <li>• Pilot IQM in selected institutions</li> </ul>
	<i>Output 2:</i> IQM systems introduced in public and private BTVET institutions	<ul style="list-style-type: none"> <li>• Develop and implement of IQM capacity management training for BTVET providers</li> <li>• Implement the IQM systems in a phased way by giving priority to institutions which can use e-based procedures</li> <li>• Provide for interaction with the central level through BTVET-MIS system and M&amp;E procedures</li> </ul>
3	<b>OBJECTIVE 3:</b> Increase equitable access to skills development	
3.1	<b>Strategy:</b> Increase access to formal and non-formal BTVET	
	<i>Output 1:</i> Increased number of Ugandans without access to formal BTVET enabled to participate in non-formal training programmes through public subsidies	<ul style="list-style-type: none"> <li>• Implement non-formal BTVET programme on a continued basis</li> <li>• Provide scholarships for students attending NFP</li> </ul>
	<i>Output 2:</i> School leavers assisted to participate in formal training	<ul style="list-style-type: none"> <li>• Capitation grants to school leavers attending formal training</li> <li>• Change capitation grants to needs-based bursaries</li> </ul>
3.2	<b>Strategy:</b> Expand private training provision	
	<i>Output 1:</i> Policy to promote private investment in BTVET developed	<ul style="list-style-type: none"> <li>• Inventory of private training providers in Uganda compiled</li> <li>• Strategy for expansion of private training providers developed and agreed upon</li> </ul>
	<i>Output 2:</i> Incentives provided for private BTVET investment in priority	<ul style="list-style-type: none"> <li>• Incentives provided</li> </ul>

No	Objectives, Strategies and Outputs	Suggested Activities
	regions and sectors	
<b>3.3</b>	<b>Strategy:</b> Support and expansion of public BTVET supply	
	<i>Output 1:</i> New public training capacities created through establishment of technical institutes	<ul style="list-style-type: none"> <li>• Implement existing loan agreements with OFID and SDF</li> </ul>
	<i>Output 2:</i> Public BTVET institutions supported with base-funding	<ul style="list-style-type: none"> <li>• Pay teachers salaries in public BTVET institutions</li> <li>• Support private institutions with funding</li> </ul>
<b>3.4</b>	<b>Strategy:</b> Create awareness about BTVET	
	<i>Output 1:</i> Career guidance and counselling strategy developed and implemented	<ul style="list-style-type: none"> <li>• Campaign strategy</li> <li>• Changed attitude</li> <li>• Large turn-up of public</li> <li>• Increased enrolment of special interest groups</li> </ul>
<b>3.5</b>	<b>Strategy:</b> Enhance participation of disadvantaged target groups to skills development	
<b>3.5.1</b>	<b>Sub-Strategy:</b> Promote access of disadvantaged groups through bursaries	
	<i>Output 1:</i> Bursary scheme in place targeting disadvantaged groups, including girls, PWD and youth from under-served areas	<ul style="list-style-type: none"> <li>• Concept for a bursary scheme for disadvantaged/poor trainees developed and agreed upon</li> <li>• Trainees from poor environments/regions are supported through bursaries to participate in BTVET programmes</li> <li>• Girls are supported through bursaries to participate in BTVET programmes</li> <li>• PWD are supported through bursaries to participate in BTVET programmes</li> </ul>
<b>3.5.2</b>	<b>Sub-Strategy:</b> Promote female participation in BTVET	
	<i>Output 1:</i> Gender in BTVET Policy developed and launched	<ul style="list-style-type: none"> <li>• Gender in BTVET Policy developed and launched</li> <li>• BTVET institutions have developed institutional gender affirmative policies and strategies</li> <li>• Increased BTVET choices for women</li> </ul>
	<i>Output 2:</i> Share of female BTVET instructors increased	<ul style="list-style-type: none"> <li>• Share of female BTVET instructors increased</li> <li>• Increase intake of women into BTVET instructors training institutions</li> </ul>
	<i>Output 3:</i> Increased BTVET choices for girls and women	<ul style="list-style-type: none"> <li>• Develop with priority ATPs in occupational areas that are attractive for girls</li> </ul>
<b>3.5.3</b>	<b>Sub-Strategy:</b> Enhance access for persons with disabilities	
	<i>Output 1:</i> Strategy for the integration of PWD into BTVET developed	<ul style="list-style-type: none"> <li>• Strategy for the integration of PWD into BTVET developed</li> </ul>
	<i>Output 2:</i> PWD-compatible facilities introduced in selected BTVET institutions	<ul style="list-style-type: none"> <li>• PWD-compatible facilities introduced in selected BTVET institutions</li> </ul>
	<i>Output 3:</i> Employment-oriented skills development programmes for PWD	<ul style="list-style-type: none"> <li>• Employment-oriented BTVET programmes for PWDs, and funded under Innovation Challenge</li> </ul>

No	Objectives, Strategies and Outputs	Suggested Activities
	launched	Fund (ICF)
<b>4</b>	<b>OBJECTIVE 4:</b> Improve effectiveness in BTVET management and organization	
<b>4.1</b>	<b>Strategy:</b> Consolidate BTVET functions in an integrated body for skills development	
	<i>Output 1:</i> Concept/design and road map for the establishment of a SDB agreed upon	<ul style="list-style-type: none"> <li>• Identify concept developer</li> <li>• Exposure visits for wider BTVET stakeholder groups</li> <li>• Stakeholder consultative meetings</li> <li>• National and international TA</li> <li>• Evaluation of existing organisational set-up</li> </ul>
	<i>Output 2:</i> Legal framework developed and adopted	<ul style="list-style-type: none"> <li>• Legal drafting</li> <li>• Approval of legal framework</li> <li>• Operationalization of legal framework</li> </ul>
	<i>Output 3:</i> SDB is operational and gradually integrates major BTVET functions	<ul style="list-style-type: none"> <li>• Establish SD Board</li> <li>• Staff recruitment and human resource development</li> <li>• Develop the budget</li> <li>• Establish the structures of the SDB in accordance with the agreed design concept</li> </ul>
<b>4.2</b>	<b>Strategy:</b> Gradually devolve authority to public BTVET institutions and make them accountable for performance outcomes	
<b>4.2.1</b>	<b>Sub-Strategy:</b> Devolve authority to public BTVET institutions	
	<i>Output 1:</i> Selected BTVET pilot institutions operate under autonomous management	<ul style="list-style-type: none"> <li>• Develop criteria for the selection of pilot institutions, and select pilot institutions</li> <li>• Monitor and evaluate the pilots</li> <li>• Roll-out devolution</li> </ul>
	<i>Output 2:</i> Public BTVET institutions are self-governing	<ul style="list-style-type: none"> <li>• Design a devolution programmes</li> <li>• Develop policy guidelines</li> <li>• Capacity building of governors</li> </ul>
	<i>Output 3:</i> Improved day-to-day management in BTVET institutions	<ul style="list-style-type: none"> <li>• Train institutional managers in accordance DTIM</li> </ul>
<b>4.2.2</b>	<b>Sub-Strategy:</b> Introduce instruments to increase accountability of BTVET institutions	
	<i>Output 1:</i> Performance contracts for senior management staff in place	<ul style="list-style-type: none"> <li>• Introduce results-oriented management</li> <li>• Define rewards and sanctions</li> <li>• Define performance targets</li> </ul>



