

## Thematic factsheet



### Identifying opportunities

The overarching goal of VET Toolbox is to demonstrate that **local skills development systems** can be **flexible** and more **responsive to the labour market's needs**. When skills systems deliver the competent local workforce needed to support investments in Sub-Saharan Africa, foreign capital can create **local benefits**, including **decent jobs** and **income generation**.

As a predecessor of the Team Europe Initiative “Opportunity-driven skills and Vocational Education and Training (VET) in Africa” (TEI OP-VET), VET Toolbox is **piloting an opportunity-driven approach to VET**, linking skills development with investment opportunities for local value creation through employment.

**Identifying promising investment opportunities** for decent employment is the **starting point** of VET Toolbox’s pilot projects. **Different methodologies and approaches towards opportunity identification and exploration have been applied** by the implementing VET Toolbox agencies.

### Starting point

**Building up on pre-existing programmes:** Complementing existing skills development programmes can help quickly find the right sector and partners to work with. Some programmes can benefit from being reoriented towards specific investment/employment opportunities. This approach provides advantages in terms of efficiency, risk mitigation and sustainability.



- **Democratic Republic of the Congo:** VET Toolbox used synergies of the ongoing Enabel programme EDUKAT, benefitting from established partnerships, e.g. the strong support of the government(al) institutions, the local business federation, and innovative VET training centres, working in close cooperation with local companies.

**Using existing agency networks and presence to select new opportunities:** This approach enables the exploration of new sectors, fields for action and partnerships starting from a preexisting strong agency presence and network that allows for efficient implementation.



- **Senegal:** VET Toolbox built on LuxDev’s good reputation to reach out to new private sector partners and start a new partnership with the eco-construction company Elementerre.

**Applying an in-depth and lengthy opportunity exploration process:** Entering new partnerships after a thorough opportunity exploration is resource- and time-intensive with a higher risk of having to adjust chosen partners and investments during implementation. However, it leads to the exploration of new sectors and fields of work.

- *Malawi: VET Toolbox facilitated an extensive opportunity mapping, carrying out an economic appraisal of national investments across different sectors. An opportunity exploration phase allowed for the comparative assessment of the job-creation potential of shortlisted investments.*

## Private sector involvement in identifying investment and employment opportunities

Private sector involvement is key for identifying and taking up opportunities. With a focus on investment opportunities, it is essential for the **private sector to be consulted early in the opportunity identification phase.**

When responding to **priorities in pre-defined sectors** indicated by the European Delegation (EUD) or the government, private sector partners are usually identified through a more top-down approach within the selected sectors. In this case, identifying and consulting **business associations or sector skills councils** or other existing **public-private dialogues** (PPDs) structures prove useful, although single companies active in the sector can also be approached to identify employment opportunities.

If opportunities are explored in a **wider scope of sectors**, the private sector is consulted more broadly at a **higher level**. A successful approach in this aspect is the establishment of an advisory board gathering key actors such as the EUD, Chambers of Commerce, and national training funds, to propose and assess current and newly emerging opportunities across sectors.

In some cases, a **bottom-up approach applies**, where private sector companies come forward from their own initiative to highlight concrete ongoing investments or employment opportunities. This highlights the importance of PPD platforms where the private sector can express their needs towards VET actors, knowledge of the context, and participation in networking activities such as business fora.

## The choice of opportunity and its impact on employment

The choice of the investment (or employment) opportunity plays a key role in realising employment effects, and especially the **timing in investment planning and execution can determine employment results** within the project timeline. Where concrete/current job opportunities (vacancies), often resulting from private-sector investments, are identified, tailored training programmes can be designed to meet recruitment needs, enabling graduates to secure employment upon completion.

- *Côte d'Ivoire: The project identified more than 400 concrete vacancies lacking skills within companies in the ICT, renewable energy and eco-construction sectors. The training is fully taking place at the companies, and Memorandums of Understanding were signed to hire the graduates upon completion.*

However, in cases where the action strongly links to **single-company investments**, it is not necessarily clear how far this leads to sustainable job growth in the broader sector and value chain. Where activities are based on positive employment prospects resulting from (private or public) investments or responding to country-specific growth/dynamics in a sector, the (formal) market might not always be ready to absorb graduates immediately after training. Therefore, **immediate employment effects may remain limited** or lie mainly in self-employment or informal employment.

- *Kenya: The emerging e-waste sector mainly allows for informal employment for now, although prospects are improving with increasing regulations on e-waste and market development in the sector.*

Still, where actions are linked to long-term investment initiatives or there are concrete investment programmes planned in the future, **employment effects seem promising in the long run.**

## Key recommendations on opportunity-identification

- **Context-adjusted action:** As a first step, it is key to **gain a deeper understanding of the evolving needs and challenges** considering the specific circumstances surrounding investments, job opportunities and skills development through consultations and context analysis.
- **Existing agency networks:** Being able to **rely and build on established networks, existing expertise and ongoing programmes** in the country in the field of skills development and employment contributes to more efficient opportunity identification and allows for fast-tracking of implementation.
- **Pre-selection of sectors accompanied by stakeholder consultation:** Rather than conducting resource-intensive labour market analyses across sectors, **opportunity mapping should be focused on selected priority sectors.** The opportunity-identification process can be supported by focused, sector-specific analysis and stakeholder consultation, e.g. through PPDs that gather high-level public and private stakeholders orienting the action towards promising sectors and investment programmes, or even already highlight specific private sector investments.
- **The choice of the investment opportunity, considering employment effects:** Whether the action links to a concrete company investment or larger scale (public or private) investment programme – has an impact on its potential to create local added value, also along the value chain. The timing in planning and execution of investments is essential, as some investments might only be in the starting phase and not lead to immediate employment after training. It is therefore recommended to **carefully choose the type of investment, considering its timing**, against the backdrop of objectives and sustainability, weighing the advantages and disadvantages.
- **Sectoral and value chain approach:** To ensure that the developed training serves the broader interests of the entire sector and positively affects the value chain, it is essential to identify concrete skill needs and employment opportunities not only in collaboration with the investing company but also with other companies, including Micro-, Small- and Medium-sized Enterprises (MSMEs), within the sector or its value chain. It is recommendable to **prioritise employment opportunities that offer potential for sectoral and value chain growth**, ensuring sustainable development and expansion within the sector.
- **PPDs as sustainable platforms for systematic exchange:** To efficiently identify and address concrete employment opportunities, it is recommended to **set up or build on a (sector specific) PPD gathering the private sector, VET providers and government representatives.** Such platforms should offer a possibility for private and public actors to systematically exchange and address skills development, employment and investment needs/plans.



VET Toolbox is a programme developing opportunity-driven skills development initiatives aligned with investments' needs, supporting the private sector with local job creation. For additional information, please visit [www.vettoolbox.eu](http://www.vettoolbox.eu).