No	Objectives, Strategies and Outputs	Suggested Activities
		<ul style="list-style-type: none"> <li>• Regularly assess performance</li> </ul>
	<i>Output 2:</i> Performance-based transfer mechanisms for institutional funding introduced (see Strategy 5.1)	<ul style="list-style-type: none"> <li>• Define performance-based funding formula for central subsidies to BTVET institutions</li> <li>• Gradual implementation of new funding formula</li> </ul>
4.3	<p><b>Strategy:</b> Establish an effective management information system and sub-sector monitoring system</p>	
	<i>Output 1:</i> EMIS BTVET module upgraded	<ul style="list-style-type: none"> <li>• Start with upgrading the EMIS BTVET module</li> </ul>
	<i>Output 2:</i> MIS developed and introduced	<ul style="list-style-type: none"> <li>• Design an international comparative study to define the concept, the sources, deliverers (training institutions etc) of management information to be delivered. Include the private and public institutions</li> <li>• Design the MIS in a phased way by allowing for gradual upgrading and expansion</li> <li>• Define indicators to be taken into consideration: Focus on (student and staff) input and performance indicators, indicators derived from IQA systems and financial indicators. Provide for measuring of evidence of labour market relevance of training</li> <li>• Define the reporting and data transfer structures between the levels of the BTVET system</li> <li>• Define the IT and WAN requirements taking into account the e-government strategies in collaboration with other ministries</li> <li>• Define the linkages with the to be established LMIS system</li> <li>• Define the possibilities of use of information emerging from the system by various stakeholders</li> </ul>
	<i>Output 3:</i> M&E system developed and established	<ul style="list-style-type: none"> <li>• Gradually upscale to defined final level preferably along the timeline of use of electronic transfer mechanisms</li> <li>• Implement regular monitoring &amp; evaluation of the MIS and modify according to results</li> <li>• Disseminate selected information to other stakeholders and the general public to show evidence of quality level of BTVET (e.g. annual reports, etc.)</li> </ul>
5	<p><b>OBJECTIVE 5:</b> Increase internal efficiency and resources available for BTVET</p>	
5.1	<p><b>Strategy:</b> Increase the efficiency of BTVET provision through results-oriented transfer mechanisms</p>	
	<i>Output 1:</i> New funding formula introduced for BTVET institutions based on performance	<ul style="list-style-type: none"> <li>• Develop and agree on criteria for determining performance</li> <li>• Technical assistance</li> <li>• Gradually implement new funding formulas</li> <li>• Develop concept for integrating performance with respect to social indicators (female enrolment, enrolment of PWD)</li> <li>• Integrate special preferences for training in Northern regions and Karamoja</li> </ul>

No	Objectives, Strategies and Outputs	Suggested Activities
5.2	<b>Strategy:</b> Increase the resources available for BTVET	
5.2.1	<b>Sub-Strategy:</b> Increase income of public BTVET institutions through income generating activities	
	<i>Output 1:</i> Sensitization and capacity building	<ul style="list-style-type: none"> <li>• International Conference on TWP</li> <li>• Experience sharing workshop</li> <li>• Drafting of the guidelines</li> </ul>
	<i>Output 2:</i> Revision of regulations	<ul style="list-style-type: none"> <li>• Experience sharing workshops</li> <li>• Training in business management and entrepreneurship</li> <li>• Management development programme</li> <li>• Institution-to-institution mentorship programme (with international)</li> <li>• Establishment of business units</li> <li>• Introduction of showrooms for products in strategic centers</li> </ul>
	<i>Output 3:</i> Incentive schemes (matching grants) in place	<ul style="list-style-type: none"> <li>• Matching grants for investments funded through income generating activities</li> </ul>
5.2.2	<b>Sub-Strategy:</b> Introduce a training levy	
	<i>Output 1:</i> Concept/design for a training levy developed through public/private dialogue	<ul style="list-style-type: none"> <li>• Consultative process, study tours, TA, sensitization workshops</li> </ul>
	<i>Output 2:</i> Legal framework in place	<ul style="list-style-type: none"> <li>• Amend the BTVET Act</li> <li>• Draft and approve Levy regulation</li> </ul>
	<i>Output 3:</i> Levy management system developed and established	<ul style="list-style-type: none"> <li>• Establish mechanisms to operationalize the levy scheme</li> </ul>
	<i>Output 4:</i> Training levy collected	<ul style="list-style-type: none"> <li>• Information material printed, PR done, etc</li> <li>• Capacity building of staff</li> </ul>
5.3	<b>Strategy:</b> Establish a Skills Development Fund (SDF)	
	<i>Output 1:</i> Concept for a Skills Development Fund developed in a consultative process	<ul style="list-style-type: none"> <li>• Consultative process, study tours, TA, sensitization workshops</li> </ul>
	<i>Output 2:</i> Legal framework in place	<ul style="list-style-type: none"> <li>• Amend the BTVET Act</li> <li>• Draft and approve Levy regulation</li> </ul>
	<i>Output 3:</i> Management system developed and established	<ul style="list-style-type: none"> <li>• Establish mechanisms to operationalize the fund</li> </ul>
	<i>Output 4:</i> SDF operational	<ul style="list-style-type: none"> <li>• PR material development and dissemination</li> <li>• Funding window established</li> <li>• Capacity building of staff</li> </ul>



## **Annex 4: Notes on Training Authorities**

### **National Training Authorities<sup>12</sup>**

#### **Characteristics–**

National training authorities are becoming increasingly an institutional mechanism of choice to promote demand-driven training. Such authorities exist in much of Latin America, and have been increasing in Anglophone Africa. Examples of training authorities in the region include the Botswana Training Authority (BOTA), the Namibia Training Authority (NTA), the Industrial-Vocational Training Board (IVTB) in Mauritius, TEVETA in Zambia and in Malawi, VETA in Tanzania, and Workforce Development Agency in Rwanda.

The common characteristics of training authorities is that they are independent of government ministries, are governed by tri-partite boards, and often include training funds financed by payroll levies. The degree of employer involvement varies greatly. Madagascar (IDA funded) 10 of the 12 members on the Board of the National Council for Technical and Vocational Training (CNFTP) were employers. In Cote d'Ivoire (FDFP) and Kenya (NITC) employers made up one third of the membership of tri-partite bodies. In Tanzania (VETA) only 2 of 11 members of the management board are employer representatives. In Brazil – SENAI the service is controlled entirely by employers without worker representation. In Singapore's WDA employers have a near majority (7 of 15 positions, including both Chair and Vice-Chair) compared with three positions for union representatives and four for government.

The functions of training authorities vary, but may include the following:

1. Market research on skills requirements
2. Policy development\*
3. Strategic planning
4. Development of occupational and training standards
5. Development of curricula
6. Assessment & certification of trainees
7. Regulation of training providers
8. Monitoring and evaluation of training
9. Information dissemination
10. Financing of training; and
11. Management of training institutions\*.

\*In some cases training policy and management of training delivery are functions retained by government ministries.

#### **Rationale for Training Authorities**

1. The main reason to establish an independent training authority is to involve stakeholders, especially employers, in directing and evaluating the training system. This cannot be done easily while TVET is the responsibility solely of government. Under exclusive government control employers tend to be

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<sup>12</sup> An alternative to separate, independent national training authorities could be training boards or councils. However, training boards have met with mixed results. One type of board is the committee or council that operates only in an advisory capacity. In Ghana, attempts to set up a national overseer body for training in 1990 led to the establishment of the NACVET, a largely advisory body within the Ministry of Education that does not have separate legal status. A recent World Bank project completion report found that the NACVET still lacked legal authority over the actors in the field more than a decade after its establishment. In Kenya, the National Industrial Training Council is purely advisory and has little real impact. It has presided over an ongoing deterioration in public provision of training. Following a controversial start, the new NSA in South Africa has been allocated a purely advisory role. (Johanson and Adams 2004 and Ziderman 2003, p. 76).

marginalized and have little incentive to participate. Experiences elsewhere (Singapore, Brazil, Madagascar) suggest that major employer participation is key to success in orienting vocational training to the kinds and quality of skills required in the job market.

In turn, greater employer involvement in all aspects of the design, management and delivery of training pays dividends – it enables better links with the labor market – matching training to employment needs. (In contrast, a common problem with school-based systems of TVET under ministries is that they tend to operate and continue to be financed in isolation from the labor market.) In addition, an employer role in system direction could help stimulate greater employer financial contributions to skills development.

2. Responsiveness. Another major reason to establish independent training authorities is flexibility and responsiveness<sup>13</sup> – by being outside the normal government bureaucracy training authorities can respond more quickly to changing conditions in the labor market.

3. Consolidation and coherence—A single training authority can consolidate fragmented units and achieve economies of scale in performing the various functions. It can combine relevant government agencies into one body at the central level for more coherent policymaking and allocation of public funds. In addition, it could better address cross-sectoral issues and requirements. And located outside any Ministry it could avoid vested interests of sectoral training infrastructure.

4. Comprehensiveness. Another reason for a consolidated training agency would be to broaden the scope of attention to all forms of skills development and all types of providers, i.e. not just pre-employment training in public institutions, but enterprise-based training in the modern sector and in the informal sector.

5. Professionalism. Being outside the civil service a training authority could potentially offer higher salaries and thereby attract, retain and motivate high quality staff. It could build the professional capacity and incentives necessary to manage the TVET system properly. It could establish more efficient and accountable procedures. Thus, a training authority could become a force for revitalization and expansion of skills provision.

6. Training markets. A training authority could become an intermediary to help stimulate a training market. Promotion of private (non-government) training – can be done more readily/easily by an independent organization with private participation.

7. Status. Independent status could help raise the image of skills development counter the prevailing negative social attitude towards technical-vocational training.

### **Risks, Lessons and Design Considerations.**

1. Ensure sufficient authority. National training authorities must be vested with real authority. Too often these bodies lack teeth and are essentially consultative to the relevant minister. Such organizations, despite their value, do not radically improve matters unless they can make decisions and control the allocation of resources. Lessons: The training authority should be independent. The autonomy of these bodies also helps preserve their pluralism. Employers and unions should select their own Board members.

2. Avoid unclear division of authority and responsibilities. Often government ministries maintain some residual responsibility for TVET once a training authority is established. In some cases, e.g.

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<sup>13</sup> Routine administrative tasks can be effectively carried out hierarchical bureaucratic structures and processes, such as rules and standard operating procedures under routine administration of general education programs. These are termed “mechanistic” approaches. However, effective training organizations require high degrees of adaptation to uncertain, changing labor markets and clienteles, or “adaptive” management. (Middleton, Adams and Ziderman, *Skills for Productivity*. World Bank, 1993, 274-276.)

TEVETA in Zambia, this lack of clarity led to protracted tensions and unproductive conflict. The lesson here underlines the need for crystal clear division of authority and responsibilities between the training authority and any residual ministerial functions.

3. Ensure sufficient employer representation- Balanced representation is critical to the success of NTAs, especially the weight of employers in governing bodies. In Tanzania, only 2 employers sit on the 11-member VETA Board. In Madagascar, the Conseil National de la Formation Technique Professionnelle (CNFTP) has an employer majority (10 of 12 seats). In Côte d'Ivoire and Zambia, employers represent one-third of the members. In the IVTB in Mauritius, the private sector (employers) has a 50 percent share in governance. Unless employers are given sufficient power in the decision-making process, training may not be adjusted to serve the skills needs of the business community. In addition, it is important that employer representatives have close and frequent contact with their membership. Bureaucrats in employer organizations do not ascertain labor trends in industry automatically. The experience of other countries shows that balanced representation is critical to the success of national training strategies (see box).

#### **Box . Employer-Owned and -Managed Training in Brazil**

Experiences in Brazil, one of the earliest countries to adopt levy-financed training authorities, underscore the importance of ownership and employer participation. The chronic gulf between supply and demand is bridged by giving full control of training to its users. The National Industrial Apprenticeship Service (Serviço Nacional de Aprendizagem Industrial [SENAI]) was created in the 1940s and operates under the ownership of the Federation of Industries. SENAI was followed by four other sector-specific services aimed at, respectively, commerce (SENAC), rural areas (SENAR), small enterprises (SEBRAE), and transport (SENAT). All the institutions operate under the same basic structure and legal framework. The industries tax themselves to fund their training programs. A 1 percent levy on the payroll funds the training operations, and the chambers of employers run the institutions with full independence and under private sector statutes. All five institutions have evolved in separate directions. SENAI maintains a network of 500 training institutions and trains 2 million workers a year. SENAR and SEBRAE were first created as government bureaucracies, but this led to inefficiencies, lack of responsiveness and flexibility, and political spoils. They were recreated more recently with ownership, management, and budgets given to the respective employer associations. Because training markets had already been developed in the country, both SENAR and SEBRAE opted to buy training in the market rather than to establish their own training institutions. SENAT, the most recent offshoot of SENAI, with the same rules and legal framework, took an entirely different path for delivery of training. It created an extensive network for training via satellite for more than 1,000 firms throughout the country.

Lessons: Employers should have a *major* role in direction of the training authority. If one thing could be done to ensure the effectiveness, this would be it. Experience elsewhere (Brazil, Singapore) suggests that employers will take training seriously if they have major stake in it, i.e. a direct majority role in direction of the system. In addition, consideration should be given to ensuring a non-government Chairman of the Board, and the post should be held for a minimum of three years and not rotate among stakeholders. Moreover, it is essential that employers be equal partners in *designing* any training authority.

4. Avoid conflicts of interest- potential conflicts of interest arise when the training authority both provides financing and owns (manages) its own training institutions. Tanzania and Mauritius illustrate the problem of conflict. Tanzania's Vocational Education and Training Authority (VETA) is financed through a two percent payroll tax on formal sector enterprises. The revenue finances mainly the operations of VETA itself – the administration and the functioning of its training centers. The more than 700 private training providers outside the VETA system in the past received only five percent of the total levy revenue. A private training market exists, but it is not encouraged or developed through VETA because VETA takes care of its own institutions first. Subsequent structural changes in Mauritius have eliminated the conflict of interest. The Industrial Vocational Training Board (IVTB) was initially a provider, a facilitator and a regulator of training in Mauritius. However, experience showed that the three roles of IVTB could give rise to conflicts of interest and were inconsistent with the principle of good governance. It was decided in 2001 that the IVTB would concentrate on its role as provider of training. In 2002, the role of regulator was transferred to the Mauritius Qualification Authority (MQA). The role of facilitator (design and management of the levy grant scheme) was transferred to the Human Resource Development Council (HRDC) in 2004.

However, there are no guarantees that a training authority would in fact be better than arrangements under a government ministry. A DANIDA evaluation of its assistance to training authorities in Tanzania and Zambia pointed to the complexities and difficulties involved in establishing national training authorities. Enabling legislation was delayed in Zambia and it was difficult to “create a new organizational culture” in Tanzania. DANIDA indicated that the new national training bodies were a considerable improvement over the purely advisory boards that they replaced; however, most did not function as effectively as envisaged. Employer representation was limited in Tanzania and sustainable financing was not assured in Zambia.

Sources:

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Indermit Gill, Fred Fluitman and Amit Dar. 2000. *Vocational Education and Training Reform: Matching Skills to Markets and Budgets*. ILO and World Bank.

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## Annex 5: Notes on Financial Transfer Mechanisms

### Financial Transfer Mechanisms<sup>14</sup>

The way funds are transferred (financial transfer mechanisms) can be as important as the amounts transferred. Funds can be transferred in ways to provide incentives to achieve TVET policy objectives. Such mechanisms typically do not require additional resources.

*Ad hoc funding.* In public training institutions funds are typically transferred based on last years' budget, negotiations and available funds, that is, based on previous history. This is often augmented by across-the board incremental budget increases. This system of financial transfers is rooted in the status quo. Few or no performance conditions are attached to the transfers. The major shortcomings of ad hoc funding are lack of incentives to (1) promote greater efficiency or (2) adapt to labor market needs. Ad hoc funding encourages complacency among training providers. Salaries and budgets are received regardless of performance. Training provision remains static and supply-driven. Instead of transferring resources to institutions on a historical basis, public resources could be transferred on the basis of input or output criteria.

*Input based funding-* (normative financing). Institutions could be financed according to the estimated costs of inputs, for example by using norms such as the number of trainees enrolled or the number of classes taught. The most common approach is to multiply enrollments by a parameter of unit costs. Formulas can be refined by providing different weights (coefficients) to reflect the differing costs of training. They can also provide premiums for enrollment of disadvantaged students. Funding formulas based on average costs clearly promote expansion of enrollments. By linking funding to the cost of training, input funding also achieves greater accountability than ad hoc budgeting. However, incentives for enrollment expansion do not take into account quality of training offered or its job relevance. Moreover, input budgeting promotes training in isolation from employment needs and the job market. Thus, input funding does not overcome the inherent weaknesses of direct allocations – (i) the lack of incentives for quality assurance or efficiency; and (ii) the lack of incentives to close the gap between training and employment needs.

*Output –based funding–* (performance-based funding). These criteria pay on the basis of results. Output-based funding rewards training institutions for meeting predetermined levels of training delivery. Output targets can be defined in absolute terms (e.g. number of course completions, pass rates on examinations) or in relative terms (years of completion.) Output-based funding related mainly to process, the internal training activities of the training provider. Output-based funding promises enhanced efficiency of the training process. However, it is unlikely to forge better absorption of trainees in the labor market, i.e. it does not result in a greater demand-driven orientation of training.

Another form of output-based funding focuses on *outcomes*, how well the training programs impact on the labor market. Outcome targets measure the success of training providers in meeting labor market needs (e.g. job placement within a reasonable time.) The key for both types of targets is to

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<sup>14</sup> This annex is derived mainly from Adrian Ziderman, 2003, *Financing Vocational Training in Sub-Saharan Africa*. World Bank, pp. 130-134.



define transparent and measureable criteria that are easily completed but not easily manipulated. This can be difficult. Outcomes, for example, are not easily measured. Training providers could resort to “creaming”—screening out less promising candidates so as to maximize results. Creaming is likely to exclude the poor, unemployed youth, and other disadvantaged groups. This can be countered by giving greater weight in the reward structure to performance of the disadvantaged population. Performance-based funding can also lead to instability, particularly during weak economic growth cycles. Thus, output-based funding is unlikely to be successful if used as the sole criterion for funding.

Since output-based financing may not be successful by itself, a composite funding formula may be most appropriate. The composite formula could include such elements as institutional inputs, outputs, desired labor market outcomes and the training of special groups. The input element (probably total enrollment) would offer funding stability; the output element would provide incentives for internal efficiency (e.g. completions); the outcomes element (e.g. job placement) would reward external efficiency and labor market linkages; the target group element would facilitate achievement of social goals.

*Contract funding.* – Transferring funds to training institutions by means of contracts between the funding agency and the training institution. The contract specifies the range of training services to be provided and perhaps also performance conditions for payments. However, if the practice is limited to public institutions it can operate as a “closed shop” denying entry to private providers. A system of competitive bidding for contracts can provide a better cost-conscious environment if private providers can compete on equal terms with public providers.

*Competitive funding.* Funds are normally accessed on a competitive basis using a transparent process of proposal submission, peer review and management approval. They are usually implemented through performance agreements that include previously defined measurable outcome indicators. The competitive aspect of these funds generally makes them more efficient instruments for the allocation of public funding than more traditional approaches based on ad hoc budgetary planning. Second, they have proven to be effective mechanisms for improving educational quality and relevance in TVET. In this regard, they have been particularly useful in promoting the introduction of self evaluation and strategic planning within TVET institutions and fostering “ownership,” (i.e., commitment) among institutional staff. Finally, competitive funds are flexible and can quickly respond to changing policy priorities. Adjustments to institutional eligibility criteria and proposal evaluation criteria can easily re-orient the fund from one year to the next. Competitive funds have been used frequently in World Bank TVET projects with some success, such as for informal sector training in Cote d’Ivoire. However, competitive funds have some limitations. They are not particularly effective in promoting system-wide or policy reforms. They may not lend themselves to being used in countries with wide-ranging differences in institutional capacities. In such cases strong institutions may capture the lion’s share of fund resources.

*Vouchers* (indirect allocations- trainee-based funding.) Rather than state support to public training by transfer of funds directly to the institution, an alternative would be to transfer funds to trainees. One way to do this is through training vouchers. Trainees could use the vouchers to pay for tuition and other fees charged by the institutions. Vouchers could be tenable at private training institutions, increasing market competition and widening trainee choices. Benefits of competition, at least in theory, are to broaden the type of courses, raise quality and reduce costs. Several examples exist of experiments with vouchers for specific purposes – the Jua Kali project in Kenya, the intake voucher

scheme in Ghana and a scheme in Mauritius for SMEs. In Kenya availability of demand-side vouchers stimulated a training supply response among master craftspeople. Experiences this far also suggest that effective voucher systems require (i) sufficient administrative capacity to implement them, (ii) sufficient institutions within a catchment area to provide genuine choice, and (iii) safeguards to avoid collusion between the voucher holder and training provider (e.g. the provider provides a kick-back to the voucher holder without actually providing the training.)

**Table 1- Summary of transfer mechanisms by objective**

<b>Policy Objective</b>	<b>Appropriate transfer mechanism</b>
1. Increase relevance to labor market	<ul style="list-style-type: none"> <li>• Earmarked grants or scholarships for trainees to train in priority fields</li> <li>• Formula funding that assigns greater weights to high priority fields</li> <li>• Competitive funds with priority given to the relevance of program offerings.</li> </ul>
2. Increase access	<ul style="list-style-type: none"> <li>• Input-based funding, such as per-student financing</li> <li>• Uncapped enrollment-based funding formulas provide a strong incentive to institutions to increase enrollments</li> </ul>
3. Increase equity	<ul style="list-style-type: none"> <li>• Ad hoc budgets and input-based formulas tend not to help disadvantaged students because the institutions, rather than the individual, received the funds. One exception could be paying institutions premiums for enrolling and graduating disadvantaged students (a type of performance-based funding.)</li> <li>• Instead, support trainees directly to raise their participation through vouchers.</li> </ul>
4. Raise quality	<ul style="list-style-type: none"> <li>• Funding formulas based on defined quality measures, e.g. trainee pass rates on national assessments</li> <li>• Competitive funds are probably the best way to achieve quality improvement and innovation. They can target key innovations likely to raise quality.</li> <li>• Demand side vouchers should foster competition among institutions for trainees and increase system quality</li> </ul>
5. Increase internal efficiency in use of resources	<ul style="list-style-type: none"> <li>• Formula funding based on average unit costs per student.</li> <li>• Competition for funds with the private sector eligible to compete with public institutions on an equal basis</li> <li>• Performance-based contracts that link funding to performance on costs (e.g. costs per graduate.)</li> </ul>

Based in part on Jamil Salmi and Arthur Hauptman, 2006, *Innovations in Tertiary Education Financing: A comparative Evaluation of Allocation Mechanisms*. Education Working Paper Series No. 4, World Bank.

## Annex 6: Notes on Training Levies

### Training Levies<sup>15</sup>

#### Overview of levy systems.

Earmarked taxes for training can be levied on turnover, production or contracts. The most common form is a levy based on company payroll. Payroll training levies are basically of two types: revenue generating levies and incentive schemes for enterprises. Incentive schemes, in turn, are made up of three types: cost reimbursement, levy grant and levy exemption or rebate. However, few pure models exist and they tend to change over time. For example, training levies that started as purely revenue-generating schemes have become mixed with the inclusion of elements of levy grant or rebate.

Over sixty countries have, or had, training levies of various kinds. Most of these are in Latin America and the Caribbean, Sub-Sahara Africa<sup>16</sup> or Europe. The three main types are revenue-raising, levy-grant and levy-exemption. The great potential of levy schemes for expanding the tax base for training explains the wide dissemination of training levies.

Training levies are not restricted to larger countries. They operate in countries with relatively small populations – Fiji, Marshall Islands, Botswana, Mauritius, Barbados, Jamaica, Namibia and countries of Central America. However, levy success depends on a sufficiently wide economic base in the formal sector and reasonable administrative capacity. These schemes are more effective in countries with large formal sector, i.e. a large tax base. They are less effective in countries with highly informal economies. Therefore training levies tend to apply almost exclusively in middle and upper income countries where these two essential conditions exist, not in low income countries.

The coverage of levy systems varies widely from country to country. Most schemes exclude the public sector from collections (Mauritius, Tanzania, South Africa.) This may result in a cross subsidization of training for public sector employees by the private sector to the extent that public employees are trained with levy money. Size of company included also varies. The Nigerian scheme covers enterprises with 25 or more workers, SENATI in Peru with  $\geq 20$  workers,  $\geq 10$  workers in Colombia, and  $\geq$  five workers in Honduras, Venezuela and Costa Rica. The South African levy is assessed on firms with annual payrolls over R500,000. Most of the revenue collected by training funds comes from large and medium sized firms. Given the administrative costs and likely yield, collections from small firms may not be cost-effective.

Collection methods vary and include: self collection by the training fund (Kenya), collection by the social security agency (Namibia), but the most common and effective is collection by the tax administration (South Africa). VETA in Tanzania increased its revenue dramatically when it switched collections from the social security agency to the tax revenue authority in 2001.

In several cases payroll levies are appropriated by the central government and never reach the training fund. This has happened in Costa Rica, Gabon, Togo and, briefly, in Cote d'Ivoire. In other cases

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<sup>15</sup> This annex is summarized from Richard Johanson, *A Review of National Training Funds*, SP Discussion Paper 0922, World Bank, November 2009.

<sup>16</sup> The 17 countries in SSA with training levies include: Benin, Burkina Faso, Botswana, Cote d'Ivoire, the Gambia, Kenya, Malawi, Maldives, Mauritius, Namibia, Nigeria, Senegal, South Africa, Tanzania, Togo, Congo and Zimbabwe. See Attachment 1.

payroll levies have led to unspent surpluses, in effect becoming an over-sheltered source of funding. This has happened in Zimbabwe where revenues from training tax far exceeded the demands of cost reimbursement. This led to questionable forays into fields unassociated with objectives of the fund (e.g. purchase of real estate.) This highlights a central question: how can a payroll tax system be made flexible enough to respond to changing requirements and avoid surpluses without forgoing the benefit of stable funding?

### Strengths and weaknesses.

The strengths and weaknesses of training levy systems are well documented. Table 2.2 provides a summary of the main points.

**Table 1- Advantages and limitations of levy systems.**

Advantages	Limitations
<ul style="list-style-type: none"> <li>Earmarked payroll levies can be viewed as “benefit taxation,” i.e. those that benefit (employers and workers) pay for the training.</li> </ul>	<ul style="list-style-type: none"> <li>Earmarked taxation does not conform well with the principles of sound public finance and weaken attempts to unify the national tax system.</li> </ul>
<ul style="list-style-type: none"> <li>Levy systems can augment substantially the resource base for training.</li> </ul>	<ul style="list-style-type: none"> <li>Payroll levies raise the cost of labor to the employer, possibly discouraging employment.</li> </ul>
<ul style="list-style-type: none"> <li>Increased training resources, in turn, can substantially increase the incidence of training</li> </ul>	<ul style="list-style-type: none"> <li>Employers may shift the incidence of the levy on to workers in the form of lowered wages; in this case, workers and not the employers bear the burden of the tax.</li> </ul>
<ul style="list-style-type: none"> <li>Levies can provide a steady and protected source of funding for training, particularly in the context of unstable public budgets.</li> </ul>	<ul style="list-style-type: none"> <li>Insecurity of income: Under fiscal pressure, government may divert levy proceeds into general public tax revenues for non-training uses</li> </ul>
<ul style="list-style-type: none"> <li>Levy-grant systems can encourage firms to intensify their training efforts, increase training capacity and raise training quality.</li> </ul>	<ul style="list-style-type: none"> <li>Unequal access: many firms, particularly small ones, do not benefit from the scheme; this breeds resentment, opposition and compromises the status of training levies as “benefit taxation”</li> </ul>
<ul style="list-style-type: none"> <li>Training levies collected from formal sector employers can serve as a vehicle for cross subsidization, e.g. for smaller employers and especially for firms in the informal sector.</li> </ul>	<ul style="list-style-type: none"> <li>Inefficiency: Payroll levies may constitute an over-sheltered source of funding, leading to unspent surpluses, inefficiencies and top-heavy bureaucracies</li> </ul>
<ul style="list-style-type: none"> <li>Funds with tri-partite management can forge cooperation among the social partners and facilitate formulation of appropriate training policies.</li> </ul>	<ul style="list-style-type: none"> <li>Red tape may erect high barriers for firms to access funds</li> </ul>
<ul style="list-style-type: none"> <li>Funds can influence the quality of training through accreditation procedures and helping to stimulate a competitive training market.</li> </ul>	
<ul style="list-style-type: none"> <li>Levy-financed funds can also help correct imbalances in training access by pooling funds – e.g. for training disadvantaged segments of society, unemployed, those in the informal sector. This redistribution can be termed “cross-subsidization.”</li> </ul>	
<ul style="list-style-type: none"> <li>Establishment of a separate training fund account can facilitate transparency and minimize distrust between employers and the public sector</li> </ul>	

**Sectoral levies.** Sectoral, or industry-specific, training funds are an alternative to national (centralized) funding models. Sectoral levies are limited to a defined sector of the economy, such as industry or transport. In some countries sectoral training funds have been established based on

training levies. This includes Brazil (SENAI in industry; SENAC in commerce; SENAR in agriculture; SENAT in transport), Peru (SENATI in industry and SENCICO in construction) and in South Africa (23 sectoral training authorities- SETAs.)

A national system of sectoral funds can focus on the training needs of particular sectors and in principle engender a greater sense of ownership among the enterprises. Sometime sectoral funds can address specific manpower or qualification shortages. A national system of sectoral funds offers the advantages of flexibility and the ability to focus more directly on the particular, often differing, sectoral training needs. They may be more palatable to employers because of a sense of greater industry-specific orientation, less bureaucracy and greater sense of ownership. However, sectoral funds suffer from narrow focus which runs counter to an integrated, national approach to skills development. The argument against these sectoral funds is that they lock up resources in the sector when national interest may require reallocation of training funds across sectors, i.e. from non-growing sectors with old technology to rapidly growing sectors with new technology. They do not facilitate redistributing funds across sectors or financing non-sector related skill priorities. Sectoral funds may duplicate efforts and fail to develop common core skills, transferable across industries. A purely sector-by-sector approach is also poorly adapted to regional needs.

**Addressing small enterprises.** Virtually all levy-financed training funds experience difficulties in fostering participation by small enterprises. Several factors account for this. lack capacity to assess training needs and design appropriate programs. Production suffers when key employees are released for training; the time away from work can be costly in foregone output. Small enterprises often face constraints in cash flow to pay for training. The smaller scale of training required adds to costs. Small firms may be unaware of the benefits and availability of training. Small companies tended to lag behind because of diseconomies of scale, lack of knowledge about how to train, lack of financing and low skills demand from use of mature technologies. Both the SDF and HRDF have developed explicit programs to target small enterprises. These included vouchers to ease cash flow constraints, grants for training needs analysis and course design, and simplification of administrative approvals.

**Type 1: Levies to raise revenue for pre-employment training.**

The principal rationale of pre-employment training funds is to increase the supply of well trained individuals in the labor market and reduce the gap between supply and demand for skills. The objectives typically are to create an adequate training supply for the needs of employers and create the necessary training capacity to do so. The source of financing is a compulsory revenue-generating payroll levy on formal sector enterprises employing at least a minimum number of employees (usually 5-20). Enterprises paying the levy do not benefit directly in that their workers are usually excluded from the pre-employment training. However, they benefit indirectly in being able to recruit more highly training workers. The modus operandi is for the payroll levy to finance the establishment and operation pre-employment vocational-technical training institutions owned and operated by the training agency. Pre-employment training funds are found mostly in Central and South America, but also in Hungary, Mauritius (previously) Tanzania and Fiji. Pre-employment training funds have built training capacity and increased substantially training output in several countries. For example, SENAI in Brazil trains 2.8 million people p.a. and has accounted for over 30 million trainees since its creation. Where governed by employers pre-employment training funds can increase the relevance of training to economic requirements.

**Table 2. Advantages and limitations of revenue-generating levy systems**

Advantages	Limitations
Constitute a sheltered source of funding for national training systems, more stable than public financing.	Develop large bureaucracies in some cases. Some agencies under-provide training and accumulate unnecessary surpluses and use payroll funds for non-training purposes. (e.g. Zimbabwe.) SENA in Colombia built up surpluses to expand gradually into agriculture, construction and training for self-employment.
Increase the volume of financing available for training, reducing the burden of training funding falling on the state.	Use funds inefficiently, in some cases
Compensate for weak public financing of training where public sources are severely constrained.	Lack direct incentives for enterprise training.
Build competent national training capacities, as in Brazil and Colombia.	Do not benefit employers in proportion to the paid levies. For example, enterprises with high average wages may have highly trained workers and pay high levies, but receive little training. It may be difficult to sustain employer interest.
Enhance accountability to employers who finance them, e.g. in Brazil,	Tend not to build training markets, as the agencies finance their own training institutions first and foremost. It is important not to crowd out private training providers
Foster more efficient institutional management when employers are in charge.	Can cause government to reduce or eliminate its funding of training (example: Tanzania).

**Type 2: Levies to Stimulate Enterprise Training.**

The rationale of enterprise training levies is to raise the productivity and competitiveness of firms through worker training. The objective is to increase the incidence of training within firms. The source of financing is enterprise levies, usually on payroll. The modus operandi varies according to type of scheme: (a) cost reimbursement, (b) levy-grant and (c) levy exemption (train, or pay). Beneficiaries tend to be larger enterprises, and within enterprises, those at higher occupational levels. Small firms tend not to benefit. Enterprise incentive funds are the most common form of levy scheme world-wide. They require administrative capacity to operate and often discourage participation because of red tape. Although rigorous evaluation is generally lacking, in some cases levy schemes have led to an increase in the volume of training within enterprises.

1. **Cost-Reimbursement.** Formal sector employers above a minimum number of employees pay a levy into a training fund usually based on the payroll. Approved training expenditures are reimbursed in part, within the limits of the levy paid by the enterprise. In practice, reimbursement is set below the levy paid to cover central administration costs and sometimes to allow for central expenditures on other training services. Nigerian Industrial Training Fund (ITF)<sup>17</sup> is an example. Firms can qualify for not more than 60 percent of the levy paid, and in practice less than 15 percent of firms apply for reimbursement for training costs.

<sup>17</sup> In addition to operating the cost-reimbursement scheme, the ITF finances and operates its own training centers, provides advisory services to companies on training and in developing training plans.

**2. Levy-grant (Cost-redistribution).** Levy-grant seeks to redistribute the burden of training expenditures among enterprises. This is designed to counter the ill-effects of poaching on training supply. The modus operandi involves the collection and administration of the levy by a special training fund. National or sectoral funds or boards are created, usually tri-partite in nature. These funds collect levies and decide on the distribution of training grants among enterprises. Grants are offered to enterprises on a case-by-case basis in accordance with agreed criteria. The grants need not reflect an enterprise's payments; training companies can receive grants far in excess of the amount paid, thus providing incentives for firms to train. Funds can be targeted on a variety of benefits, including on the implementation of national or sectoral training policies. Cost-redistribution schemes allow a much greater distribution of funds towards enterprises that train than revenue raising levies. The drawback of the mechanism is the cost of administration in terms of case-by-case decision-making. Many training funds have elements of cost-redistribution, e.g. Mauritius.

**3. Levy-Exemption. (train, or pay)** Under this variant, firms are exempted from paying the training levy to the extent that they provide approved training to their workers. The government fixes the percentage of a payroll either to be spent on training or transferred to the fund. The employers manage their compulsory training allocation within agreed regulations. Companies report their training expenditures. Any balance is transferred to the government budget or a central training fund. This can also be called "train, or pay" schemes. Examples: France, Quebec.

Each of the three types of levy schemes has advantages and limitations, summarized in the table below.

**Table 3- Advantages and Limitations of Enterprise Training Incentive Schemes by Type**

Type of incentive scheme	Advantages	Disadvantages
<b>Cost-Reimbursement</b>	<ul style="list-style-type: none"> <li>• Supports industry training initiatives</li> <li>• Leads to improvement of company training in some countries, e.g. development of training policies, requirement of company training plans, and central advisory guidance on training</li> </ul>	<ul style="list-style-type: none"> <li>• Imposes high administrative and maintenance costs which reduce the amounts that can be returned to employers</li> <li>• Tends to favor routine training instead of new programs</li> <li>• Deters many enterprises from applying because of bureaucratic requirements and paperwork</li> <li>• Delays training within enterprises in some cases because of a slow approval process</li> </ul>
<b>Levy-grant</b>	<ul style="list-style-type: none"> <li>• Promotes the allocation of resources to priority training programs</li> <li>• Supports industry-wide training initiatives</li> <li>• Changes priorities flexibly in accordance with changed circumstances</li> </ul>	<ul style="list-style-type: none"> <li>• Imposes high administrative costs</li> <li>• Requires effective management skills and capacities</li> <li>• Excludes many enterprises paying the levy from funding</li> </ul>
<b>Levy-Exemption</b>	<ul style="list-style-type: none"> <li>• Keeps financial allocations within enterprises; employers are free to plan, manage their funds and administer their training.</li> <li>• Economizes on costs --Central administration of funds is not required; the national cost of administration is</li> </ul>	<ul style="list-style-type: none"> <li>• Ineffective spending of the compulsory allocation in some cases</li> <li>• Cannot support broader sectoral (or national) training priorities and activities.</li> </ul>

	<p>low.</p> <ul style="list-style-type: none"> <li>• Forges links between employers, schools and agencies, and stimulates the development of private training markets through the option for training institutions to compete for employer grants (French apprenticeship tax).</li> </ul>	
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Some common concerns training funds, including levy funds, are presented in the Annex on Training Funds. This includes governance, who decides on allocations, administrative autonomy, degree of competition and support for small enterprises.

### Specific Considerations for Levy-financed Training Funds

Levy schemes have had a positive impact on quantity of in-service training of workers. At least quantitatively, training levies achieved their objective of increasing the incidence of enterprise-based training. (Brazil, Singapore, Malaysia, South Africa). However, the benefits of levy-financed training funds were not evenly distributed. They tended to mirror the incidence of enterprise-based training in general. Larger firms benefit disproportionately. Smaller firms rarely participated for reasons explained above. “Small and mid-sized employers have rarely benefited from payroll levies in any country for which we have available evidence.” Some levy funds accumulated significant surpluses (Zimbabwe, Colombia) which led in part to significant overstaffing (Nigeria Industrial Training Fund.) Revenue-generating funds that gave preferential financing to their own training institutions tended to crowd out other training providers (Kenya, Department of Industrial Training; Tanzania.) Other funds suffered under excessive government control (Hungary, Togo), or excessive red tape.

The following list synthesizes good practices in the design and operation of levy-financed training funds.

1. Appropriateness- Avoid premature introduction of payroll levies. Payroll levies may not be appropriate in low income countries where the industrial base is limited and levy-income generating capacity is weak. Therefore a primary requirement is a sufficient number of formal sector enterprises with sufficient income to generate revenue. In low-income countries the industrial base may be too narrow, or the majority of enterprises located in the informal sector so as to preclude payroll levies
2. Employer agreement or “buy-in” -- Employer-buy-in for levy schemes is crucial. Extensive consultations and consensus with employers is essential on the need and benefits before introducing a levy scheme. Enterprises often see as an additional tax that they will recoup by lowering wages of the workers. Employers need to be consulted early and thoroughly – something that was not done in Tanzania and for which the levy scheme still lacks employer support.
3. Conflict of interest. Funds that give preference to institutions they own (Tanzania, Kenya, formerly in Mauritius) have an inherent conflict of interest. Giving preference to a funding agency’s own institutions can crowd out other (private, NGO) training providers. In Kenya and Tanzania, with the levy going to support training institutions owned by the training authority, non-governmental providers of craft training tend to be neglected. This is also a tendency in Brazil where SENAI operates its own network of training institutions. There are exceptions to this rule, however, as in TPAF of Fiji which produces excellent training in its own institutions. Generally, however, training agencies and funds should avoid a direct training role, as does Chile’s SENCE.



4. Cross-subsidization. What share of the fund, if any, should be devoted to “cross-subsidization”, e.g. training for those in the informal sector, or for small enterprises that have not contributed? Cross-subsidization allows funds to be channeled to priorities outside the immediate collection area. Colombia (SENA), Cote d’Ivoire, and Burkina Faso, Mali, Benin all permitted funds raised from formal sector enterprises to be spent on training of workers in the informal sector. In South Africa cross subsidization is built into the levy design: 20 percent of levy proceeds are allocated to the National Skills Fund for equalizing access to skills.
5. Global versus sectoral coverage – A standard, national payroll levy is preferred to a sectoral levy for its greater ability to permit funds to be allocated where training needs are greatest. On the other hand, keeping funds in the sector where they were collected can increase the sense of ownership of training. Brazil has relatively few sectoral training funds (five) compared with the highly fragmented system of 23 sectoral authorities in South Africa, many of which may not be viable in size. Sectoral levies are more common in Europe, particularly in the UK, Denmark and the Netherlands – but most of these are the result of collective bargaining and sufficient administrative capacity exists to operate them. On balance, national levies are preferable in developing countries as they foster an integrated, national approach to skills development and require comparatively less administrative capacity than sectoral funds.
6. Periodically revised levy rate. Experiences in Latin America (Venezuela) and Africa (Zimbabwe, Mauritius) show that a rate too high may lead to surpluses and lavish bureaucracies. The lesson, therefore, is to adjust the rate periodically to ensure that the training is neither underfunded nor leads to surpluses. In Mauritius the rate was lowered when surpluses emerged.
7. Levy collection—Use effective agents. How to collect the funds efficiently without costing more in administrative expenses than the levy collects – integrating the levy collection with collection of taxes (South Africa) or social security often works; separate collection by a training agency usually does not (Kenya, Tanzania).
8. Security of levy proceeds –Avoid diversion to other purposes, including treasury confiscation. Levy funds should not be used for other government expenses, as has happened in the past in Costa Rica, Cote d’Ivoire briefly, The Gambia and Togo. Funds should be earmarked to be used only for training purposes, avoiding extraneous activities.
9. Types of levies. Which work best, and under what circumstances? Pre-employment funds supported by revenue-generation schemes should be seen as an initial means to establish national training institutions, to be augmented later by more cost-effective systems such as employer training incentives. All three types of in-service (enterprise incentive) schemes require administrative capacity and to an extent impose barriers to access by firms. Levy-grant mechanisms have the advantage of being able to address national priorities directly. Cost-reimbursement schemes can impose a high administrative burden on the training fund. Levy-exemption may have the disadvantage of a “leveling effect,” i.e. firms that would otherwise have invested more in training tend to reduce their effort to that required by law. More evaluation is needed to determine the relative cost-effectiveness of the different types of levies.

## Attachment 1 to Annex

## Training Levies in Sub-Saharan Africa by Type

Region/Country	Organi- zation	Levy Rate <sup>18</sup>	Type				
			Revenue- Generating	Incentive Schemes			
				Cost Reimb.	Levy Grant	Levy Rebate/ Exempt- ion.	
<b>SUB-SAHARAN AFRICA</b>							
1	BENIN	FODEFCA	2%			✓	
2	BURKINA FASO	FAFPA	4% *				
3	BOTSWANA	BOTA	0.2% of turnover, new			✓	
4	CONGO		1%	✓			
5	COTE D'IVOIRE	FDFP	0.4% + 1.2%			✓	✓
6	The GAMBIA	NTA	0.25% on company turnover- replaced by fixed payment			✓	
7	KENYA	NITC	Sectoral		✓		
8	MALAWI	TEVETA	1%			✓	✓
9	MALI	FAFPA	0.5%	✓			
10	MAURITIUS	HRDC/NTF	1%	✓			✓
11	NAMIBIA	NTF	1%, new			✓	✓
12	NIGERIA	ITF	1.25%	✓	✓		
13	SENEGAL	ONFP	3%	✓			
14	SOUTH AFRICA	NSF + 23 sectoral funds (SETAs)	1%			✓	✓
15	TANZANIA	VETA	2%	✓			
16	TOGO		1%			✓	
17	ZIMBABWE	ZIMDEF	1%			✓	✓
Totals**				6	2	9	6

\*\*Note- some funds have mixed types, i.e. more than one.

<sup>18</sup> On payroll unless otherwise noted.

## Annex 7: Notes on National Training Funds

### Training Funds<sup>19</sup> (TFs)

#### Overview

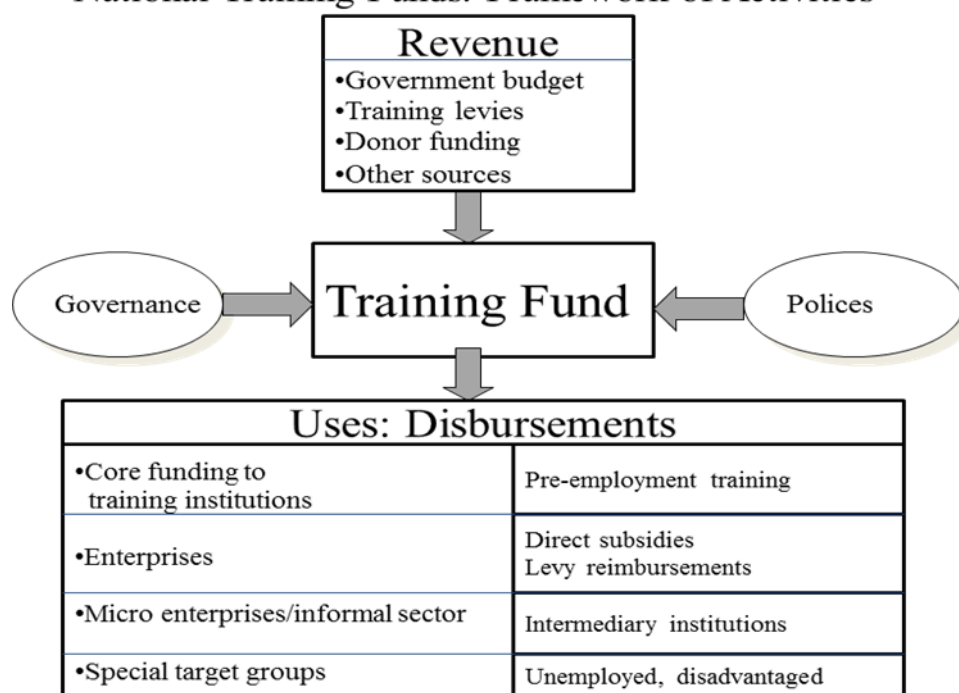
A ‘training fund’ is a dedicated stock or flow of financing outside normal government budgetary channels for the purpose of developing productive skills for work. The overall purpose of training funds is to raise the productivity, competitiveness and incomes of enterprises and individuals by providing them with needed skills. Many training funds are financed by levies on enterprises, but may also be based on public contributions and donor financing.

National training funds are an increasingly common vehicle for financing training. Training funds are a central instrument for financing training in many countries world-wide. TFs provide an institutional framework for collecting and allocating funding to training providers.

The functions may differ, but training funds often have the same objectives, coverage and modus operandi. Figure 1.1 shows the overall framework for training funds, depicting sources and uses of funds

Figure 1.1

#### National Training Funds: Framework of Activities



Source: Ziderman 2003, Figure 5.1.

<sup>19</sup> This Annex is based mainly on Adrian Ziderman, 2003, *Financing Vocational Training in Sub-Saharan Africa*, World Bank and Richard Johanson, 2009, *A Review of National Training Funds*, World Bank.

Figure 1.1 above emphasizes the diversity of sources of financing – including public, private and donor sources – and the diversity of beneficiaries of fund expenditures.

### Objectives and functions

A major question is why it is necessary to establish training funds separate from an account within government. Training funds promise several advantages compared with financing of training through public ministries. They can (a) contribute to resource mobilization from enterprises and donors; (b) involve employers and foster collaboration among stakeholders and social partners; (c) relate training supply better to market requirements through active participation by employers; (d) enhance quality through accreditation of training providers and insistence on performance conditions; (e) induce efficiency in the use of resources through competitive bidding on training contracts. Moreover, they can focus attention on neglected segments, such as small and informal enterprises, the unemployed and needs of women.

Generally national training funds serve to (a) unify various sources of financing for training, (b) augment the volume of resources for training, and (c) allocate the funds in accordance with national policies and priorities. Training funds may be single purpose, but most tend to have multiple objectives. These may include the following:

1. Unify and coordinate various sources of revenue, i.e. pooling of income from different sources;
2. Mobilize resources and increase revenue available for training;
3. Build pre-employment training systems and capacities;
4. Expand the volume of employer-based training by encouraging enterprises to invest more in worker training;
5. Provide equality of opportunity for access to training services by disadvantaged populations;
6. Improve the relevance of training, e.g. allocate funds according to employer priorities and market needs;
7. Raise the quality of training, e.g. through accreditation of training providers and specification of performance conditions;
8. Use training resources efficiently, e.g. lower the unit costs of training ;
9. Develop competitive training markets; and
10. Foster involvement by employers and collaboration among stakeholders

Multiple objectives also make it extra important to specify objectives clearly and to evaluate systematically outputs, outcomes and impact in relation to the stated objectives.

### Types of training funds

Three main types of training funds can be differentiated by purpose: pre-employment training funds that finance pre-employment training, enterprise training funds that finance in-service training of workers, and equity training funds that target disadvantaged groups.

**Table 1.1- Types of Training Funds**

Type	Main Purpose	Financing Sources
1. Pre-employment Training Fund	Finance the expansion and delivery of initial training before employment	Payroll levy- revenue generating
2. Enterprise Training Fund	Provide incentives to increase in-service training of workers within enterprises	Payroll levy- incentive schemes

3. Equity-Oriented Training Fund	Increase opportunities for skills acquisition by disadvantaged groups not covered by enterprise schemes	Public subsidy, levy or donors
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### Characteristics of training funds

Training funds originated with earmarked training levies – developed in several Latin American countries in the 1940s and 1950s. A protected depository was developed for the proceeds of the levy which accounts for the growth of special training funds. Early training funds (e.g. Brazil) tended to be single purpose – aimed at financing pre-employment training. Others focused on expanding the volume of in-service training within enterprises. Typically training funds exhibited a high degree of congruence between those who financed the levy and those who received the benefits. More recently, training funds have been increasingly regarded as a general funding pool for a wide variety of beneficiaries.

Most training funds receive their income from training levies, alone or in concert with funding from other sources, mainly government budgets. In other cases, no training levy exists and the government and donors remain the principal financiers.

Figure 1.1, above, shows the major categories for the destination of funds, sometimes called “funding windows.” A fund may not cover all the purposes. Each of the categories aims at different clients and represents a response to different training needs and policy objectives.

- Core funding for pre-employment training in training institutions constitutes the primary and most traditional use. This pertains mainly to formal sector occupations and employment.
- The second use can be for training of workers in enterprises, through apprenticeships, on-the-job training or training off the premises. This constitutes the bulk of training provided through training levies.
- Third, training funds may offer services to build the skills and productivity of people working in microenterprises and the informal sector. Given the small scale of such operators, the way to reach them is often through intermediaries, such as informal sector associations. Training for the needs of micro-enterprises and the informal sector has generally been neglected in traditional training programs.
- Fourth, training funds may open a funding window to train the unemployed or disadvantaged groups. Such training traditionally has been regarded as a government responsibility, but competitive contracting for such training is becoming a preferred mechanism to finance it.

The effectiveness of a training fund depends to a large extent on the degree of autonomy, participation of stakeholders and composition of governing bodies. Governance varies considerably across training funds. Some TFs are part of broader, usually autonomous national training authorities, vested with a wide range of powers and responsibilities. Others are more narrowly focused on specific sectors of the economy. Most training funds are statutory, quasi-autonomous bodies. They usually operate under the general umbrella of labor ministries and under the direction of a board with varying degrees of stakeholder representation. Board representation is typically tripartite (government, employers and unions), often divided equally among the three parties.

Historically, separate training funds were developed as part of training levy systems to protect the levy proceeds from government encroachment. But the main rationale for training funds is not protective. Rather, it is to evaluate and plan the needs of the training system as a whole, minimize

political intervention in the allocation of funding, and ensure that disbursements coincide with market needs. The benefits of autonomy are unlikely where ministerial control remains strong and where governing boards are unrepresentative of stakeholders, and advisory only rather than managerial.

Training funds are typically allocated functions that transcend simple disbursements. They must monitor the effects of the expenditures and the training system. They may also provide related services, such as advising enterprises on how to develop and improve training capacity. Some training funds, such as SENAI, are moving beyond training to give technological advice to firms. Often training funds are used to finance the wider responsibilities of national training authorities, such as developing training policies, supervising national skills testing and certification, and providing information about training demand and supply. Training authorities often are responsible for accreditation of training providers. More recently, national training authorities throughout the world have become involved in developing national qualification frameworks that establish skills standards and promise greater portability of skills. Independence from close ministerial control and strong representation of employers on NTA management boards can provide for strong enterprise links, flexibility and responsiveness and for fostering private training markets.

## **KEY QUESTIONS AND GOOD PRACTICE IN TRAINING FUNDS**

Some concerns tend to be common across all three types of training funds. Others are specific to levy or equity funds.

### **Common concerns.**

1. **Governance.** In levy-based funds countries that allocate a leading role to employers tend to be successful – e.g. Brazil, Singapore. However, balanced, tripartite governance (employers, unions, government) can also be successful – as in Cote d’Ivoire. However, over-control by government can have deleterious results (e.g., Togo). In Hungary employers felt that government exerted excessive control over funds and limited their effectiveness (Dar, et. al., 2003) Allowing employers to have a major -- if not majority -- say on fund allocations can go a long way to gaining their support for the levy. This is done in Brazil, where the employers control the allocation of training levies, and also largely in Singapore. The matter of governance and oversight is equally important in equity training funds. An example of good practice was the CNFTP in Madagascar on which ten of the 12 members represented employers. Where funds aim at assisting workers in the informal sector, representation by informal sector associations is appropriate.
2. **Allocations.** Who decides on the allocation of money to beneficiaries, and based on what criteria? What role will employers and workers play in allocating the funds? Their participation is crucial for success. -- Advice: if possible, give employers a strong, even majority, voice in allocations of funds they provide to ensure relevance (Madagascar CNFTP).
3. **Administrative autonomy, capacity and efficiency.** Administrative capacity is essential. Most successful levy-financed training funds in Latin America and elsewhere have a high degree of administrative independence. Administrative efficiency is required to reduce red tape and ease access to funds by deserving firms. The Singapore SDF, French levy-exemption scheme and the Malaysian levy-reimbursement schemes exemplify well administered programs (Gasskov 1994 in Dar, et. al. 2003) Transparency in decision-making is also important, as practiced in the Singapore SDF and Chile’s FONCAP.
4. **Competition.** The levy systems in France and Cote d’Ivoire actively encourage competition among training providers and development of training markets. Chile’s FONCAP, an equity fund,

finances training only through competitive bids from among one thousand registered and pre-approved training providers. Competition for funds was incorporated into several donor-financed equity training funds. Those that fostered competition among training providers tended to help stimulate training markets (PNG). In Cote d'Ivoire private training providers garnered the lion's share of the contracts awarded under competitive bidding (Annex 5.1). Competition also led to lower unit training costs in Cote d'Ivoire and PNG. However, in Cambodia unit costs for training were set so low they effectively eliminated private providers. Without a sufficiently wide spectrum of training providers, attempts at competition did not succeed (i.e. bids failed) in Burkina Faso, Mali and Benin.

5. Support for small enterprises. Both enterprise funds and equity funds attempted partly to assist small enterprises. Small enterprises operate under tight constraints that militate against participation in training, e.g. cash flow problems, inability to release workers for training, lack of knowledge and expertise about training. Malaysia and Singapore (Box 2.3) exemplify good practice in tailoring services to small enterprises through vouchers (to relieve problems of cash flow), technical assistance to assess needs and design programs, making deliver flexible to avoid time constraints felt by small enterprises and simplification of administrative procedures. Chile's FONCAP uses intermediaries to organize and contract training for groups of small enterprises, something they would not have capacity to do by themselves. Several equity training funds were able to provide skills to people working in the informal sector (Cote d'Ivoire, Cambodia, PNG.)
6. Evaluation of outcomes and impact. Few training funds went beyond enumeration of outputs (e.g. persons trained) to analyze impact (e.g. employment, worker productivity) and impact (e.g. increased individual incomes or company profits). Two donor-supported equity funds did this – Cote d'Ivoire and Cambodia – but only Cambodia compared the impact to training costs. Clearly, more and better evaluation is needed on the performance of training funds.

### **Key Considerations in Levy-financed Training Funds**

(See annex on Levy Financing)

### **Key Considerations in Equity-Oriented Training Funds**

Equity-oriented training funds can be an effective alternative to levy-financed funds in low-income countries where levy financing may not be feasible. Cote d'Ivoire, PNG and Cambodia demonstrated that donor-financed training funds can provide income-generating and income-increasing skills to vulnerable groups in the informal sector. They also stimulated competition among providers and achieved efficiencies by reducing unit costs of training.

Not as much evidence is available to provide examples of good practice for equity training funds. Still, equity-oriented training funds need to be designed to answer the following questions:

1. Targeting. The whole point of equity funds is to provide training services to disadvantaged groups. These groups are often dispersed in rural areas and not part of organized production. The cases in Cote d'Ivoire, PNG and Cambodia illustrate the importance of information campaigns and decentralized fund operations in reaching rural populations. In particular, employers in the informal sector often do not see the value of training in improving profits. Information campaigns are one means to change this view. The fund secretariat in Cote d'Ivoire had to be reorganized by adding a unit to deal with informal sector sub-projects.

2. Will funds be allocated to pre-determined quotas for funding “windows”, or open-ended in response to applications? How many windows can be serviced effectively? Will stakeholders be able to generate their own proposals? Proliferation of windows and sub-windows should be avoided– (South Africa’s NSF has nine main funding windows and nine sub-windows – too many to administer effectively; Chile’s FONCAP had twelve programs of widely varying size.)
3. Will private training institutions be eligible to receive funds – both non-profit and for-profit? If so, on what terms? (Chile exemplifies good practice in using competition among pre-approved private training providers. Cote d’Ivoire, Cambodia and PNG also financed training through private trainers).
4. How will quality be ensured in the delivery of training? In some cases (e.g. Chile FONCAP) training providers are pre-screened and have to meet minimum criteria to be able to receive funds. Development of training packages also helps to ensure standard content that meet quality requirements (as was done in Cote d’Ivoire and PNG). However, few funds require testing for competencies acquired as a result of the training.
5. How will the use of funds be accounted for and audited in specific sub-projects and contracts? This can become complex when numerous training providers win contracts. Proper accounting and auditing of sub-project funds must be designed before disbursements start. South Africa initially had trouble with venal practices in several of its SETAs.
6. Complementary inputs. In both Cote d’Ivoire and PNG lack of other necessary inputs (water, micro-credit and marketing) limited the impact on beneficiaries. Good practice would ensure the availability of such complementary inputs.
7. Sustainability- how will the funds be replenished? This is a crucial question for donor-financed funds. Donors can build the financing platform, but there needs to be a permanent source of financing for the Fund, e.g. government revenues, payroll tax or annuity. The PNG case is instructive on establishing a trust fund for training